

A REFERENCE GUIDE

# Glossary of *Housing* Terms.

*Shared language for anyone navigating the work of housing policy, development, and finance.*

---

TOPICS COVERED

- Affordable and Attainable Housing
- Zoning and Land Use
- Federal and Michigan Programs
- Housing Finance
- Real Estate Development
- Homelessness



**PREPARED FOR HOUSING FORWARD**

BY JENIFER ACOSTA  
ACOSTA DEVELOPMENT

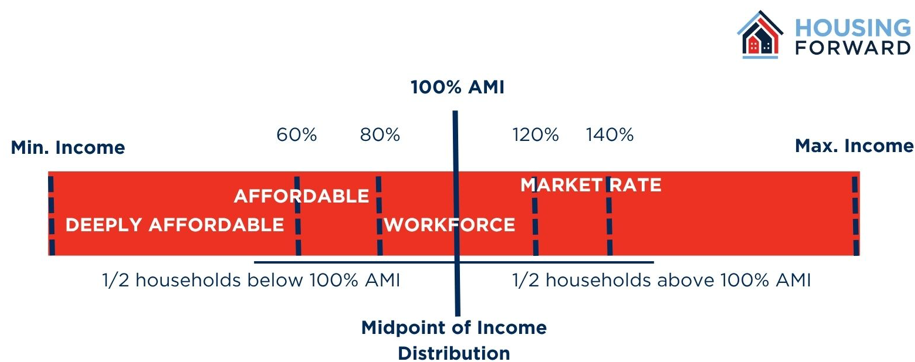
SECTION I · ORIENTATION

# About this Glossary.

*This glossary is designed to support elected officials navigating conversations about housing policy, development, and finance. Housing discussions often involve specialized terminology that can create barriers to informed decision-making.*

This reference guide compiles key terms from the worlds of affordable housing, attainable housing, housing finance, zoning, and real estate development, with particular attention to programs and tools relevant to Michigan communities. Sources include the Michigan State Housing Development Authority (MSHDA), the U.S. Department of Housing and Urban Development (HUD), the National Low Income Housing Coalition (NLIHC), and leading housing policy organizations.

Terms are organized alphabetically. Michigan-specific programs and a full acronyms table appear at the end of the document. A note on terminology: HUD formally defines three statutory income categories, namely Extremely Low Income (at or below 30% AMI), Very Low Income (at or below 50% AMI), and Low Income (at or below 80% AMI). The four-tier framework used throughout this glossary reflects widely adopted industry convention. The workforce and market-rate tiers are not defined by federal statute.



The area median income is the midpoint of a region’s income distribution, meaning that half of households in a region earn more than the median and half earn less than the median. A household’s income is calculated by its gross income, which is the total income received before taxes and other payroll deductions.

THE INCOME SPECTRUM ACROSS ALL HOUSEHOLDS IN A REGION.

SECTION I · REFERENCE

# Area Median Income.

Before any housing solutions can be discussed, a shared understanding of the income spectrum is essential. The table below shows how housing professionals, researchers, and local governments commonly describe each tier. Half of a county's households will earn above AMI; half will earn below it. The private market serves the upper portion well; public tools are needed for the rest.

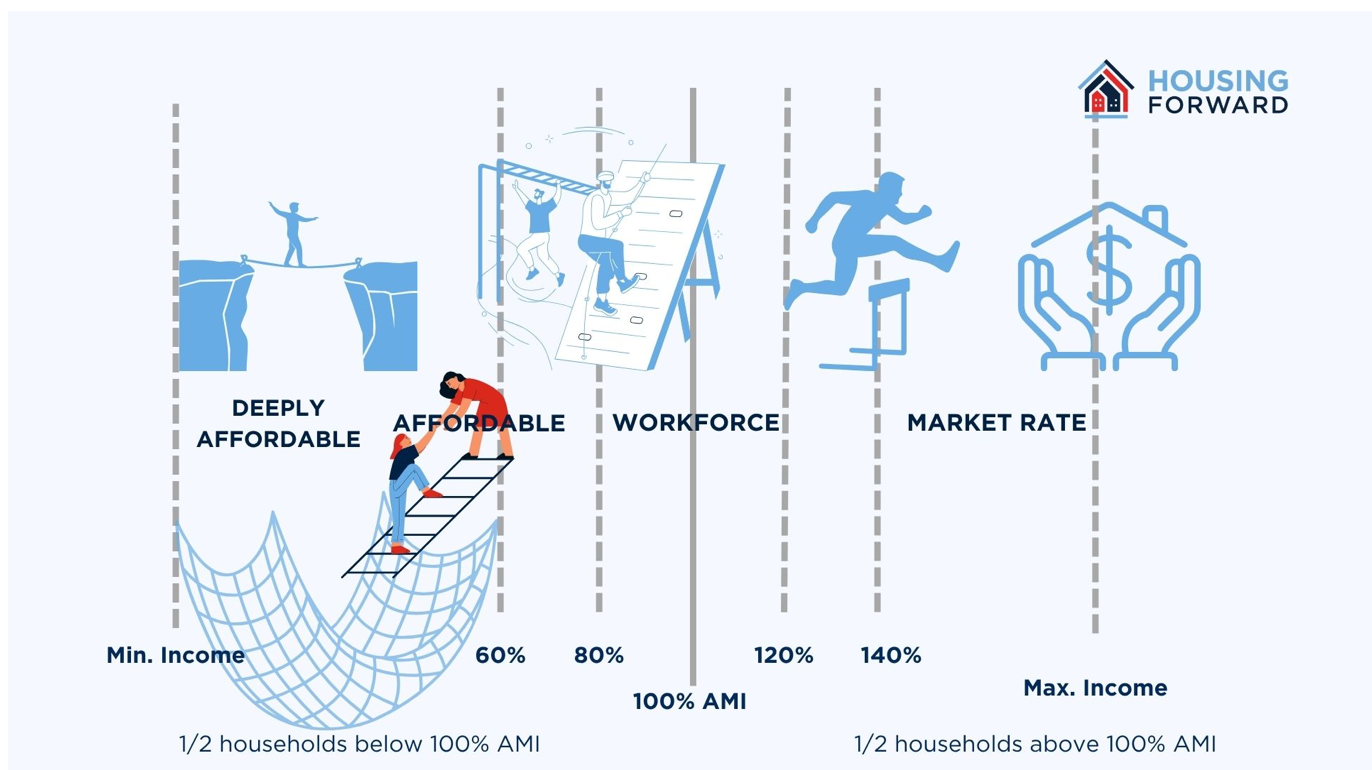
| AMI RANGE       | HOUSING TIER             | WHO THIS REPRESENTS   |
|-----------------|--------------------------|---|
| 0 to 30% AMI    | EXTREMELY LOW INCOME     | Food service workers, childcare workers, cashiers. Deepest subsidies required; often served by Permanent Supportive Housing or deep project-based rental assistance.  |
| 30 to 50% AMI   | VERY LOW INCOME          | Home health aides, building maintenance workers. Still heavily dependent on housing subsidies; typically served by Housing Choice Vouchers and LIHTC.   |
| 50 to 80% AMI   | LOW INCOME / AFFORDABLE  | Nursing assistants, retail supervisors, healthcare support workers. May qualify for LIHTC rentals; struggle to buy. Federal statutory definition of "Low Income."   |
| 80 to 120% AMI  | WORKFORCE / ATTAINABLE   | Teachers, skilled tradespeople, first responders, mid-career manufacturing workers. Too much income for most subsidized programs; too little to afford median home prices in many Michigan markets.         |
| 120 to 140% AMI | MARKET RATE              | Two-income professional households and upper-skilled workers. Generally served by the private market without subsidy. Some state programs (Fannie Mae, state bonds) extend workforce tools into this range. |
| 140%+ AMI       | LUXURY / HIGH-END MARKET | Higher-income households. Market produces this housing without any public support; luxury supply can influence overall market pricing over time.  |

Note: The 120 to 140% (market rate) and 140%+ (luxury) thresholds are not defined by federal statute. They reflect widely used industry and practitioner conventions. Some state programs, including certain Fannie Mae products and state housing bond programs, extend workforce tools into the 120 to 140% range. Specific eligibility thresholds vary by program and community.

## SECTION I · VISUAL REFERENCE

# Safety nets, ladders, and the spiral slide.

*A working metaphor for understanding what each tier of the income spectrum needs to remain stably housed.*



## *The safety net*

Public and community supports that catch a household during a crisis: emergency rental assistance, utility help, healthcare access, childcare subsidies. Deeply affordable households rely on the densest weave of safety net resources.

## *The ladder*

Programs and pathways that help a household move upward over time: job training, financial literacy, down payment assistance, homebuyer education, wealth-building. Every tier benefits from a ladder; the rungs simply look different at each level.

## *The spiral slide*

The risk workforce households face when a sudden event (illness, job loss, housing disruption) sends them rapidly down the spectrum. Thinner safety nets at this tier mean smaller events can cause larger drops. See: *Spiral Slide*, page 8.

## SECTION II

# Glossary of Terms.

74 terms · A to Z

## A

### Absorption Period

The amount of time needed for newly constructed or rehabilitated housing units to be fully occupied. Longer absorption periods may indicate weak demand or an oversupplied market.

### Accessory Dwelling Unit **ADU**

A self-contained, secondary housing unit located on the same lot as a primary single-family home. ADUs can be detached structures, garage conversions, basement apartments, or attached additions. Sometimes called granny flats, in-law suites, backyard cottages, or carriage houses. ADUs increase housing supply without changing neighborhood character and are often a cost-effective path to attainable housing.

### Adaptive Reuse

The process of repurposing an existing building, such as a vacant school, office, warehouse, or church, for a new use, often residential. Adaptive reuse can be a cost-effective way to create housing while preserving historic structures.

### Affordable Housing

Broadly, housing that does not consume more than 30% of a household's gross monthly income, including rent or mortgage payments plus utilities. As a policy term, it most often refers to housing serving households at 50 to 80% of Area Median Income (AMI), which is the federal statutory definition of Low Income. This includes nursing assistants, healthcare support workers, retail supervisors, and early-career workers across many industries. The term is frequently used incorrectly as a catch-all for any subsidized housing. **SEE ALSO:** Deeply Affordable Housing, Workforce Housing.

### Area Median Income **AMI**

The midpoint of a region's household income distribution, calculated and published annually by HUD for each metropolitan area or county, adjusted for household size. Half of households earn above the median; half earn below. AMI is the primary benchmark for determining eligibility for housing programs and setting income and rent limits. Because AMI is calculated regionally, what counts as affordable housing in rural Michigan is a different dollar figure than in metro Detroit. Key thresholds: 30% AMI (extremely low income), 50% AMI (very low income), 80% AMI (low income / affordable), 120% AMI (top of workforce range), 140% AMI (approximate threshold for luxury housing).

### Attainable Housing

**SEE:** Workforce Housing. Housing serving moderate-income households earning between 80% and 120% of AMI, who earn too much to qualify for most subsidized programs but struggle to afford market-rate housing in high-demand areas. This group commonly includes teachers, skilled tradespeople, first responders, and mid-career workers.

**CDBG** COMMUNITY DEVELOPMENT BLOCK GRANT

A federal grant program administered by HUD that provides communities with flexible funding for a wide range of community development activities including housing rehabilitation, infrastructure, and public services. CDBG funds flow directly to entitlement communities (larger cities and counties) and through states to smaller communities. Funds cannot be used for new housing construction but can support acquisition, rehabilitation, and pre-development.

**CDFI** COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

A specialized financial institution, such as a bank, credit union, or loan fund, that provides credit, investment, and financial services to underserved communities and low-income populations. CDFIs often fill financing gaps for affordable housing and community development projects that conventional lenders will not support.

**Chronically Homeless**

An individual with a disabling condition who has been continuously homeless for one year or more, or has experienced at least four episodes of homelessness in the past three years totaling at least 12 months. This federal definition determines eligibility for certain HUD funding streams including Permanent Supportive Housing resources.

**Community Land Trust** CLT

A nonprofit organization that acquires and holds land in perpetuity for the benefit of a community while selling or leasing the buildings on that land to residents at below-market prices. Resale restrictions in the ground lease keep homes permanently affordable through successive ownership. CLTs are one of the few tools that preserve affordability indefinitely.

**Comprehensive Plan**

A long-range planning document, also called a Master Plan, that guides the physical, economic, and social development of a city, township, or county. Comprehensive plans typically address land use, housing, transportation, and infrastructure. In Michigan, comprehensive plans are required to include a housing element. Zoning must be consistent with the comprehensive plan.

**Continuum of Care** COC

A HUD-designated regional planning body that coordinates housing and services for people experiencing homelessness. CoCs develop local strategies, apply for HUD homeless assistance funding including Permanent Supportive Housing and Rapid Rehousing, and track outcomes through the Homeless Management Information System (HMIS). Michigan has multiple regional CoCs.

**Cost-Burdened Household**

A household that spends more than 30% of its gross income on housing costs including rent or mortgage plus utilities. As of 2023, nearly half of all U.S. renter households were cost-burdened. A cost-burdened household has less income available for food, healthcare, transportation, and savings. **SEE ALSO:** Severely Cost-Burdened.

---

# F

---

## **Fair Market Rent** FMR

Estimates published annually by HUD of the 40th percentile gross rent including utilities for standard-quality rental units by bedroom size in a given metropolitan area or county. FMRs are used to set payment standards for the Housing Choice Voucher program and other HUD assistance programs. They are not the same as median market rent or average rent.

---

## **Form-Based Code**

A type of zoning regulation that focuses on the physical form of buildings and how they relate to the public realm, rather than primarily separating land uses. Form-based codes can enable a mix of housing types and uses in close proximity, potentially supporting greater density and affordability. Contrast with conventional Euclidean zoning, which separates uses into distinct districts.

---

## **Functionally Obsolete**

A property that is no longer well-suited to its original use due to changes in technology, market demand, or building standards, even if it is not physically deteriorated. In Michigan, functionally obsolete properties may be eligible for brownfield redevelopment incentives.

---

# G

---

## **Gap Financing**

Funding used to fill the difference between what a project's primary debt and equity can support and the total development cost. Gap financing is essential for affordable housing because restricted rents generate less revenue than market-rate rents, making projects financially infeasible without additional public subsidy. Common sources include CDBG, HOME, TIF, and local housing trust funds.

---

## **Green Building / Energy Efficiency**

Construction and rehabilitation practices that reduce energy consumption and environmental impact. In affordable housing, energy efficiency is particularly important because low-income households are disproportionately burdened by utility costs. Programs like MSHDA's Qualified Allocation Plan (QAP) often award points for green building standards.

---

# H

---

---

# I

---

## **Infill Development**

Construction on vacant, underutilized, or previously developed land within an existing urban or suburban area, rather than on undeveloped land at the urban fringe. Infill housing can help communities grow more efficiently, reduce infrastructure costs, and increase housing supply where demand is highest.

---

# L

---

## **Ladder**

The set of programs, resources, and pathways that help a household build economic stability and move toward greater self-sufficiency over time. Ladder resources vary by income tier and include job training, financial literacy, credit building, down payment assistance, homebuyer education, and wealth-building programs. Both ladders and safety nets are necessary at every income level, though the balance shifts: the deeper the affordability tier, the more both are needed simultaneously.

---

## **Land Bank**

A governmental or quasi-governmental entity authorized to acquire, manage, and repurpose tax-foreclosed and abandoned properties. Michigan's Land Bank Fast Track Act (2003) established the Michigan Land Bank Fast Track Authority and enabled county land banks. Land banks are important tools for reclaiming blighted and vacant properties for housing and community use. The Genesee County Land Bank in Flint is a nationally recognized model.

---

## **LIHTC** LOW-INCOME HOUSING TAX CREDIT

The most significant federal tool for financing affordable rental housing, enacted in the Tax Reform Act of 1986. The federal government allocates tax credits to state housing finance agencies, which award them competitively to developers. Developers sell the credits to investors to raise equity for construction, and projects must maintain affordability for at least 30 years. Michigan's LIHTC program is administered by MSHDA through its Qualified Allocation Plan (QAP). There are two types: 9% credits (highly competitive, deeper subsidy for new construction) and 4% credits (paired with tax-exempt bond financing, less competitive but scalable).

---

## **Low Income**

HUD's formal statutory category for households earning at or below 80% of Area Median Income. Most federal housing programs, including LIHTC and HOME, primarily target this population. In everyday usage, "low income" is often used imprecisely to refer to a much broader range of cost-burdened households.

---

---

# N

---

## **Naturally Occurring Affordable Housing** NOAH

Older, unsubsidized rental housing that rents at below-market rates because of its age, condition, or location, not because of any government program. NOAH represents a large portion of the affordable housing stock in many communities but is at risk of conversion to market-rate or luxury housing through renovation or redevelopment. Preservation of NOAH is often more cost-effective than new construction.

---

## **Neighborhood Enterprise Zone** NEZ

A Michigan program that provides reduced property tax rates to encourage new residential construction and rehabilitation in eligible distressed communities, established under Public Act 147 of 1992. NEZ certificates offer tax reductions for 6 to 15 years, or 6 to 12 years for qualified historic buildings. Communities must apply to the Michigan State Tax Commission to designate NEZ areas.

---

## **New Markets Tax Credit** NMTC

A federal tax credit program that incentivizes private investment in low-income communities by providing a 39% tax credit over 7 years to investors who make qualified equity investments in certified Community Development Entities (CDEs). NMTCs are often used in mixed-use and community facility projects alongside affordable housing.

---

# O

---

## **Opportunity Zone**

A census tract designated under the 2017 Tax Cuts and Jobs Act as eligible to receive tax-advantaged investment through Qualified Opportunity Funds. Investors who place capital gains into a Qualified Opportunity Fund within 180 days can defer or reduce their tax liability. While Opportunity Zones were intended to spur development in low-income areas, their impact on affordable housing has been mixed, as some investments have raised property values without creating affordability.

---

## **Overcrowding**

A condition in which more people occupy a housing unit than is considered adequate by standard measures, typically defined as more than one person per room. Overcrowding is a sign of housing affordability stress and can have significant health, educational, and social impacts, particularly for children.

---

# P

---

---

# S

---

## Safety Net

The set of public and community-based supports that help a household remain stably housed during a crisis such as a job loss, health event, or major repair. Safety net resources vary by income tier and include emergency rental assistance, utility support, healthcare access, childcare subsidies, and catastrophic insurance programs. Both safety nets and ladders are necessary at every AMI level, though deeply affordable households typically require the most intensive combination of both.

---

## Section 8

A colloquial term for two distinct HUD rental assistance programs: (1) the Housing Choice Voucher (tenant-based) program, and (2) older project-based Section 8 contracts attached to specific housing developments. **SEE:** Housing Choice Voucher, Project-Based Rental Assistance.

---

## Severely Cost-Burdened Household

A household that spends more than 50% of its gross income on housing costs. Severely cost-burdened households are at high risk of housing instability, homelessness, and inability to afford other basic necessities. As of 2023, over a quarter of U.S. renter households were severely cost-burdened.

---

## Single-Room Occupancy **SRO**

A type of low-cost housing in which residents rent individual rooms, typically without private bathrooms or kitchens, in a shared building. SROs historically provided a critical low-cost housing option for single adults, workers, and vulnerable populations. Most have been demolished or converted over the past several decades, contributing significantly to increases in homelessness.

---

## Spiral Slide

A term used in the Housing Forward framework to describe the risk that workforce households face when a sudden event, such as a major illness, job loss, or housing disruption, causes a rapid descent down the economic spectrum. Workforce households often carry thinner safety nets than lower-income households and can fall quickly without targeted bridge supports. Elected officials reviewing housing developments can help mitigate this risk by connecting projects to the community's network of safety nets and ladders.

---

## Subsidized Housing

Housing that receives government financial assistance through rent subsidies, tax credits, grants, or loans to make it affordable to lower-income households. The term encompasses a wide range of programs and income levels and should not be conflated solely with public housing.

---

---

# V

---

## **Very Low Income** VLI

Households earning at or below 50% of Area Median Income. Very low-income households are a primary target of federal housing programs, including Housing Choice Vouchers and most LIHTC projects. Many VLI households pay well over 30% of their income on housing.

---

# W

---

## **Workforce Housing**

Housing serving moderate-income households earning between 80% and 120% of AMI. Also called attainable housing. This range is not defined by federal statute but is widely used by housing practitioners and local governments. Workforce housing residents commonly include teachers, skilled tradespeople, first responders, mid-career manufacturing workers, and healthcare workers. In many Michigan communities, workers at this income level can afford to rent but cannot qualify for a mortgage on a median-priced home. They earn too much for subsidized programs and too little for the private market to consistently serve them. **SEE ALSO:** Middle Income Housing, Attainable Housing.

---

# Z

---

## **Zoning**

A system of land use regulation that divides a municipality into districts and specifies what types of buildings and activities are permitted in each zone. Zoning profoundly shapes the housing market by determining where and what type of housing can be built. Single-family-only zoning covers the majority of residential land in most Michigan municipalities. Zoning reform, allowing greater density and a mix of housing types, is central to most contemporary housing affordability strategies.

---

## SECTION III · MICHIGAN

# Programs & Organizations.

*State agencies, statutes, and partner organizations that shape how housing gets built and preserved across Michigan.*

## **MSHDA (Michigan State Housing Development Authority)**

The state agency responsible for financing and administering affordable housing programs in Michigan. MSHDA allocates Low-Income Housing Tax Credits (LIHTC), administers HOME and CDBG funds, operates the Housing Choice Voucher program, and offers homeownership assistance including down payment help. MSHDA's Qualified Allocation Plan (QAP) guides which types of projects receive tax credits statewide. Current housing data for Michigan communities is available at [mihousingdata.org](http://mihousingdata.org).

## **MEDC (Michigan Economic Development Corporation)**

The state's primary economic development agency, which administers a range of programs that intersect with housing, including Opportunity Zone investments, brownfield redevelopment incentives, and the Michigan Community Revitalization Program (MCRP), which can support mixed-use and residential development.

## **Brownfield Redevelopment Authority (BRA)**

A local authority established by a Michigan municipality to oversee brownfield redevelopment in their jurisdiction. BRAs can approve Brownfield Plans that authorize Tax Increment Financing to reimburse eligible remediation and development costs. BRAs are a key tool for enabling housing on formerly industrial or contaminated sites.

## **Michigan Association of Planners (MAP)**

A professional organization representing Michigan's planning community, including municipal planners, consultants, and officials. MAP provides training, resources, and advocacy on planning issues including zoning reform and housing policy.

## **CEDAM (Community Economic Development Association of Michigan)**

A nonprofit trade association that supports community economic development practitioners across Michigan. CEDAM advocates for affordable housing, trains emerging real estate developers through its Real Estate Development Bootcamp, and works to build an equitable housing ecosystem in Michigan communities.

## **Michigan Land Bank Fast Track Authority**

A state entity established under Public Act 258 of 2003 that works with county land banks to acquire, manage, and redevelop tax-foreclosed and abandoned properties. Michigan has one of the strongest land bank systems in the country, pioneered by the Genesee County Land Bank in Flint.

## **Neighborhood Enterprise Zone Act (NEZ Act)**

Michigan Public Act 147 of 1992, which authorizes eligible municipalities to designate Neighborhood Enterprise Zones to incentivize residential construction and rehabilitation through reduced property tax rates. NEZ certificates can reduce taxes for homeowners and developers for 6 to 15 years. A key tool for stimulating investment in Michigan's distressed neighborhoods.

## **MI Home**

A state initiative coordinated by the Michigan Municipal League (MML) to help Michigan communities create more housing at all price points. MI Home focuses on removing barriers to housing production, supporting local housing action plans, and connecting communities with resources and technical assistance.

## SECTION IV · REFERENCE · 1 OF 2

# Common Acronyms.

*A quick-reference index to the abbreviations used throughout this guide and in most Michigan housing conversations.*

|              |   |             |  |
|--------------|---|-------------|--|
| <b>ADU</b>   | Accessory Dwelling Unit<br><i>Secondary housing unit on a single-family lot</i>                     | <b>HCV</b>  | Housing Choice Voucher<br><i>Tenant-based rental assistance (Section 8)</i>                        |
| <b>AMI</b>   | Area Median Income<br><i>Benchmark for affordability and program eligibility</i>                    | <b>HOME</b> | HOME Investment Partnerships Program<br><i>Flexible federal block grant for affordable housing</i> |
| <b>BRA</b>   | Brownfield Redevelopment Authority<br><i>Local authority managing brownfield TIF plans</i>          | <b>HTF</b>  | Housing Trust Fund<br><i>Dedicated fund for flexible housing investment</i>                        |
| <b>CDBG</b>  | Community Development Block Grant<br><i>Flexible federal grant for community development</i>        | <b>HUD</b>  | U.S. Dept. of Housing & Urban Development<br><i>Federal agency overseeing housing programs</i>     |
| <b>CDFI</b>  | Community Development Financial Institution<br><i>Mission-driven lender for underserved markets</i> | <b>IZ</b>   | Inclusionary Zoning<br><i>Policy requiring affordable units in market-rate projects</i>            |
| <b>CEDAM</b> | Community Economic Development Assn. of Michigan<br><i>Michigan nonprofit trade association</i>     | <b>CLT</b>  | Community Land Trust<br><i>Nonprofit holding land for permanent affordability</i>                  |
| <b>COC</b>   | Continuum of Care<br><i>Regional HUD planning body for homelessness</i>                             | <b>ELI</b>  | Extremely Low Income<br><i>Households at or below 30% AMI</i>                                      |
| <b>FMR</b>   | Fair Market Rent<br><i>HUD's 40th percentile rent by bedroom size</i>                               | <b>HAP</b>  | Housing Assistance Payment<br><i>Subsidy paid by a PHA for a voucher holder</i>                    |

## SECTION IV · REFERENCE · 2 OF 2

# Acronyms, continued.

|                   |  |            |   |
|-------------------|--|------------|---|
| <b>LIHTC</b>      | Low-Income Housing Tax Credit<br><i>Primary federal tool for affordable rental finance</i>       | <b>PSH</b> | Permanent Supportive Housing<br><i>Long-term housing with services for chronic homelessness</i> |
| <b>MEDC</b>       | Michigan Economic Development Corporation<br><i>State economic development agency</i>            | <b>QAP</b> | Qualified Allocation Plan<br><i>MSHDA's criteria for awarding LIHTC</i>                         |
| <b>MSHDA</b>      | Michigan State Housing Development Authority<br><i>State housing finance agency</i>              | <b>RAD</b> | Rental Assistance Demonstration<br><i>HUD program converting public housing to Section 8</i>    |
| <b>NEZ</b>        | Neighborhood Enterprise Zone<br><i>Michigan program offering property tax reductions</i>         | <b>RRH</b> | Rapid Rehousing<br><i>Short-term assistance to quickly exit homelessness</i>                    |
| <b>NMTC</b>       | New Markets Tax Credit<br><i>Federal credit for investment in low-income communities</i>         | <b>SRO</b> | Single-Room Occupancy<br><i>Low-cost shared housing for single adults</i>                       |
| <b>NOAH</b>       | Naturally Occurring Affordable Housing<br><i>Unsubsidized older housing affordable by market</i> | <b>TIF</b> | Tax Increment Financing<br><i>Uses future tax revenue growth to fund development</i>            |
| <b>PBRA / PBV</b> | Project-Based Rental Assistance / Voucher<br><i>Subsidy tied to a unit, not a tenant</i>         | <b>TOD</b> | Transit-Oriented Development<br><i>Dense, mixed-use development near transit</i>                |
| <b>PHA</b>        | Public Housing Authority<br><i>Local agency administering housing and vouchers</i>               | <b>VLI</b> | Very Low Income<br><i>Households at or below 50% AMI</i>  |

# A shared language for better *rooms*.

This glossary was prepared for Housing Forward as a shared-language reference for elected officials, planners, builders, and community members working on housing across Midland County and the region. For corrections or additions, please contact Jenifer Acosta at [jacosta@mbami.org](mailto:jacosta@mbami.org).

Sources include the Michigan State Housing Development Authority (MSHDA), the U.S. Department of Housing and Urban Development (HUD), the National Low Income Housing Coalition (NLIHC), and leading housing policy organizations.



## **HOUSING FORWARD**

A COMMUNITY-BASED INITIATIVE  
OF THE MIDLAND BUSINESS ALLIANCE