

# Rural Housing Challenges in Tennessee: Socio-economic Drivers, Problems and Opportunities

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# Rural Housing Challenges in Tennessee

## 1. Socio-economic Drivers

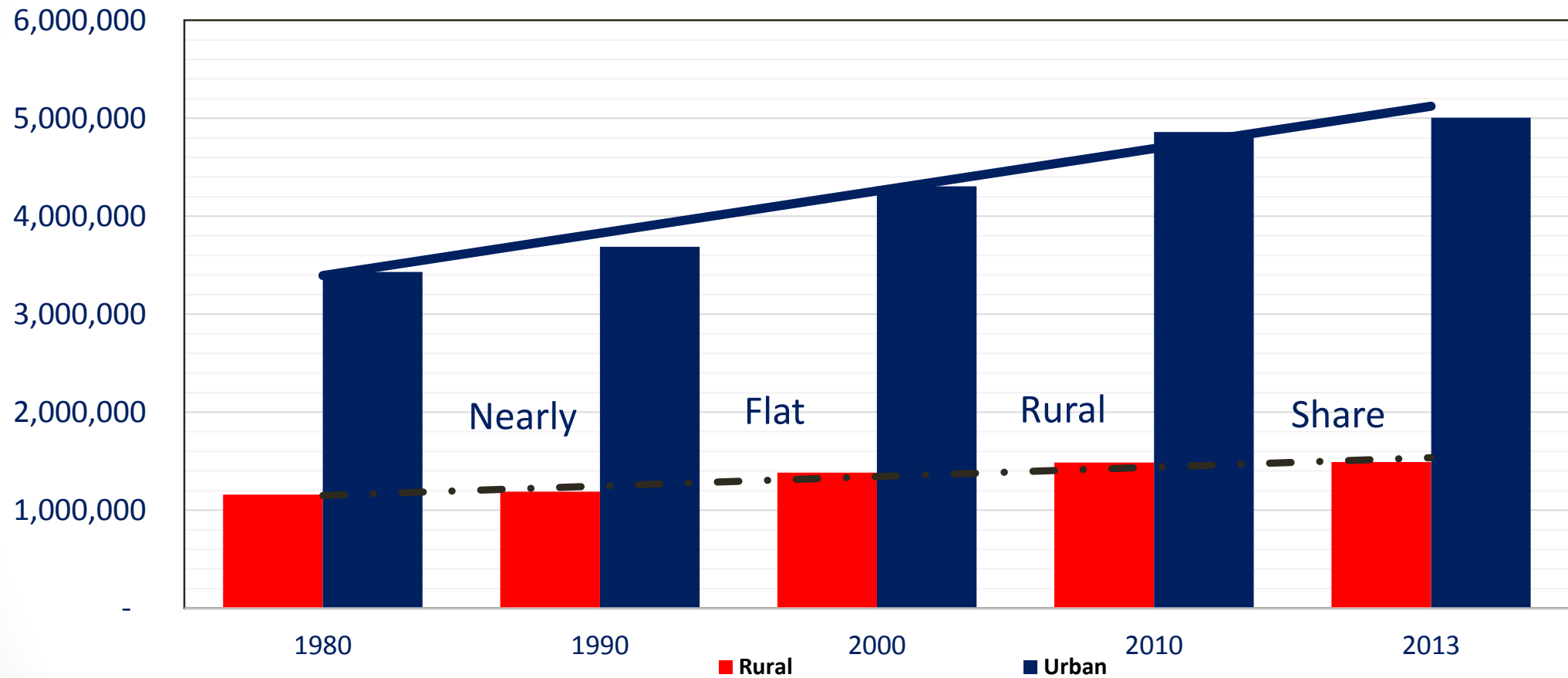
- a. Demographics
- b. Economic Conditions

## 2. Problems

- a. Availability
- b. Quality
- c. Affordability

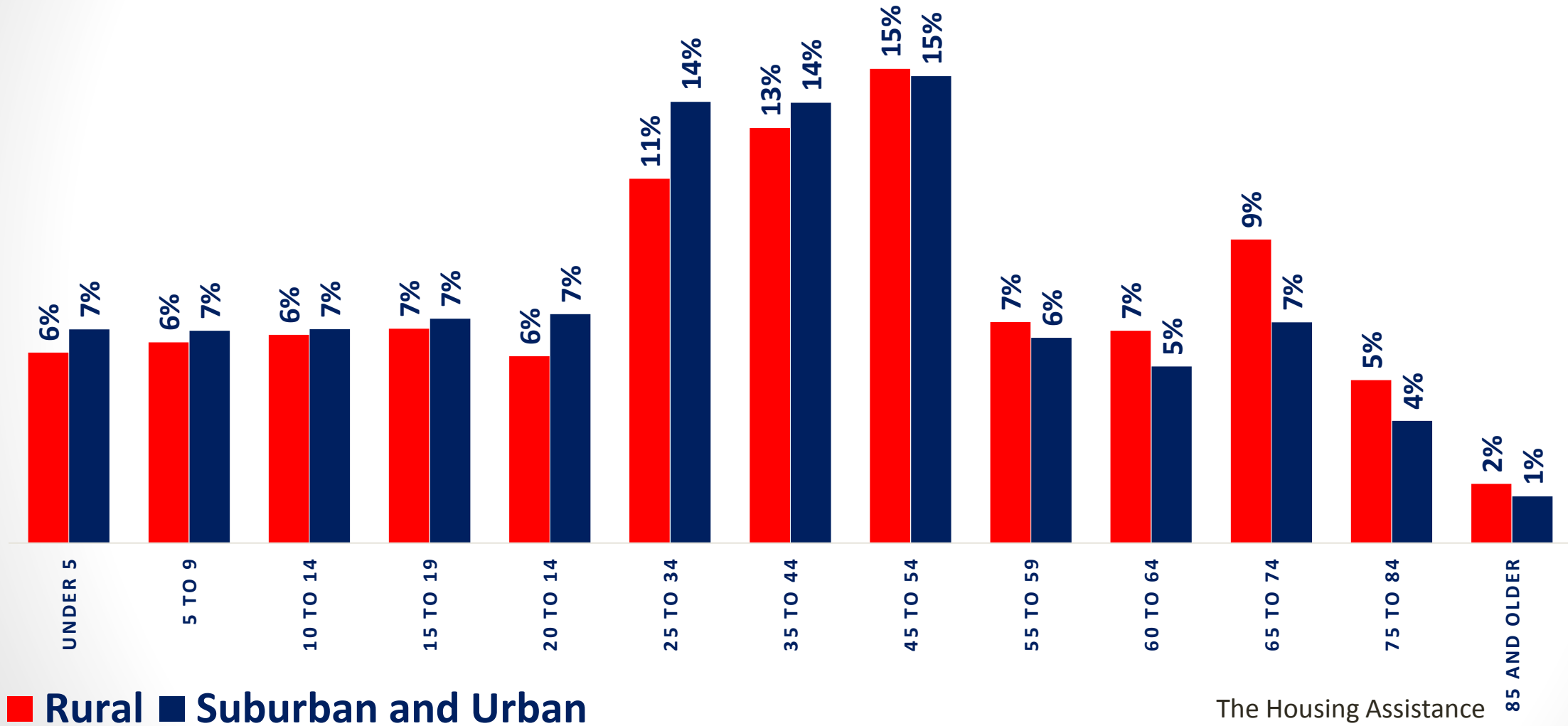
## 3. Opportunities

# Drivers—Tennessee Rural Population



USDA Economic Research Service  
Updated April 4, 2014

# Drivers—Age Cohorts in Rural Tennessee



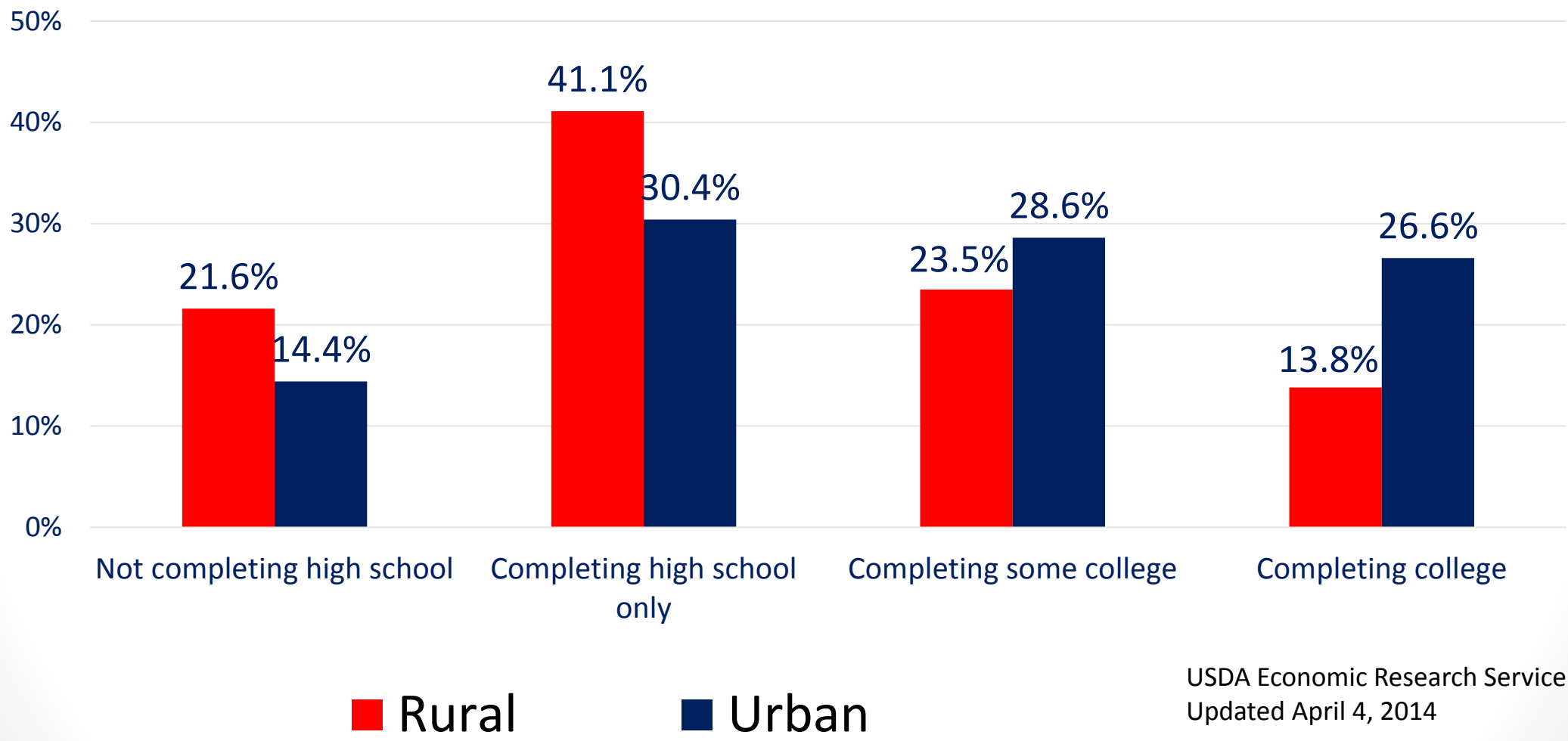
The Housing Assistance  
Council, Updated 2010.

# How do population growth dynamics affect housing problems in rural Tennessee?

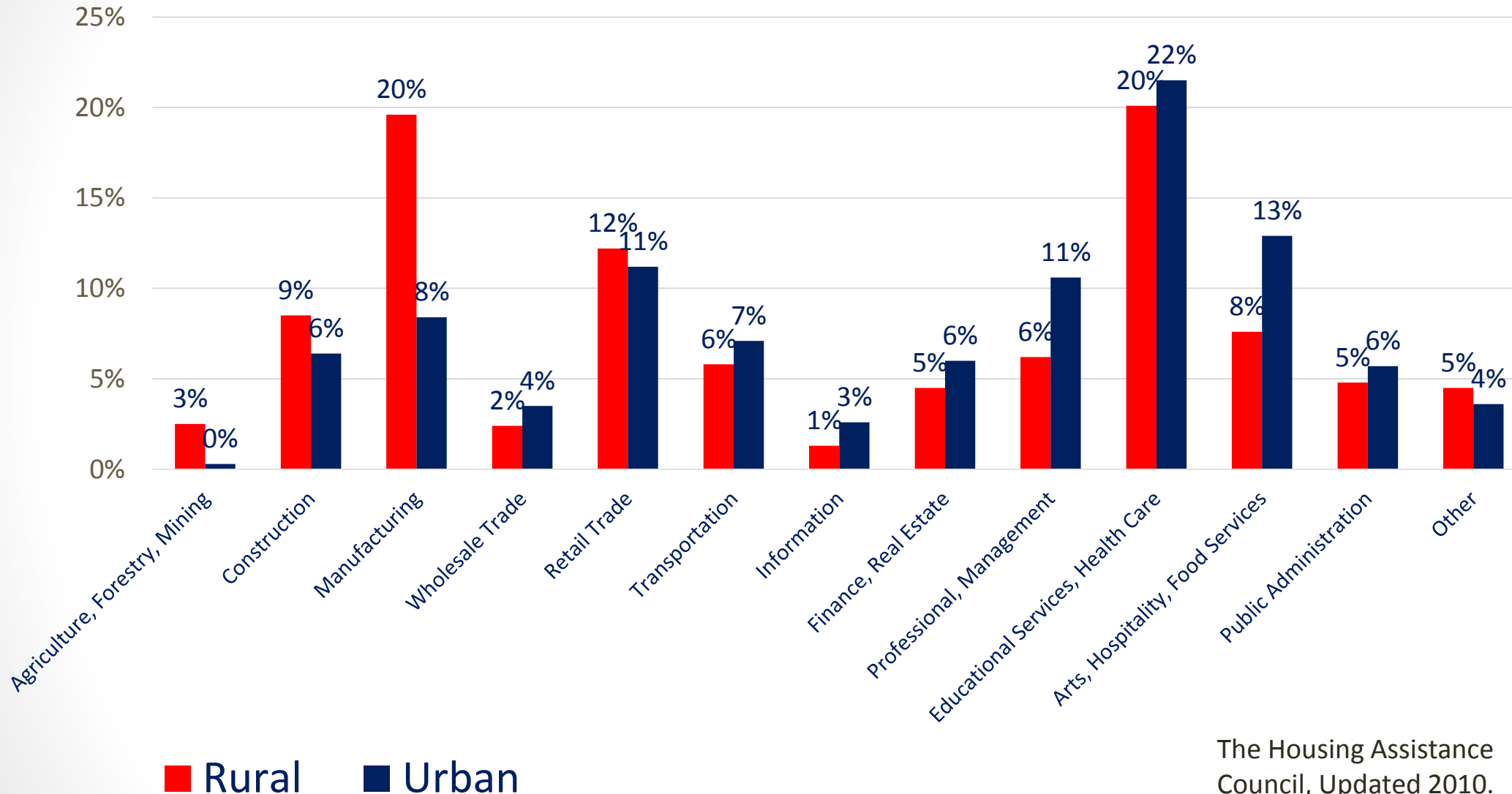
- Population loss significantly impacts rural areas' housing stock.
- As populations decline, homes become vacant and even simple repairs are not completed on time. Absentee homeownership increases.
- Older residents are usually unable to maintain their homes.
- As house values decline with delayed repairs, obtaining mortgages and home rehabilitation loans become more difficult to obtain.

# Drivers—Educational Attainment in Tennessee

(Persons 25 years and older)

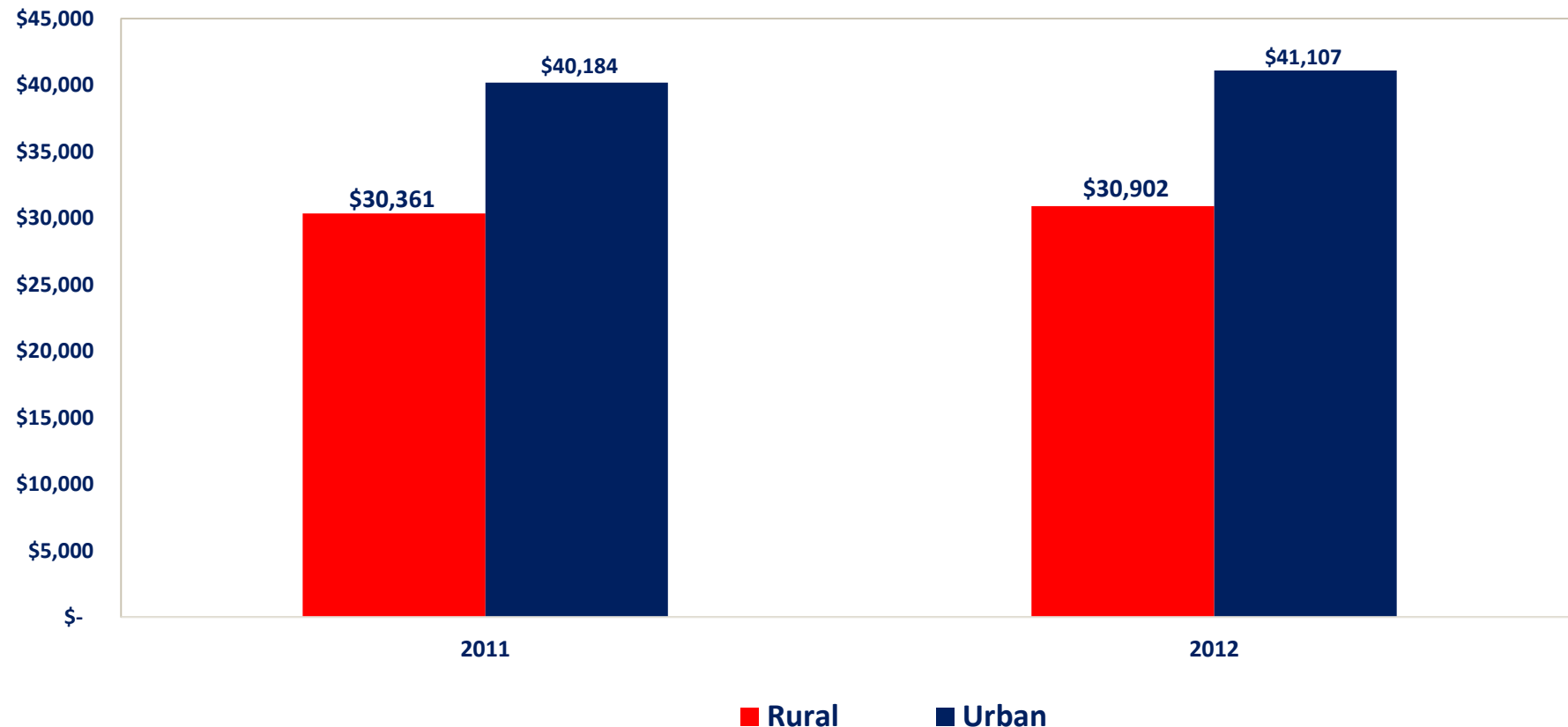


# Economic Drivers—Rural Industry



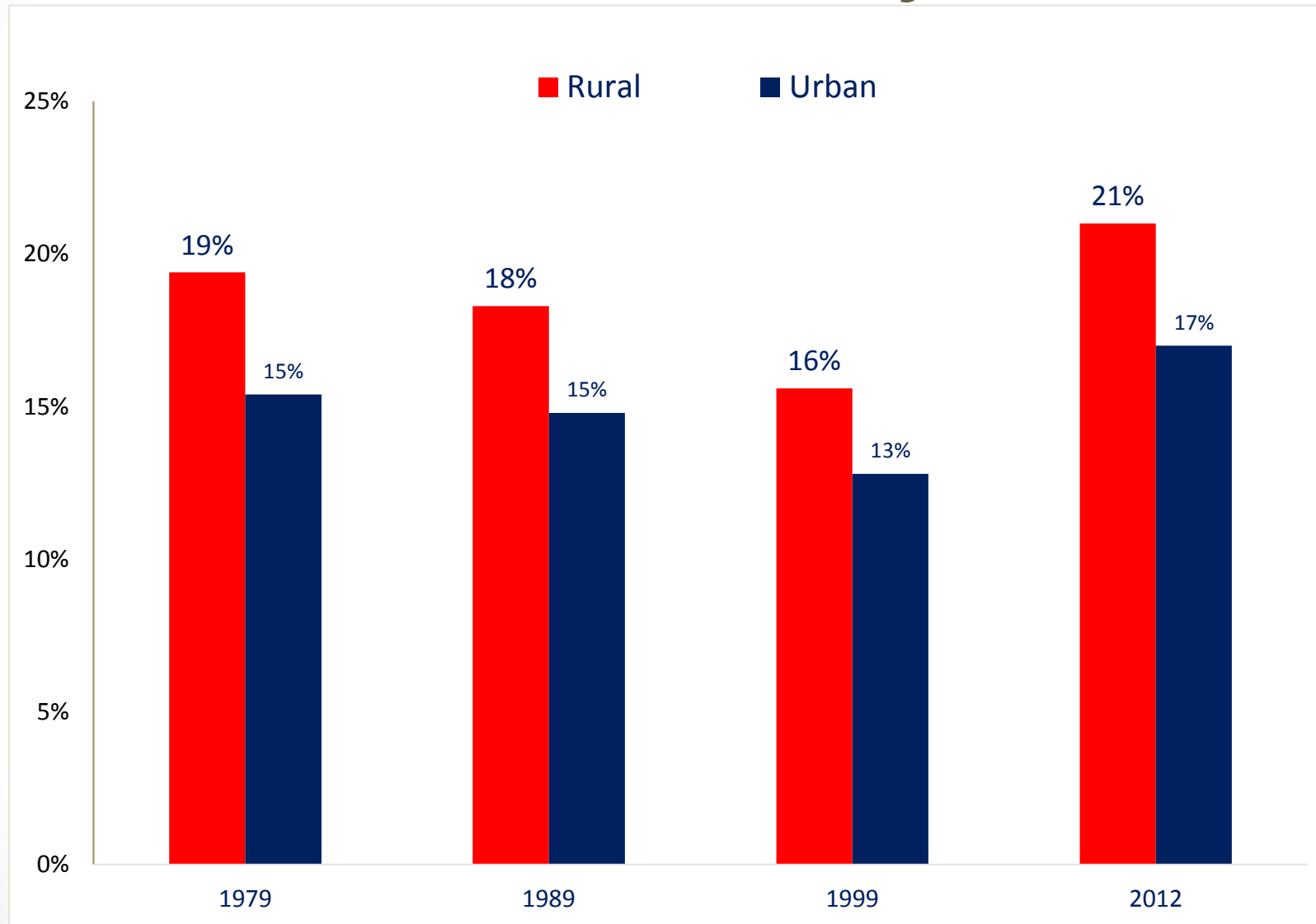
The Housing Assistance  
Council, Updated 2010.

# Economic Drivers—Income Per Capita



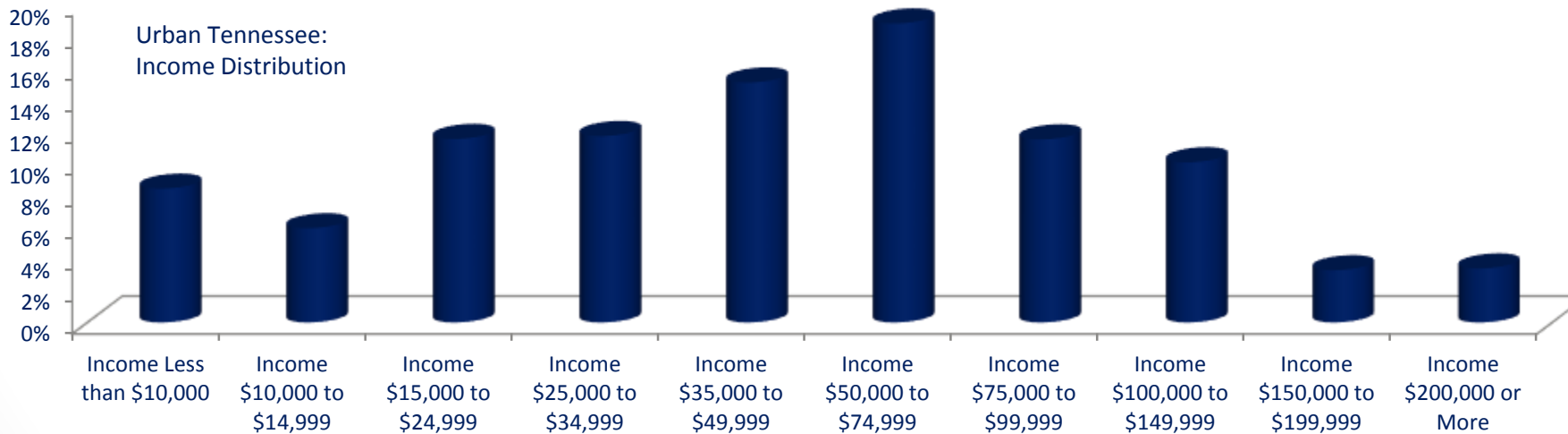


# Economic Drivers—Poverty in Rural Tennessee



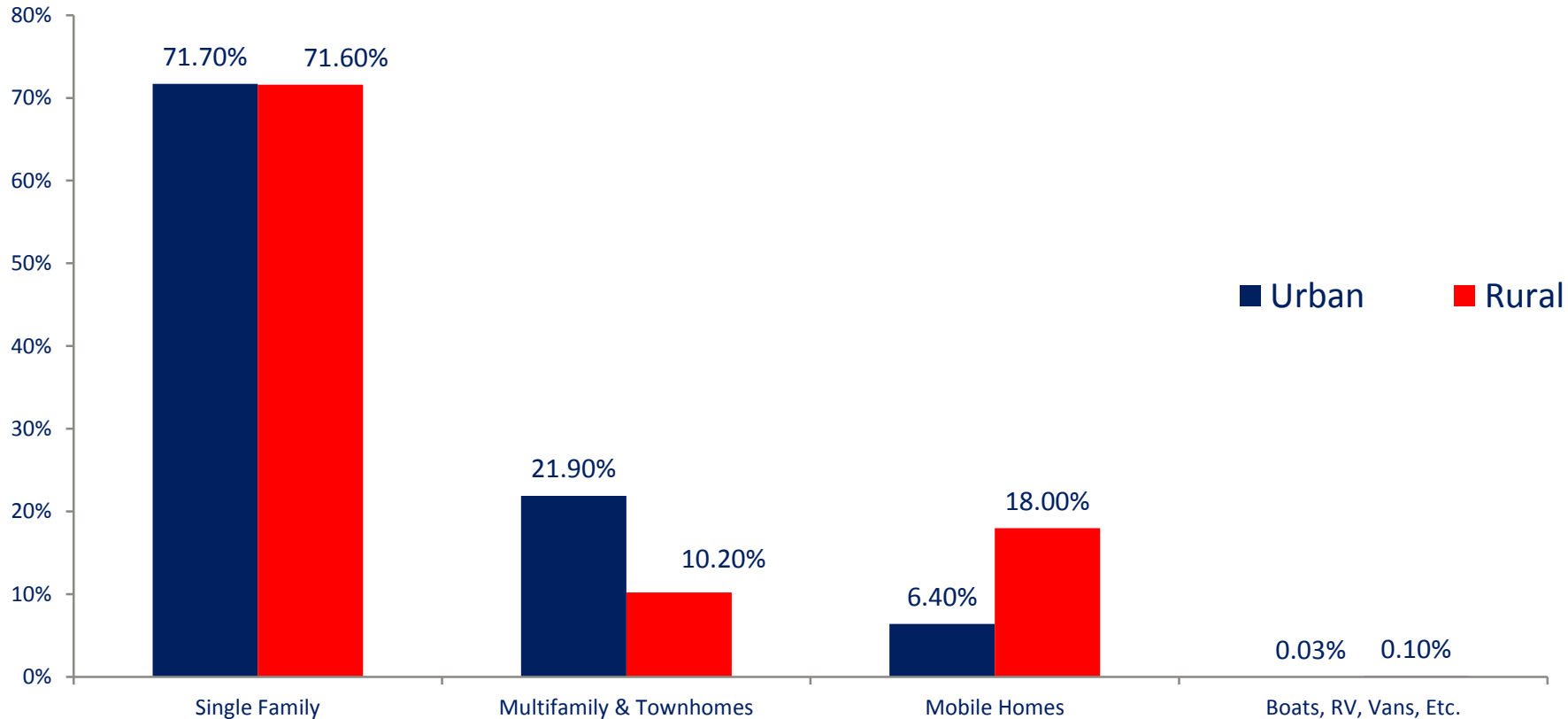
USDA Economic  
Research Service  
Updated Feb 20, 2014

# Economic Drivers—Income Distribution



# Rural Housing Problems-Availability

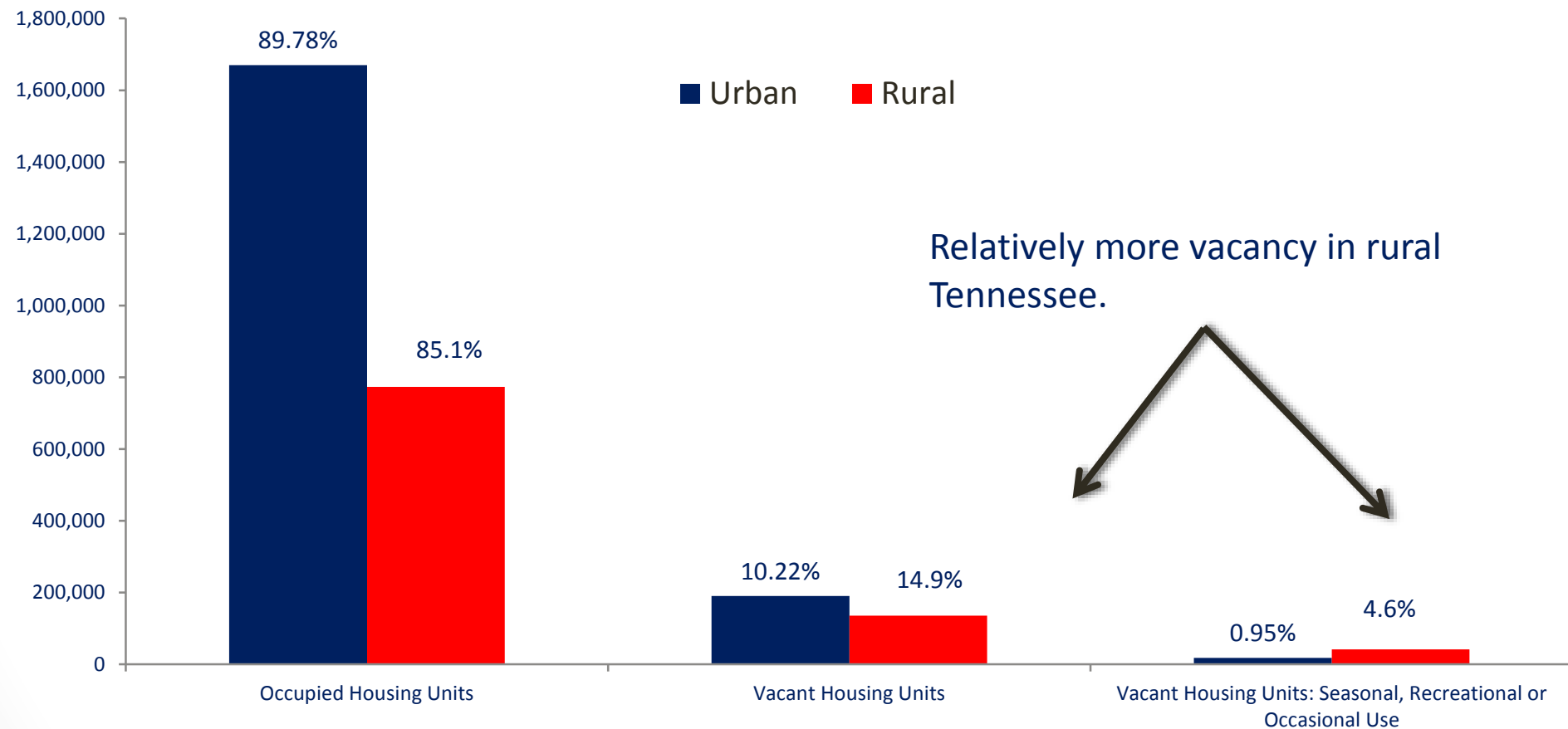
## Housing Stock in Rural Tennessee



HAC tabulations from ACS 2006-2010 data.

# Rural Housing Problems-Availability

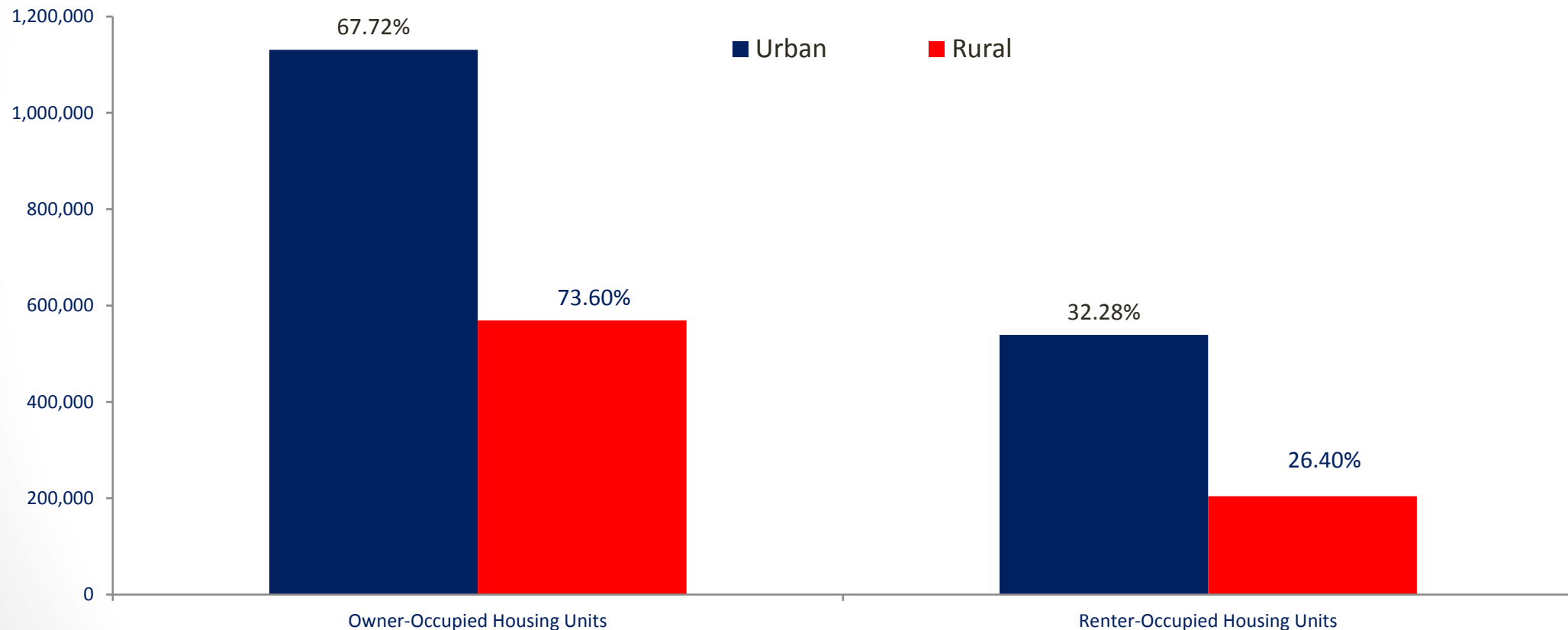
## Housing Occupancy and Vacancy in Rural Tennessee



HAC tabulations from ACS 2006-2010 data.

# Rural Housing Problems-Availability

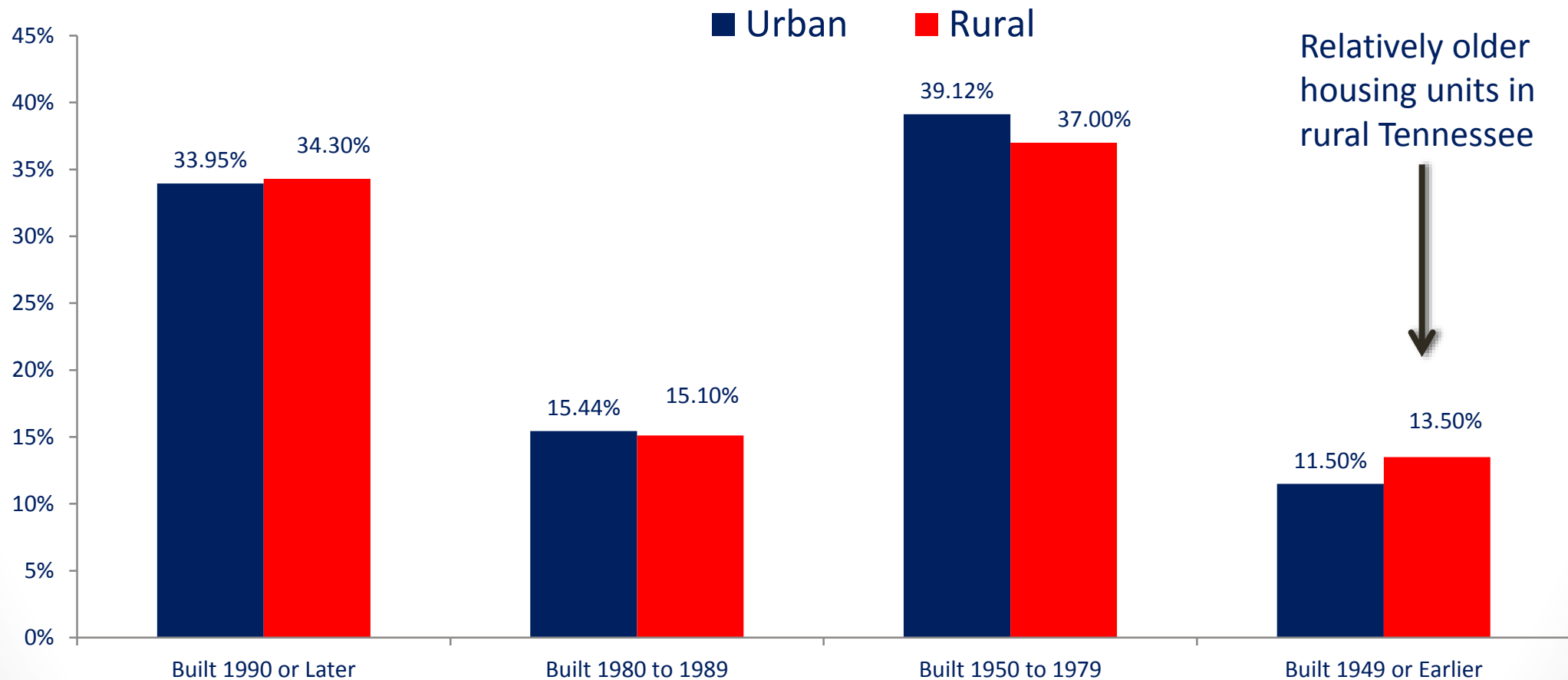
Owner or Renter Occupied?



HAC tabulations from ACS 2006-2010 data.

# Rural Housing Problems-Quality

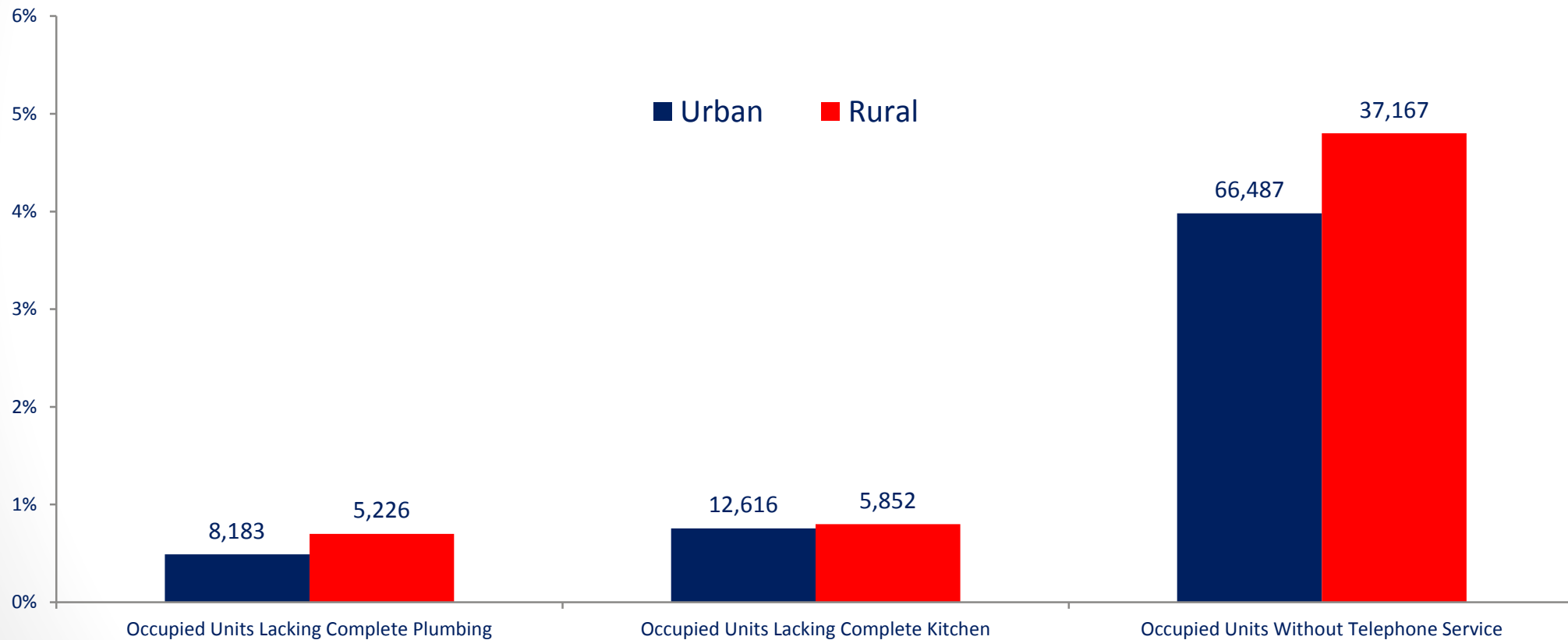
## Housing Stock in Rural Tennessee by Age



HAC tabulations from ACS 2006-2010 data.

# Rural Housing Problems-Quality

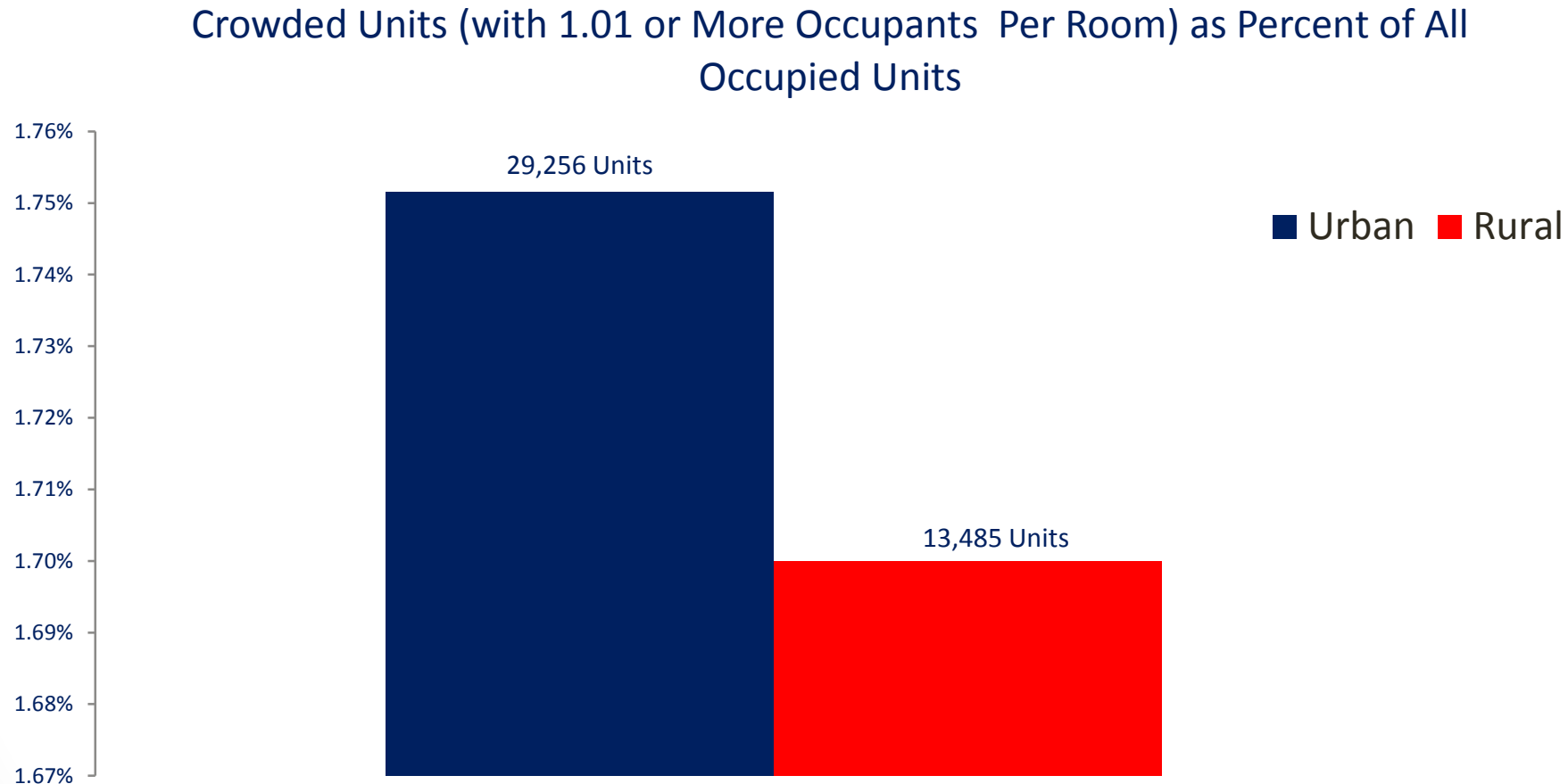
## Substandard Housing?



HAC tabulations from ACS 2006-2010 data.

# Rural Housing Problems-Quality

## Overcrowding?

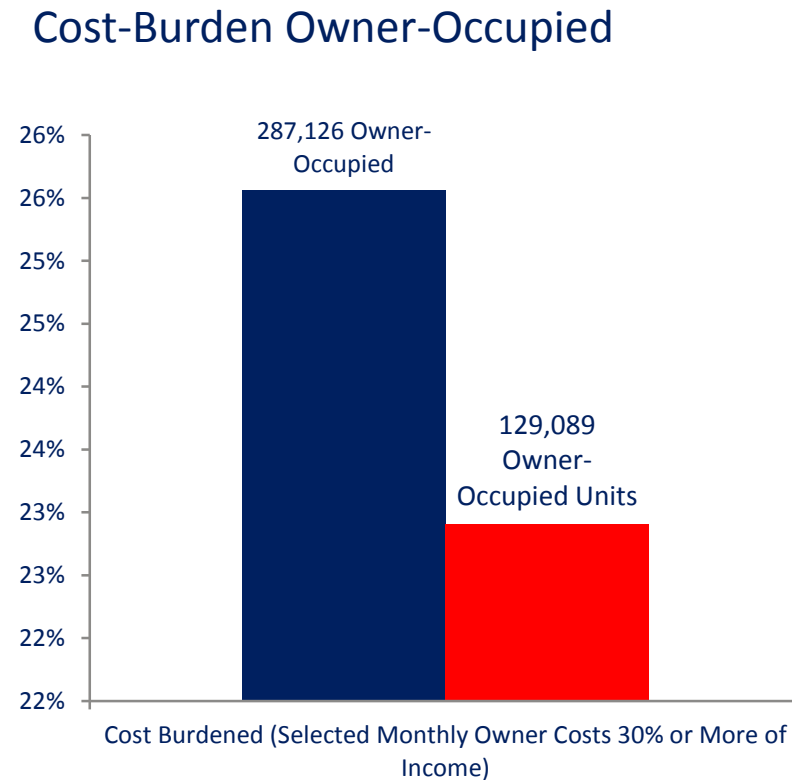
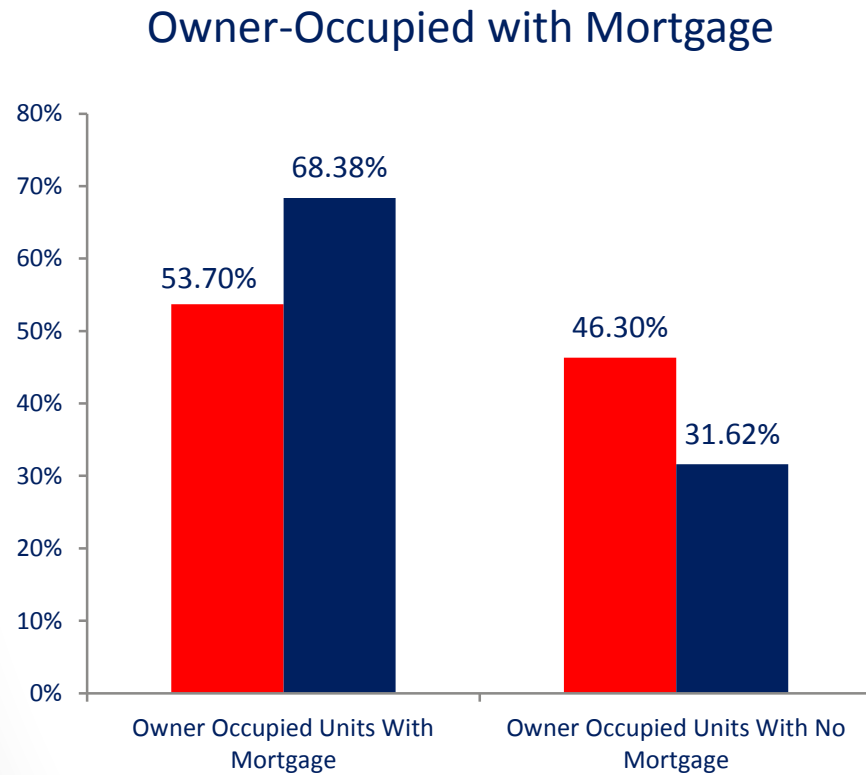


HAC tabulations from ACS 2006-2010 data.



# Rural Housing Problems-Affordability

## Cost-Burdened Units-Owner-Occupied Units?

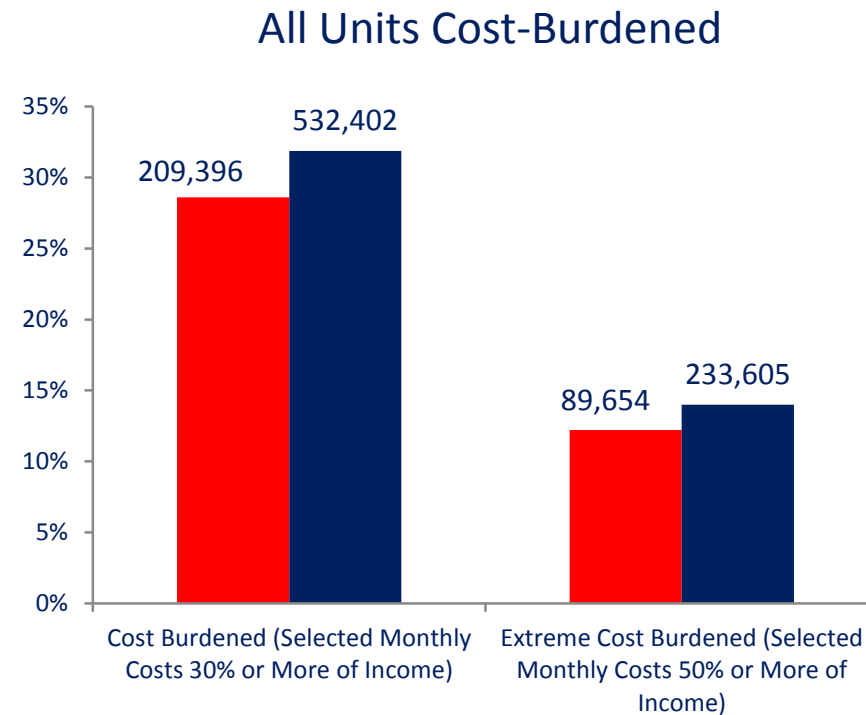
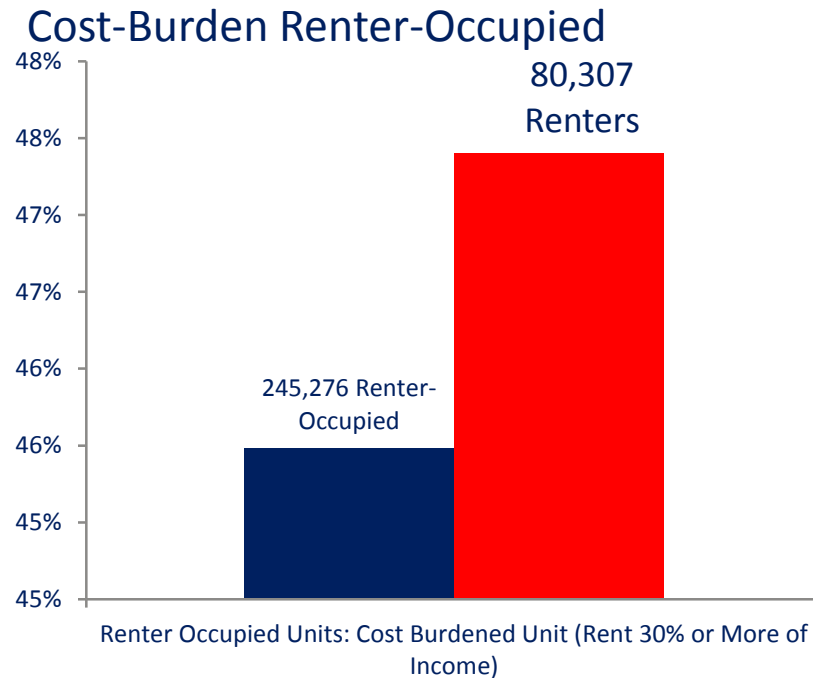


■ Urban ■ Rural

HAC tabulations from ACS 2006-2010 data.

# Rural Housing Problems-Affordability

## Cost-Burdened Units-Renter-Occupied Units and Overall Cost-Burden Units?



■ Rural ■ Urban

HAC tabulations from ACS 2006-2010 data.

# Other Rural Housing Problems:

## Rural Homelessness

- Different Responses than Urban Homelessness
  - Living in unsafe housing conditions
  - Staying with relatives
  - Moving between
- Difficult to Address
  - Fewer shelters
  - Little community awareness
  - Less government aid due to technical definitions

# Opportunities and Impacts: Rehab and Affordable Housing Preservation Programs for Rural Housing Stock

- **Repair and Rehabilitation Loan and Grant**
  - Remove health and safety hazards
  - Accommodate home for household members with disabilities
  - Available for homeowners 62 years of age or older.
  - THDA's Housing Trust Fund can be used in conjunction.
- **Housing Preservation Grants**
  - Used to repair rented housing, rental properties, or co-ops
  - Housing must be provided to low-income families
  - Available to landlords, rental property owners, state agencies, and local governments

# Opportunities and Impacts: USDA Programs for Homeowners

- **Guaranteed Loans**

- Help low-income households currently without adequate housing.
- Used to purchase, build, or repair a home.
- THDA has low interest rate mortgage loan programs.

- **Housing Site Loans**

- Provide Financing for low- and moderate-income families
- Used to purchase and develop housing sites

# Opportunities and Impacts: USDA Programs for Rental Housing

- **Rental Housing Loans**

- Helps negotiate lower building costs for construction companies
- Used to purchase, build, or repair multi-family facilities

- **Rental Assistance Program**

- Provides additional rent support for multiple tenants
- Contracted for 5 years
- Available to tenants with low- and very low-income

# Opportunities and Impacts:

- Efforts to help low-income households in rural areas of Tennessee ensure that they live in safe, sound affordable homes.
- In addition to the impact on individuals and families, the activities to further the affordable housing in rural areas improve the economic conditions by creating
  - New jobs
  - Wages and salaries
  - Business revenues
  - Improved tax base

# Economic Impact of Rehabilitating 100 Multifamily Housing Units on Tennessee Economy

Impact Type	Direct Impact	Indirect Impact	Induced Impact	Total Impact	Multiplier
Jobs	30	9	13	52	1.76
Wages and Salaries	\$1,261,215	\$427,078	\$545,152	\$2,233,445	1.77
Business Revenues	\$3,496,995	\$1,152,393	\$1,607,140	\$6,256,527	1.79
State and Local Taxes	N/A	N/A	N/A	\$205,644	N/A

Model used: IMPLAN



- **Business Revenue**

- The total contribution of rehabilitating 100 multifamily housing units to Tennessee's economy is estimated at \$6.3 million in 2014. Of this total, \$3.5 million is directly injected into the economy.
  - Every \$100 of rehab activities generates an additional \$79 in business revenues.

- **Wages and Salaries**

- Rehabilitating 100 multifamily units generates \$2.2 million in wages and salaries in 2014.
  - Every \$100 of personal income produces an additional \$77 of wages and salaries in the local economy.

- **Employment / Job Creation**

- Rehabilitating 100 multifamily units creates 52 jobs in 2014.
  - Every 100 jobs created by rehabilitation of 100 multifamily units, primarily in the construction sector, generates 76 additional jobs throughout the local economy.

Thank you!

Questions?

# Works Cited

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- "The Rural Data Portal." *Taking Stock: Rural People, Poverty, and Housing in the 21st Century*. The Housing Assistance Council, Dec. 2012. Web. 10 Apr. 2014. <http://www.ruraldataportal.org>.