

A common vocabulary is key to communicating effectively. The handout outlines the meaning of several key words that are used when talking about housing policy and development issues. It is a handy tool to be used for future reference by policy makers.



HOUSING ALLIANCE

Is a volunteer group of Scarborough citizens with an interest in housing that provide review of housing issues on behalf of Town Council and advise on housing issues for Town Council. In addition to reviewing specific housing issues and proposals, the Housing Alliance administers the Housing Trust Fund, reviews the housing landscape in Scarborough and makes proposals from time to time for the Council to consider in order to meet the long-term policy goals of the Town as described in the Comprehensive Plan.

AFFORDABLE HOUSING

Usually refers to developments that are income limited to people making a designated percentage of the Area Median Income (AMI) - \$129,800 for a family of 4.

AREA MEDIAN INCOME - AMI

Represents the income in a given area where half the households make less than the median income and half make more than the median. To take things back to grade school, the "median" is the 50th percentile. Income limits are quoted in terms of percentages of "AMI". In Scarborough the "Area" that is used for this calculation is the Portland, ME, MSA.



The **Median Income** for a household of 4 (or the AMI) is \$129,800
120% of the AMI for a household of 4 is \$155,760
80% of the AMI for a household of 4 is \$103,850
60% of the AMI for a household of 4 is \$77,880
40% of the AMI for a household of 4 is \$51,920
30% of the AMI for household of 4 is \$38,950

RENT BURDENED

A household is said to be rent burdened if they are paying more than 30% of their gross income towards rent and utilities [or principal, interest, tax, insurance and utilities in the case of homeownership.

WORKFORCE HOUSING

Usually refers to developments that are income limited to people who make between 80% and 120% of the AMI. In Scarborough this would be between \$103,840 and \$155,760 for a family of four (4).

INCOME LIMITS

Housing programs limit occupancy to households who earn less than a certain amount of income per year - usually expressed as a percentage of AMI.

LIHTC OR LI-TECK

Is the low income housing tax credit program. This is the program that funds the purchase and construction costs of nearly all affordable housing development in the country. It is a federal program that is administered by the states. In Maine, the program is administered by "MaineHousing".

QUALIFIED ALLOCATION PLAN OR QAP

This is the document that outlines the strategic goals and objectives that the State will use to determine which projects to receive LIHTC awards. The QAP articulates a point scoring system to allow reviewers to evaluate and rank projects objectively.

COMPREHENSIVE PLAN

The Comprehensive Plan outlines a community's vision for the future, addressing various elements like land use, transportation, housing and public facilities. Scarborough's current Comprehensive plan was approved in 2021.

TIF

Tax increment Financing Districts are designated areas, created by municipalities, where future increases in property tax revenues can be reserved for public improvements or partnerships with private developers to achieve economic development objectives.

CEA

Within a TIF District, a municipality may enter into a contract (Credit Enhancement Agreement) with a developer/owner where a portion of property taxes paid by the owner will be returned in exchange for tasks deemed important for economic development.

AFFORDABILITY REQUIREMENT

A requirement of certain zoning districts in some municipalities that a certain percentage of new homes be built and deed restricted as affordable housing. In Scarborough the only area of Town with an Affordability Requirement is the Crossroads District (aka "The Downs") which has a 10% affordability requirement. Other developments have obtained density bonuses through making commitments to build affordable housing.

INCLUSIONARY ZONING

Is a requirement within a zoning district to include a certain percentage of affordable housing units in a new development.

DENSITY BONUS

Allows a developer to create additional units above the base requirements in exchange for specified public benefits, such as affordable housing.

DEED RESTRICTION

Memorializes the income limits and rent limits that will be imposed on a home as well as the length of time that the limits will be in place. The "deed restriction" is recorded with the Deed and the Mortgage on the property.