

Franklin County Housing Diversity Session Vocab Sheet

Area Median Income (AMI)- Threshold to determine housing eligibility for deed-restricted affordable housing, government programs use AMI. The AMI for Franklin County is \$98,600. (HUD, FY2023)

Local Median Household Income (MHI)- The Town of Orange's MHI is \$53,448 (as of 2021), Buckland's MHI is \$66,681, and Colrain's MHI is \$63,750

Affordable Housing- Housing is considered "affordable" when associated costs (see "Housing Costs") are 30% or less of a household's income. Deed-restricted affordable housing is reserved for income-eligible households and generally the cost cannot be more than 30% of their income.

Fair Housing- The Fair Housing Act of 1968 gave people federal protections from being discriminated against in housing

Income Limits- Government agencies use income limits to assess who qualifies for Affordable Housing. Generally, households need to earn 80% or less of the AMI. The income limits for a household of four in Franklin County are:

Extremely low income (less than 30% of AMI)	<\$32,850
Very low income (30% to 50% of AMI)	\$32,850-\$54,750
Low income (50% to 80% of AMI)	\$54,750-\$87,600

Cost burden-. Households paying more than 30% of their income towards housing are considered cost burdened. Those paying 30-50% of their income towards housing are called "moderately cost-burdened" and those paying more than 50% are "severely cost-burdened." Because high housing costs are more likely to leave lower income households unable to pay for other basic needs, most housing needs assessments focus on those of 80% of AMI or less

Housing Costs- Housing costs are used to help calculate housing affordability and determine whether a household is cost burdened. For renters, housing costs generally include rent plus estimated utilities. For homeowners, housing costs generally include mortgage payments, taxes, insurance, and estimated utilities.

Public Housing- The Franklin County Regional Housing & Redevelopment Authority (HRA) and some local housing authorities provide publicly managed Affordable Housing for income-eligible households, including older residents, families, and people with disabilities. The Franklin County Regional Housing & Redevelopment Authority owns and manages 144 state-assisted public housing units.

Housing Choice Voucher Program (HCVP)- Section 8 and Massachusetts Rental Voucher Program (MRVP)- Provides a rental voucher to eligible households including low-income families, seniors, and persons with disabilities to assist with monthly housing costs.

Tenants receiving a voucher generally pay 30-40% of their income towards housing and the balance is covered by a housing authority or other subsidizing agency.

Low Income Housing Tax Credit (LIHTC)- Provides State and local agencies tax credits for developers to acquire, rehabilitate, or construct rental housing targeted to lower-income households. This helps the financial feasibility of a project.

Project-Based Rental Assistance- Places a rental subsidy on a unit in a housing development, that may be rented at a rate that is affordable to eligible households including low-income families, seniors, and persons with disabilities to assist with monthly housing costs. For example, there are 45 project-based vouchers in Pine Crest Apartments in Orange.

Inclusionary Zoning (IZ)- Zoning that requires a percentage of new housing developments to be deed-restricted as Affordable. In return, developers may be able to add more market-rate units, including less parking, pay less for building permits, or access other incentives.