

Understanding Tennessee's Rural Housing Needs & Housing Solutions

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Two Central Questions

1. Rural vs. Urban

-- AND --

**2. Is Rural TN Housing Uniform? Or
Diverse?**

How to Define Rural?

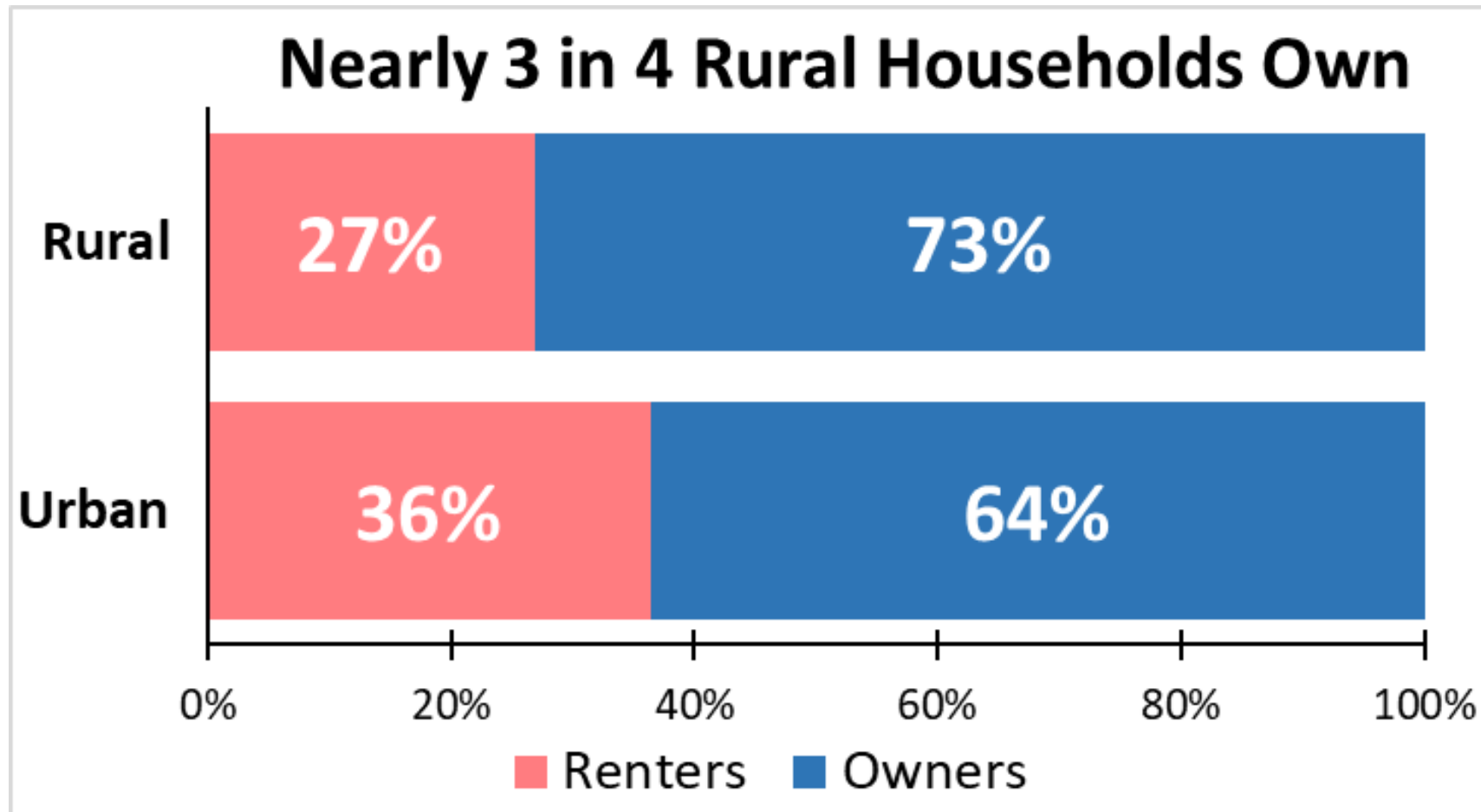
- Most Tennessee Counties Have Dense, Urbanized Areas
- Just 20 (out of 95) are 100% Rural

Anderson County: 65% Urban	35% Rural = Urban
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Campbell County: 45% Urban	55% Rural = Rural
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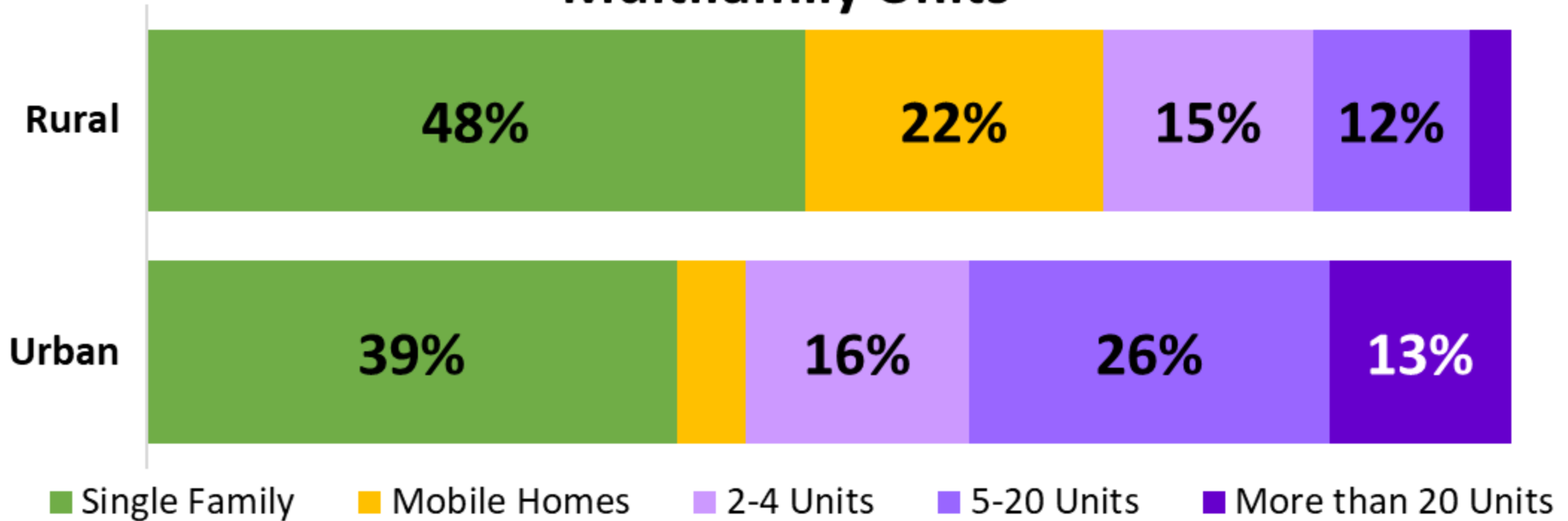
Claiborne County: 28% Urban	72% Rural = Rural
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Characteristics of Rural Housing



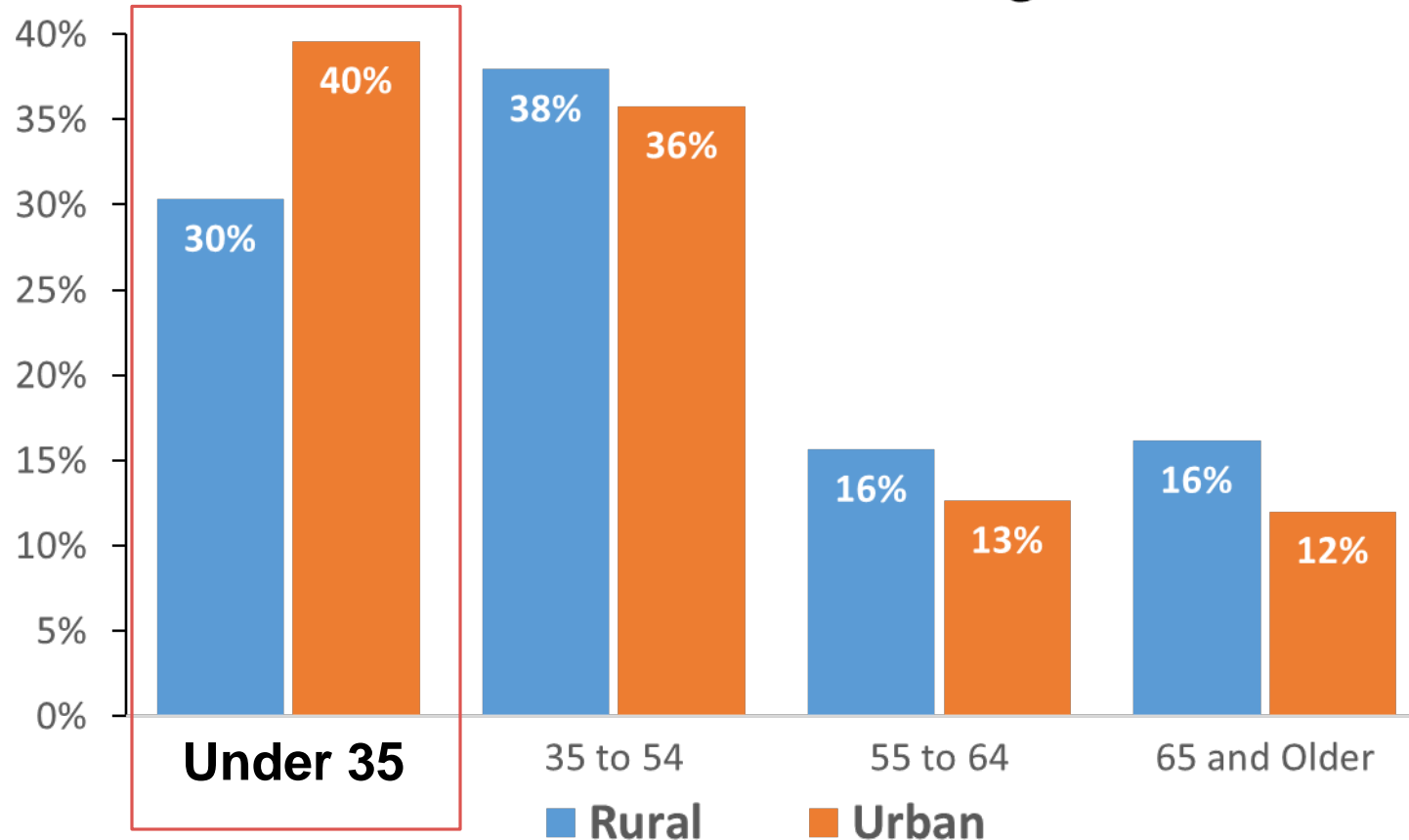
Characteristics of Rural Housing

**Just 30 Percent of Rural Rental Housing are
Multifamily Units**



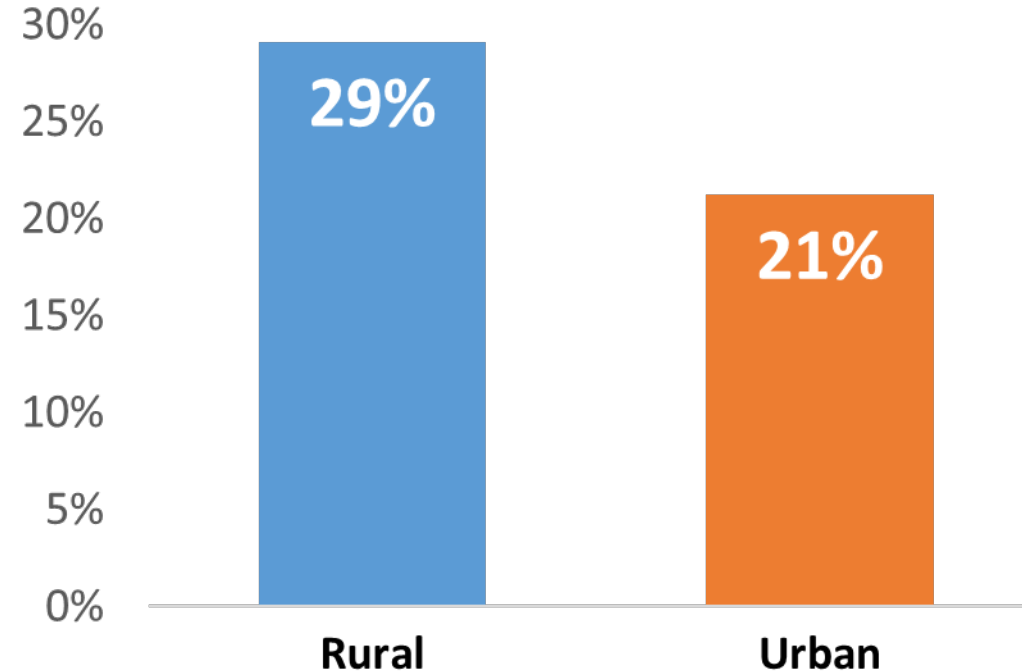
Characteristics of Rural Housing

Rural Tennessee has Fewer Young Renters

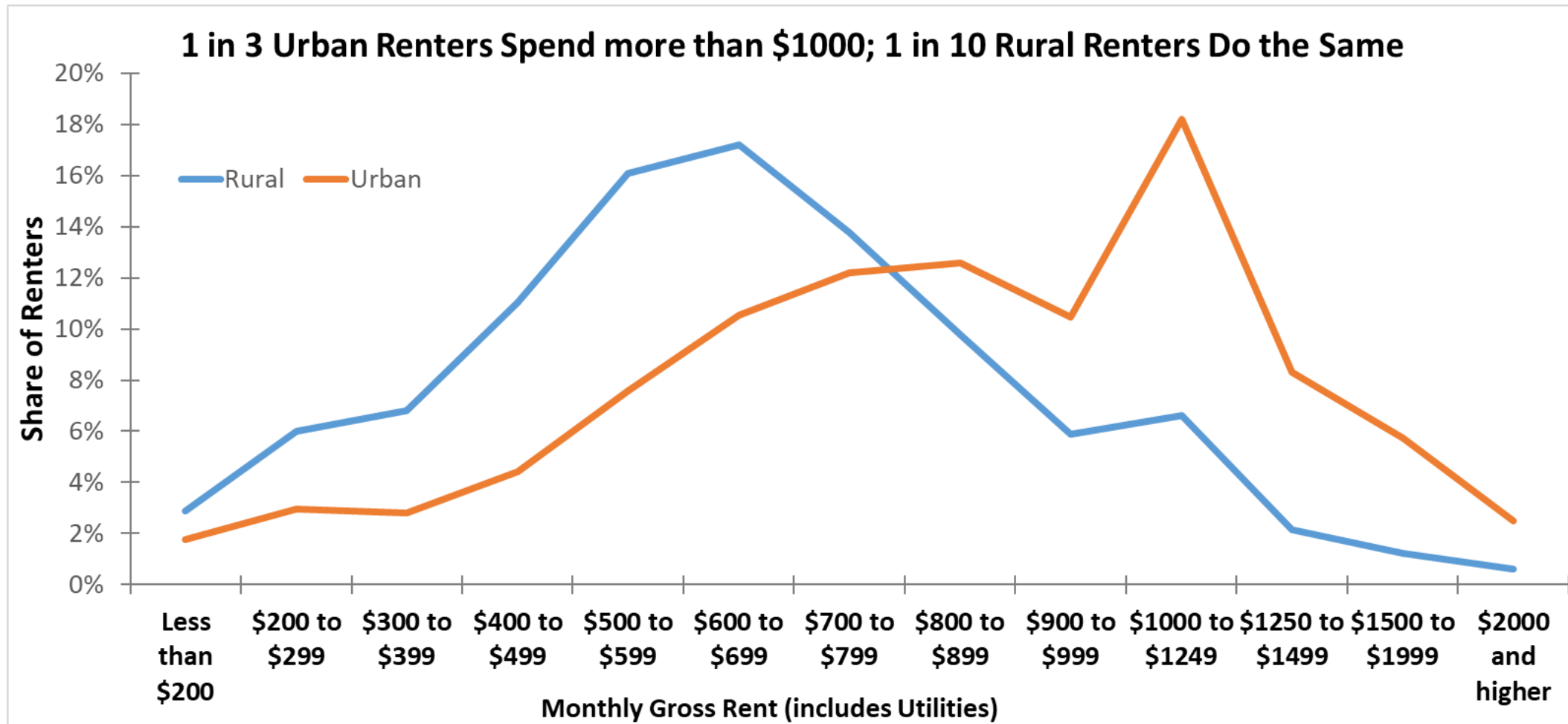


Characteristics of Rural Housing

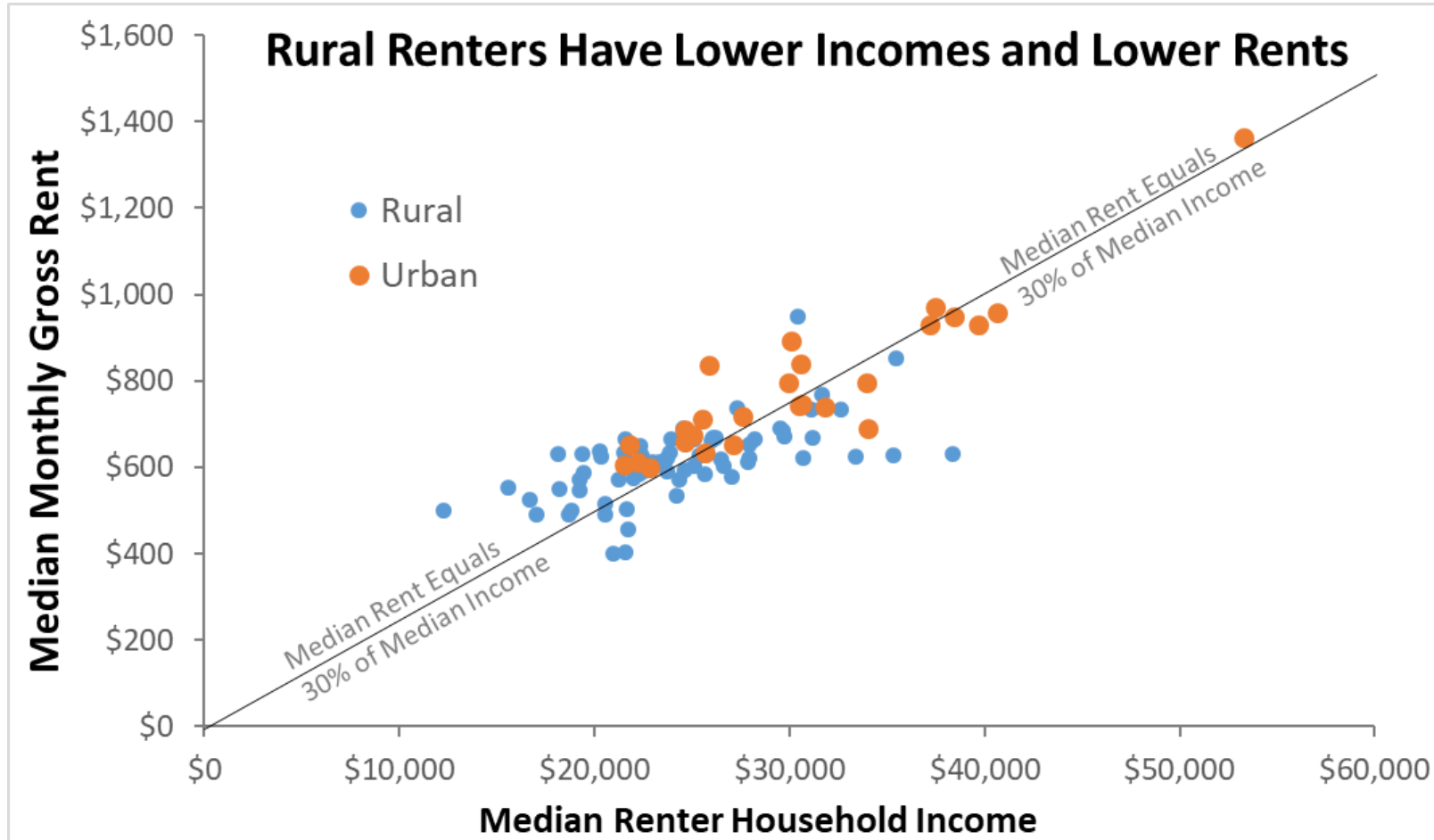
**Renter Mobility: % of Renters who have
been in same unit since 2010**



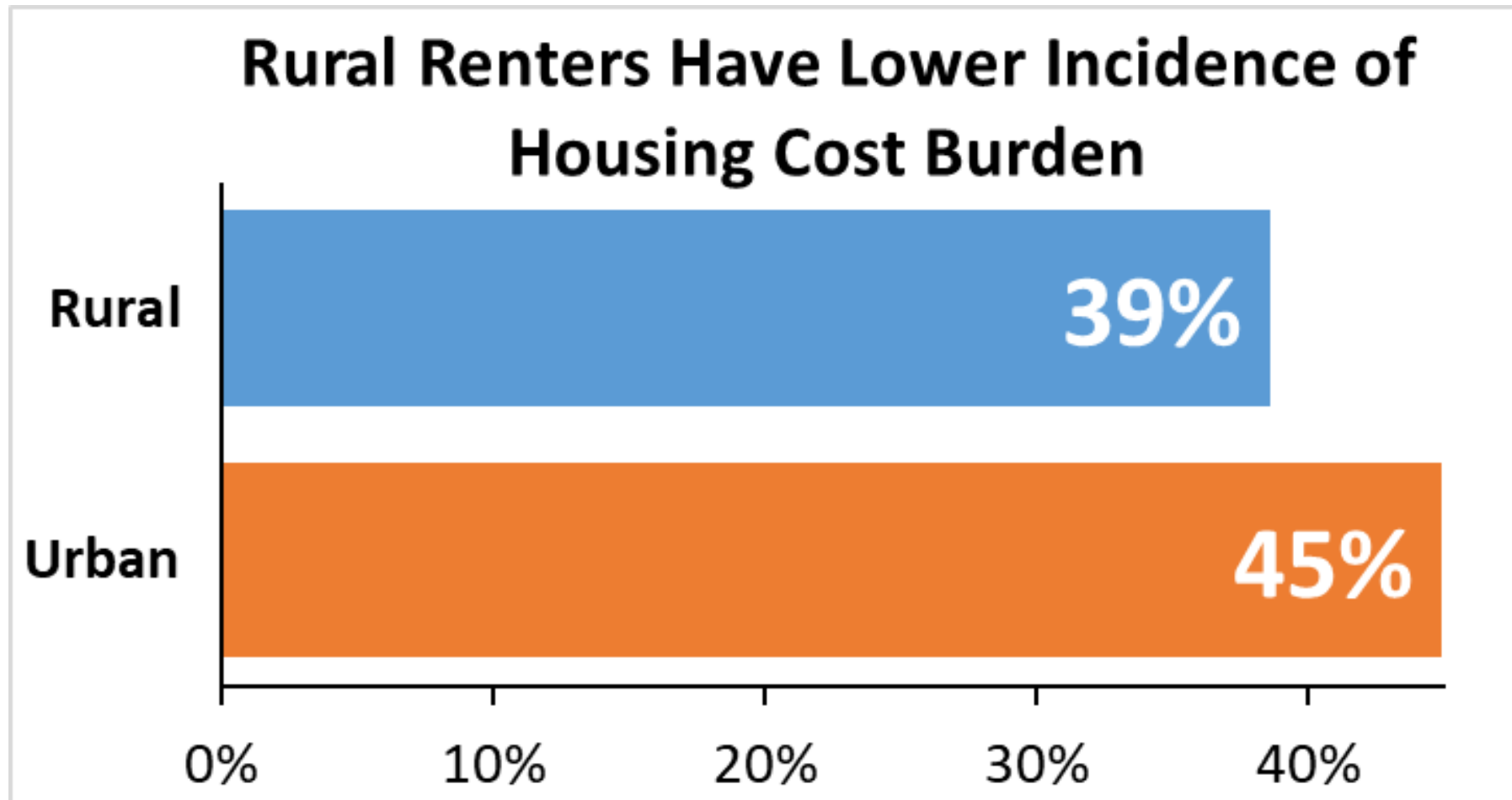
Characteristics of Rural Housing



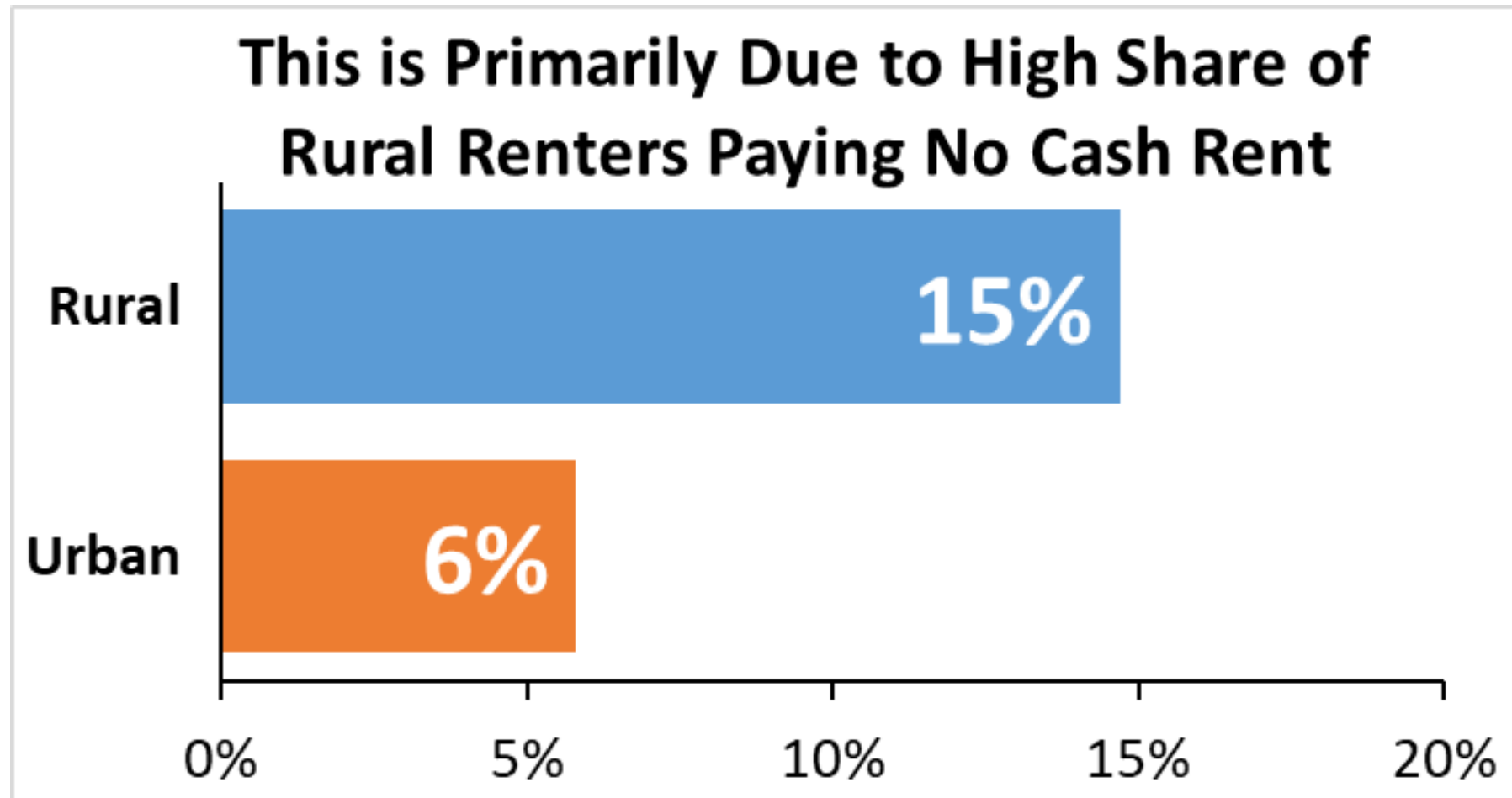
Characteristics of Rural Housing



Characteristics of Rural Housing



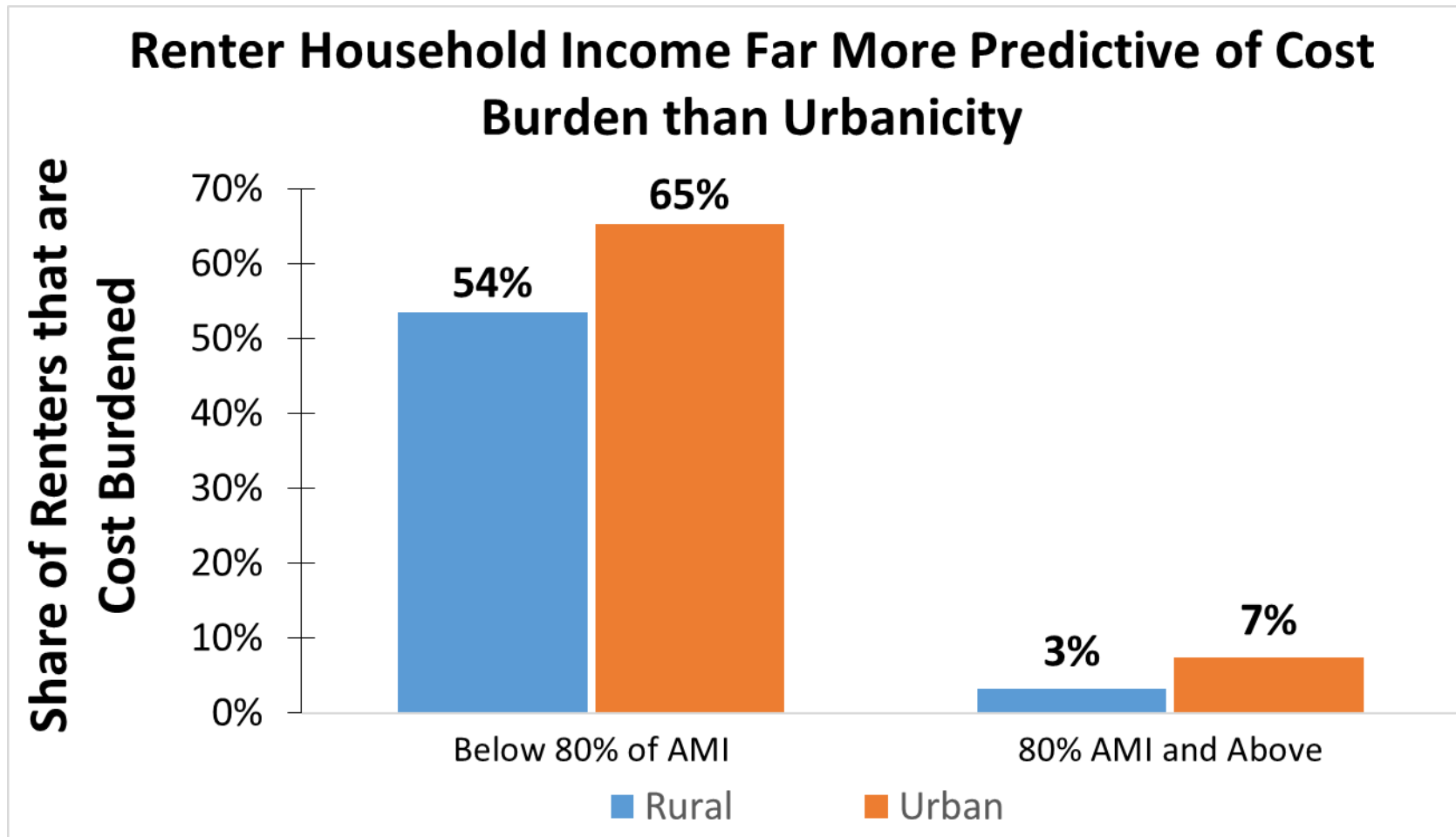
Characteristics of Rural Housing



Rural and Urban Similarity

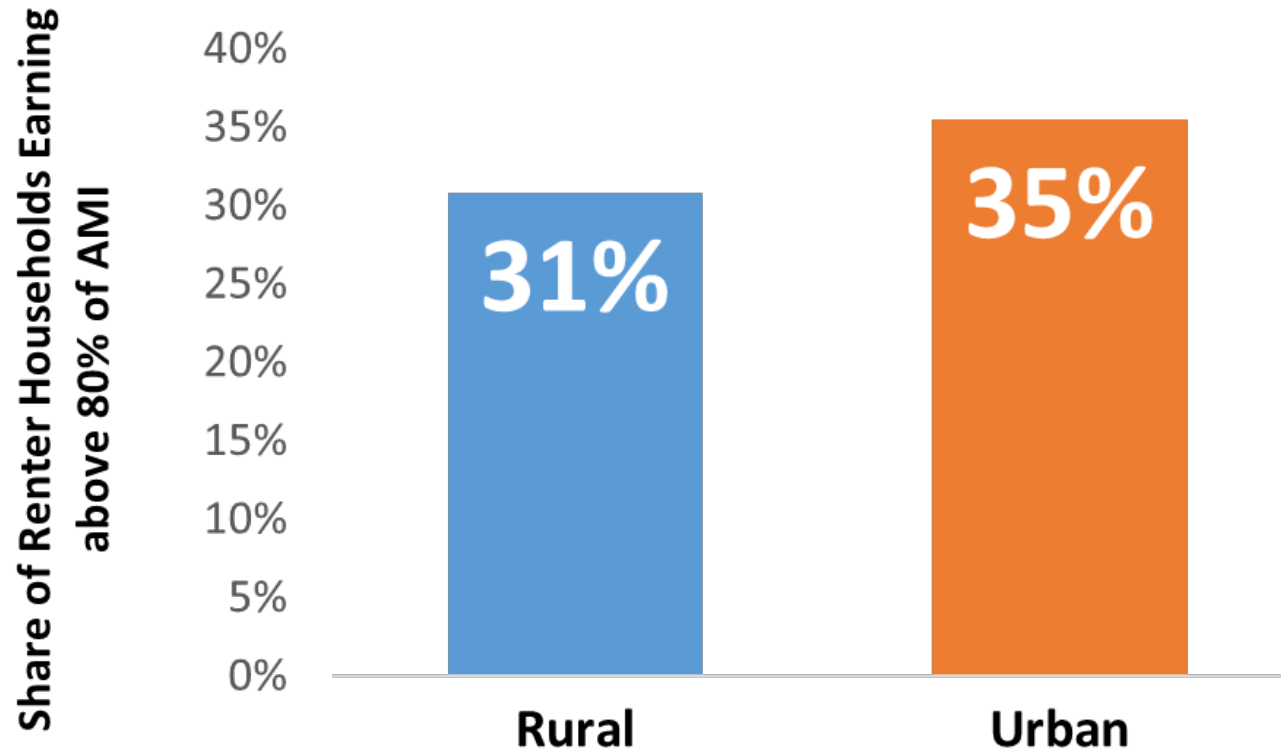
Rental Affordability & Availability			
	Rural	Urban	Difference
Share of <u>All Renters</u> Cost Burdened	38.6%	44.9%	6.3%
Share of <u>Renters Paying Cash Rent</u> that are Cost Burdened	45.2%	47.6%	2.4%

Rural and Urban Similarity



Rural and Urban Similarity

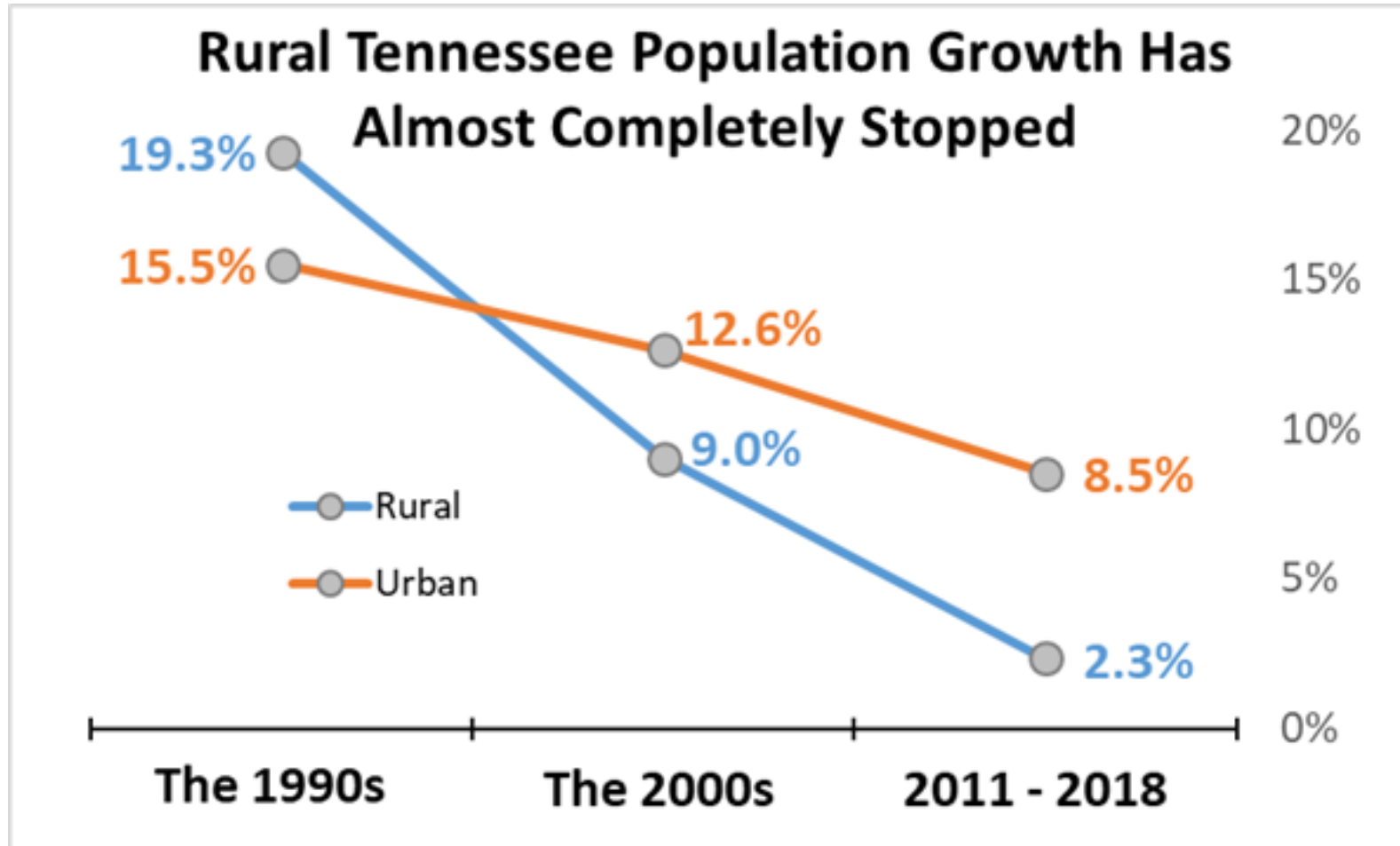
Urban and Rural Renters Have Similar Shares
of Middle Income Households



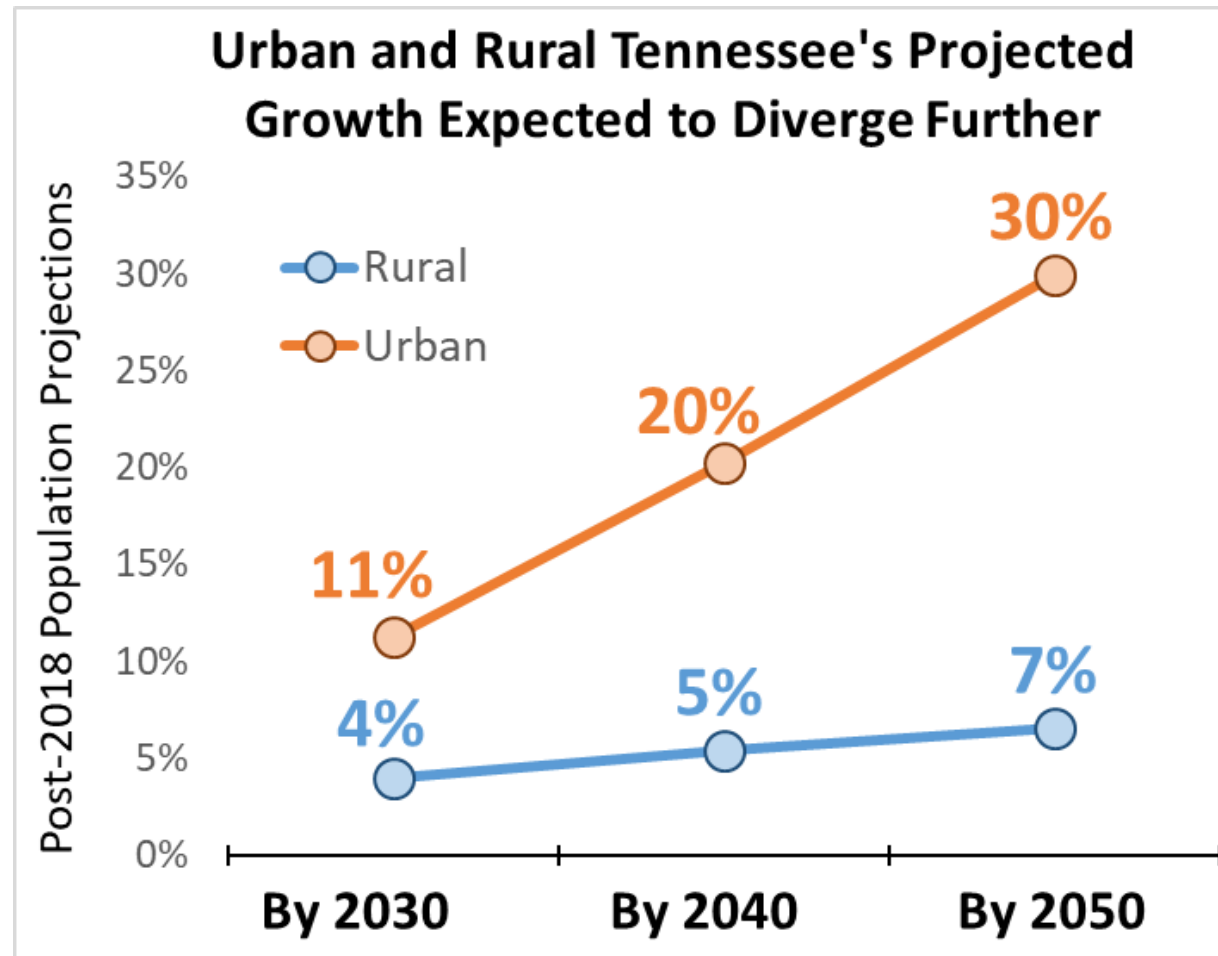
Rural and Urban Similarity

Rental Affordability & Availability		
	Rural	Urban
Overall Rental Vacancy Rate	7.5%	6.9%
LIHTC Vacancy Rate	6.2%	6.4%
Rate of Renter Overcrowding	4.0%	3.7%
Share of Rental Units that were Built Before 1960	23.5%	22.2%

Characteristics of Rural Housing



Rural Population Trajectory



Rural vs. Urban Housing Markets

Areas of Similarity

Rental Vacancy
Rental Overcrowding
Age of Rental Units
Renter Cost Burden
Average Household Size
Share of Renters that are Low Income

Areas of Difference

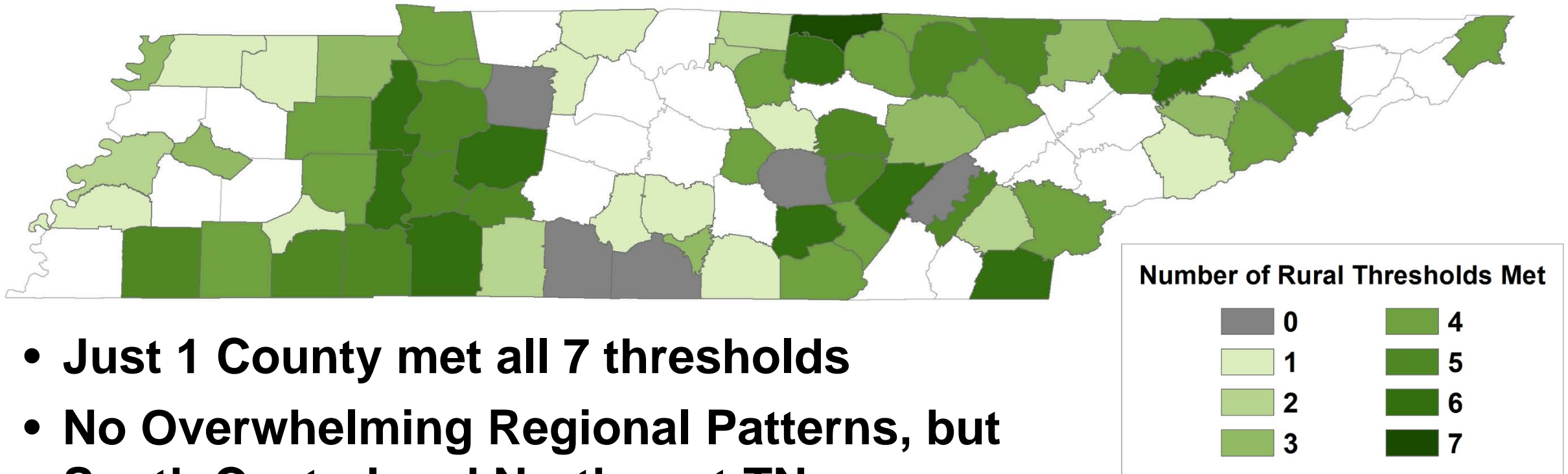
Types of Housing Units
Rents and Incomes
Population Growth
Future Population Change
Percentage of Households who Rent
Renter Mobility
Share of Young Renters
Renters Paying No Cash Rent

Rural Housing Character

Distinctly Rural Traits

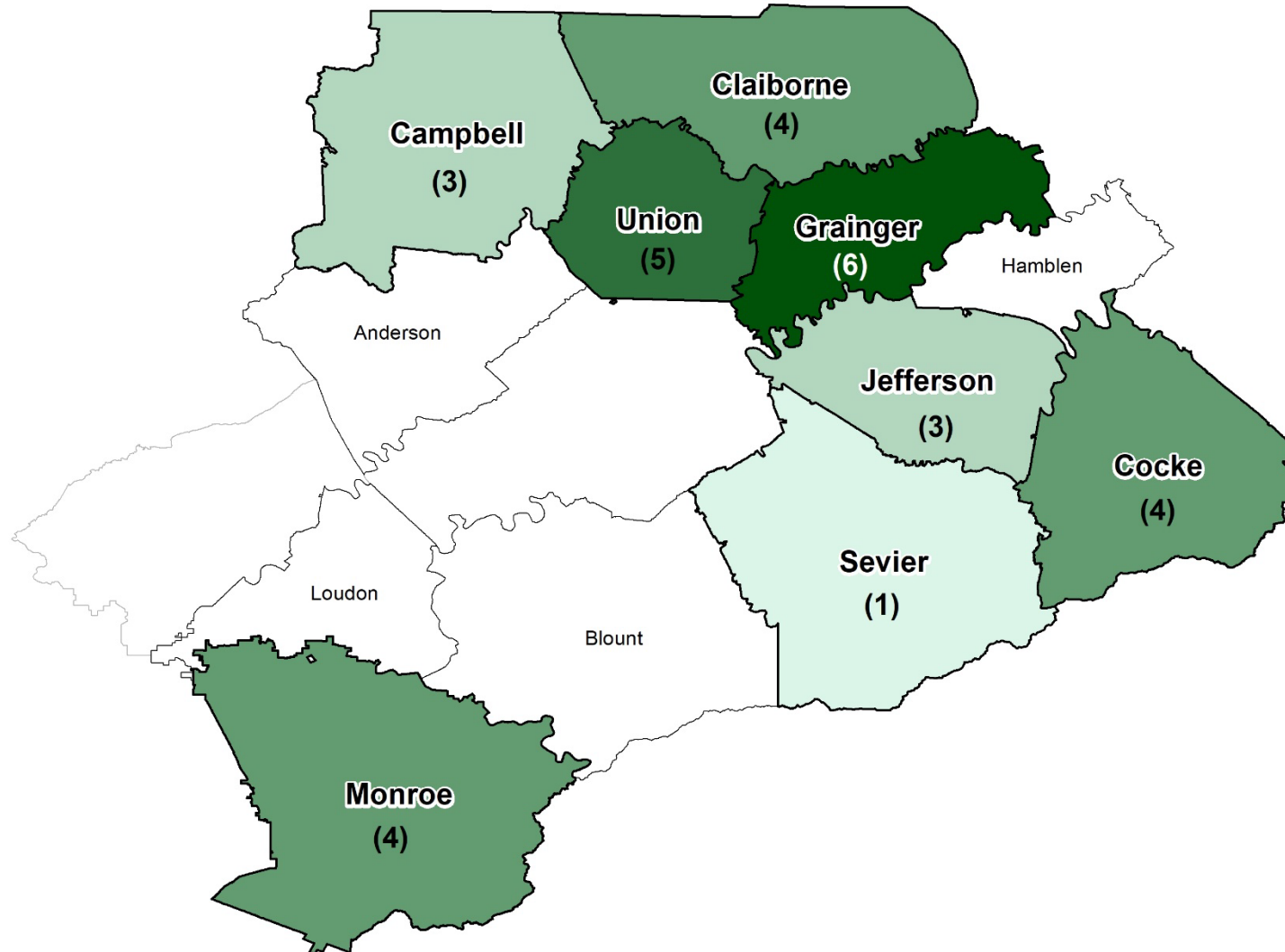
Share of Mobile Homes	(More than 22%)
Population Loss Since 2000	(Net Loss)
Low Share of Renters	(Less than 27%)
Low Share of Young Renters	(Less than 30%)
Renters Paying No Cash Rent	(More than 15%)
Low Labor Force Participation	(Less than 54%)
High Share of Renters Who Have Not Moved Since 2010	(More than 30%)

Rural Housing Character



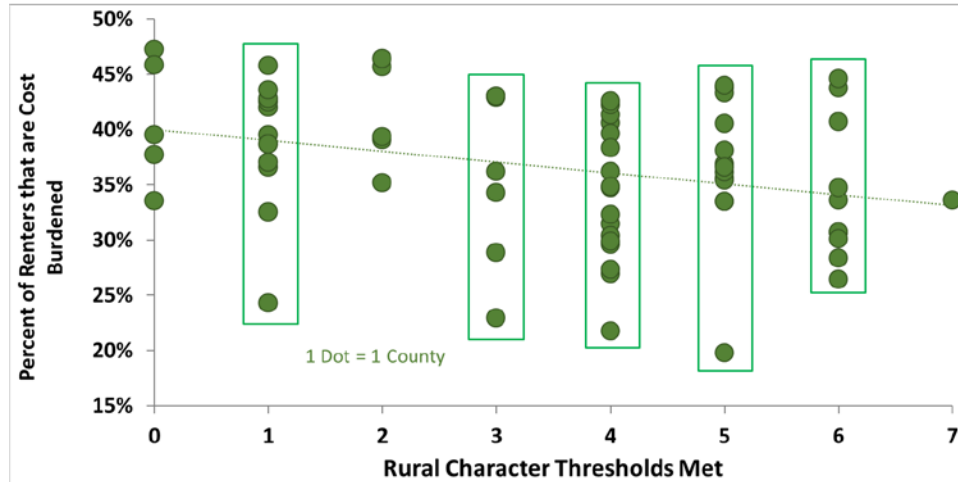
- **Just 1 County met all 7 thresholds**
- **No Overwhelming Regional Patterns, but South Central and Northwest TN score low for “Rural Housing Character”**

TVCH Region

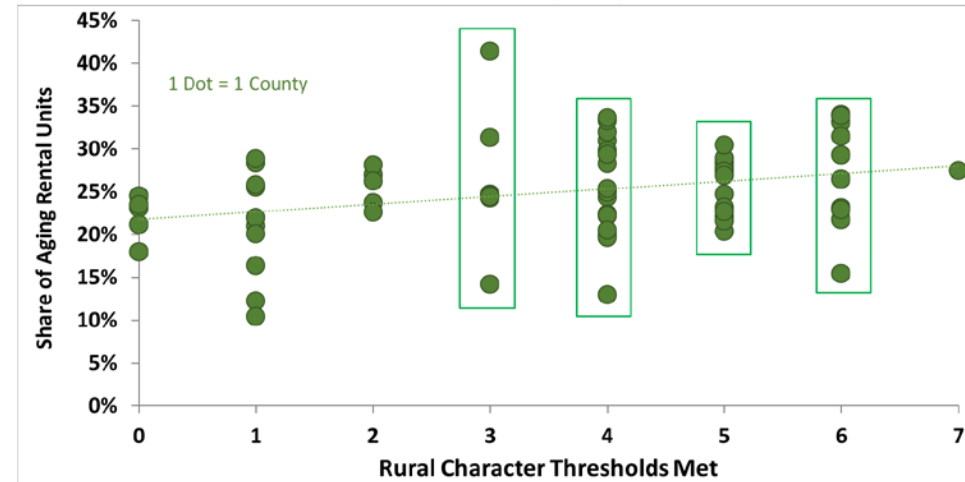


Do Rural Housing Characteristics Correspond to Housing Needs?

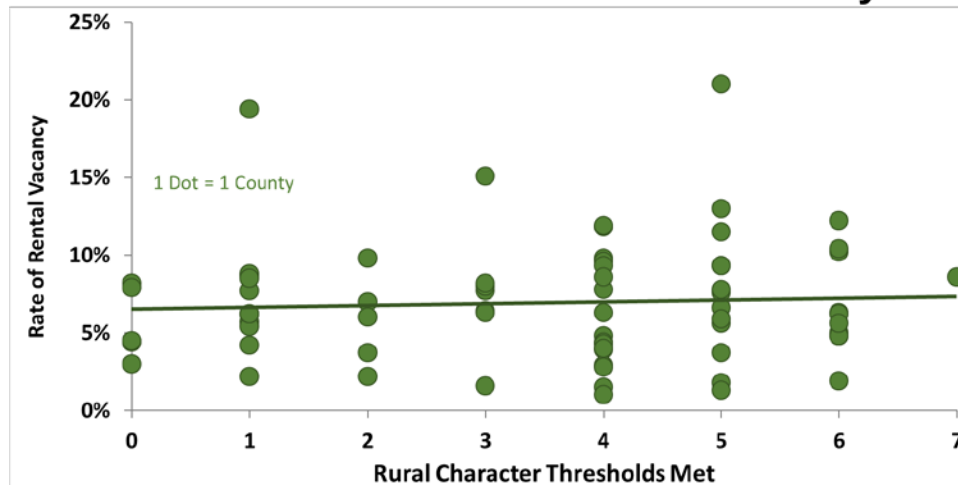
Weak Correlation with Renter Cost Burden



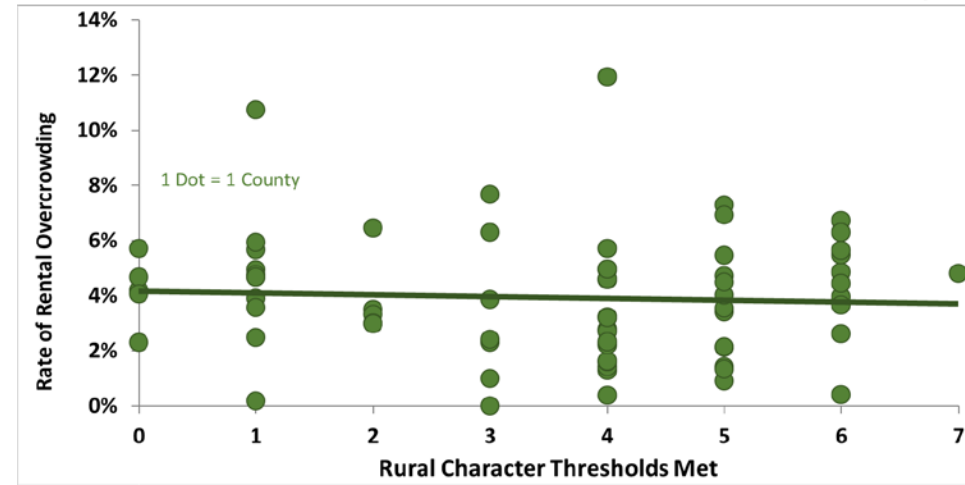
Weak Correlation with Aging Rental Units



No Correlation with Rental Vacancy



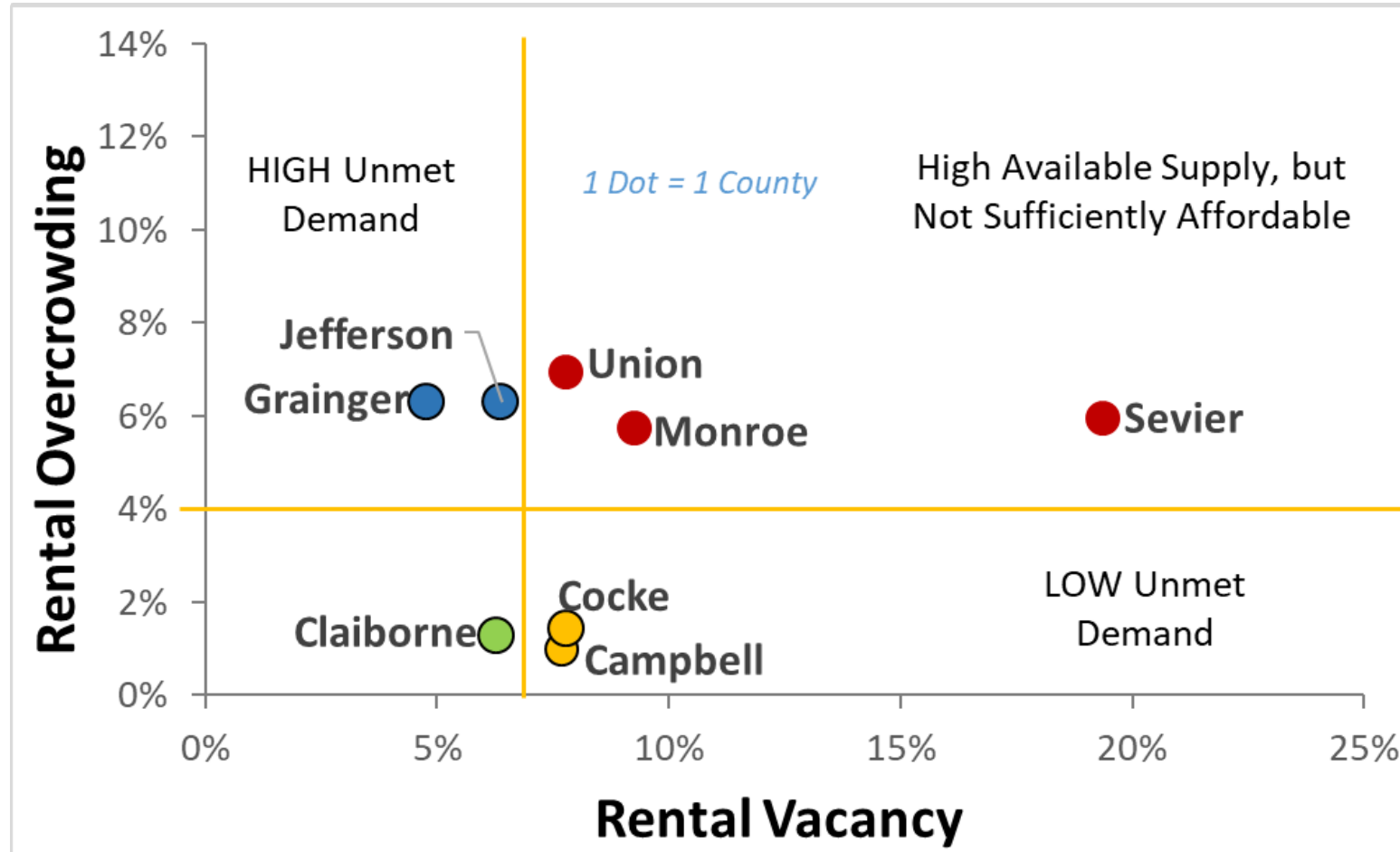
No Correlation with Rental Overcrowding



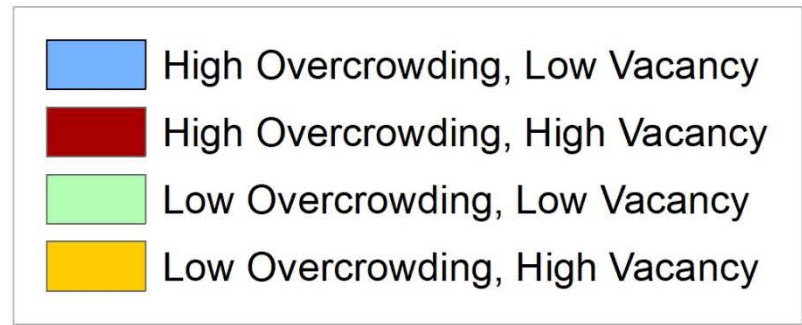
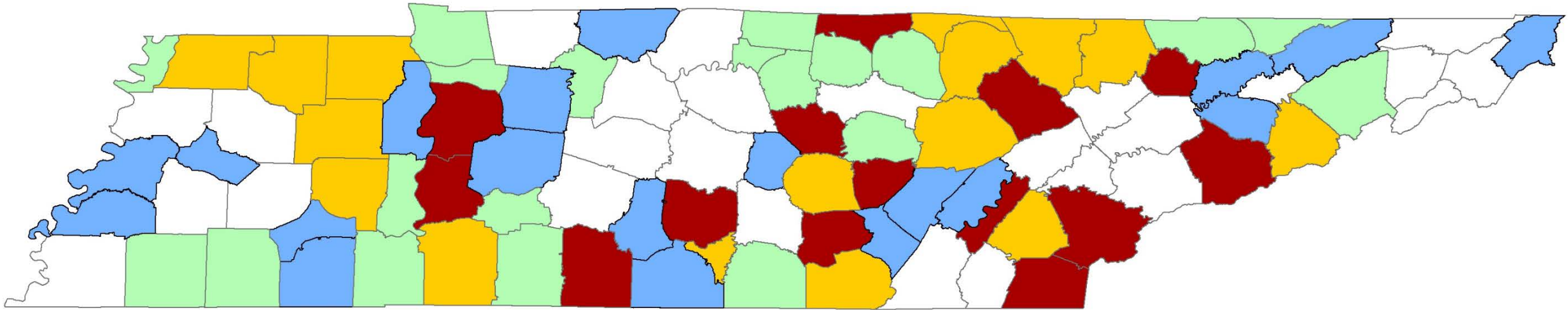
Verdict

The traits that distinguish Rural Tennessee housing markets do NOT translate to a distinct set of housing needs.

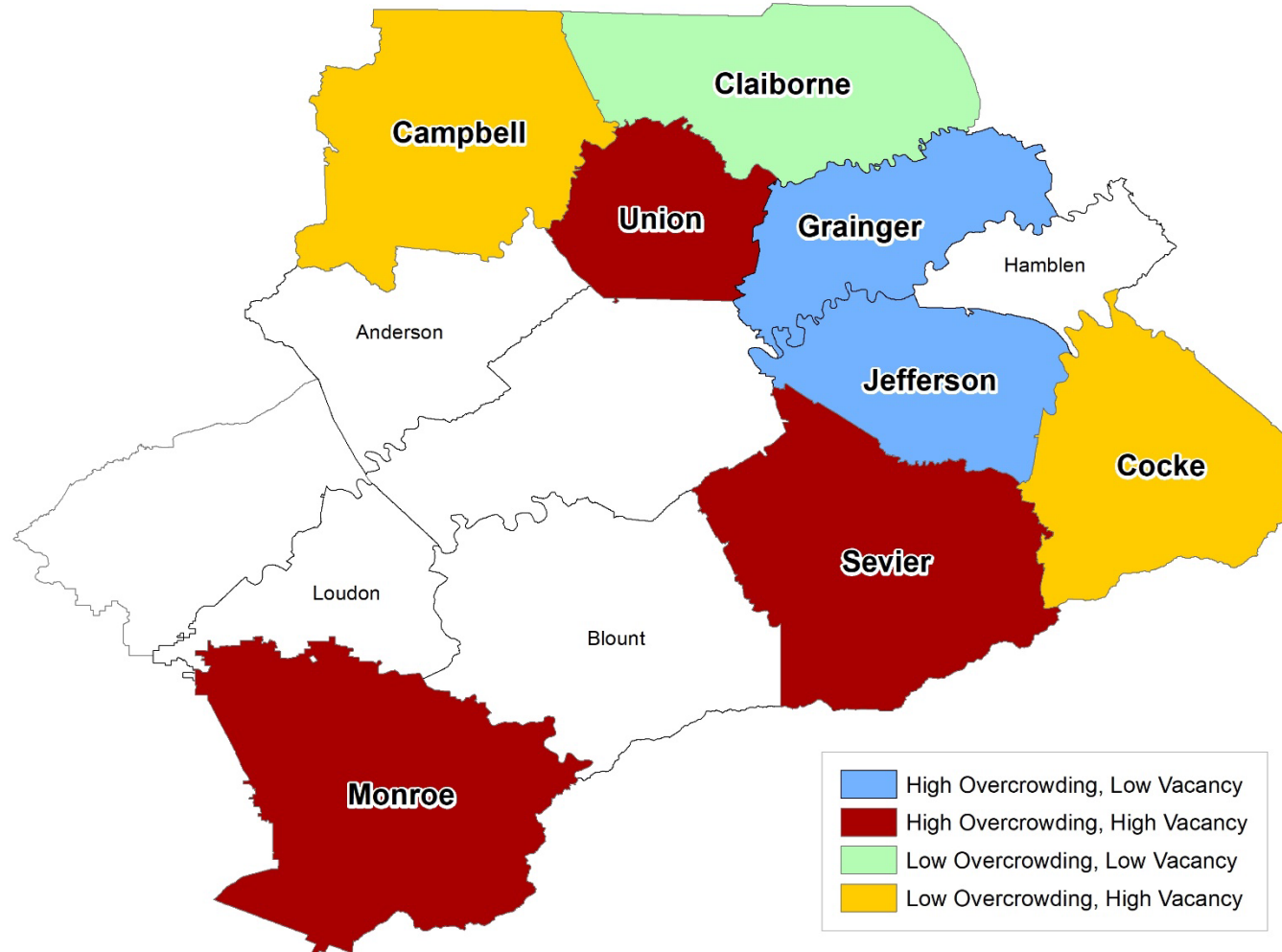
How to Qualify Rural Housing Needs?



Rental Overcrowding/Vacancy



Rental Overcrowding/Vacancy



Low Overcrowding, Low Vacancy

Means Rental Supply is Tight, but Consequences Could Be Worse

Traits of Low Overcrowding, Low Vacancy:

High Percentage of Renters who Haven't Moved Recently

Median Renter Income Has Grown in Recent Years

TVCH Examples: Claiborne

Low Overcrowding, High Vacancy

Should Indicate Less Unmet Demand for New Rental Units

Traits of Low Overcrowding, High Vacancy:

Higher LIHTC Vacancy

Less Population Growth Since 2010

Higher Rates of Householders 65+

TVCH Examples: Campbell, Cocke

High Overcrowding, Low Vacancy

Means Rental Supply is Tight, and Renters are Overcrowded as a Result

Traits of High Overcrowding, Low Vacancy:

Median Rents are Higher

Renter Cost Burden is Slightly Higher

Higher Population Growth in Recent Decades

Fewer Aging Rental Units

TVCH Examples: Grainger, Jefferson

High Overcrowding, High Vacancy

Means Renters are Doubling Up, but Available Units are Still Vacant

Traits of High Overcrowding, High Vacancy:
LIHTC Vacancy Much Lower than Rental Market as a Whole
High Share of Mobile Home Rentals

TVCH Examples: Sevier, Union, Monroe

Three Types of Housing Policy Intervention

1. Construction of New Housing
2. Renovation/Maintenance of Existing Housing
3. Making Existing Housing More Affordable

TVCH Taxonomy

		Present Housing Needs			
		Low Overcrowding, Low Vacancy	Low Overcrowding, High Vacancy	High Overcrowding, Low Vacancy	High Overcrowding, High Vacancy
Future Housing Needs	High Projected Population Growth, 2018 to 2030			Jefferson	Sevier
	Moderate Projected Population Growth, 2018 to 2030			Grainger	Monroe Union
	Projected Population Loss, 2018 to 2030	Claiborne	Campbell Cocke		

Rural Character & Housing Solutions

- Just 30% of Rental Units are Multifamily
- More than 1 in 5 are Manufactured Homes

- Potential Difficulty of Developing Multifamily Units
- Reliance on Filtering
- Reliance on Manufactured Housing

Implications for Homelessness

85 to 90 percent of homeless population is estimated to be non-chronically homeless.

Efforts to improve outcomes for the bottom of the rental market are undoubtedly tied to homelessness.

Tennessee Housing Trust Fund Competitive Grants

THTF Competitive Grants Program

- ✓ Grants of up to \$500,000 for development of rental housing for low income households
 - All populations eligible, but priority for units set aside for ex-offenders, youth transitioning out of foster care, and homeless veterans
 - Compliance Period based on Competitive Grants investment per unit – 5, 10, or 15 years
 - Rents affordable to households at 80% of AMI (HUD)
 - Ongoing monitoring for property condition and affordability
 - 50% match required, including cash, value of land, and value of supportive services, project-based rental assistance

Competitive Grants Funding Availability

- ✓ THDA allocates approximately \$4M annually
- ✓ Two competitions held each year – Fall and Spring
 - Each Round has approximately \$2M available
 - Fall Round opens in August with applications due in September
 - Spring Round opens in January with applications due in March
- ✓ 2020 Fall Round will open on around August 1, with applications due on or about September 26, 2019 – Pending THDA Board approval at July 2020 meeting

Funded Developments

2015 Fall – Keystone Development, Inc. - \$430,000. 7 rental units for homeless veterans or other special needs individuals in Washington County.



Funded Developments

Franklin Housing Authority – Senior Residence at Reddick Place





NHTF Grant of Up to \$900,000 for:

- ✓ Development of rental housing for extremely low income households, including those with special needs
 - 30 Year Compliance Period
 - Rents restricted to be affordable at 30% of AMI (HUD)
 - Ongoing monitoring for property condition and affordability
 - No match required
 - Project-based rental assistance encouraged in scoring criteria
- Eligible applicants include local public housing authorities and nonprofit housing developers/owners

NHTF Competition

- ✓ THDA receives between \$3 - \$4M annually
- ✓ THDA will select the highest scoring application meeting score threshold minimum in each Grand Division and, if funds remain, will select the next highest applications statewide until all funding is awarded.
 - West Tennessee – We need to hear more from you!
- ✓ 2019 Application Round will begin in August, with applications due in October.



Emergency Solutions Grants

Federal Funds to Assist the Homeless

- ✓ Provides grants of up to \$150,000 to local governments and nonprofits serving areas outside of Chattanooga, Memphis, and Nashville to:
 - Conduct Street Outreach
 - Operate an Emergency Shelter
 - Provide Rapid Re-Housing Assistance
 - Provide Homelessness Prevention Assistance
 - Collect Data on Households Served
- ✓ Grant recipients must:
 - Use the Homeless Management Information System adopted by the Continuum of Care to track data, except if victim services provider
 - Participate in the system for Coordinated Intake of the Continuum of Care

Funding Availability

- ✓ The State annually receives approximately \$3M in Federal funds
- ✓ THDA sets-aside \$150,000 funds each to Clarksville, Knoxville, Johnson City, and Murfreesboro (\$600,000 total)
- ✓ Balance of funds, less administrative fees, is made available through an annual competition
 - Opens in January with applications due in mid-March
 - 2019 funding announcements made in May – 23 competitive grants, \$2.2M+ awarded; 4 grants totaling \$600,000 to four set-aside cities



Utility Assistance

- ✓ Provides utility assistance for households at or below 150% of the poverty level
 - Priority for families that include: elderly, individuals with disabilities, young children (under age 6), high energy burden, veterans
- ✓ Benefit Level - \$175 - \$650
- ✓ Reminder: Households that received benefit between July 1, 2018 – December 31, 2018 were eligible for benefit again between January 1, 2019 – September 30, 2019
- ✓ Administered through 19 local agencies, covering all 95 Tennessee counties
- ✓ <https://thda.org/business-partners/liheap>



Capacity Building Grant Program

Capacity Building Grant Program

- ✓ Supports the development of a strategic plan or succession management plan
- ✓ \$10,000 maximum assistance per organization; up to 20 grants available
- ✓ Must have at least 2 years of affordable housing experience in Tennessee
- ✓ Match Requirement of 10-50%, based on size of organization's total budget

Capacity Building Grant Program

- An application webinar will be held on **June 27, 2019** and will be recorded and made available on the THDA website
- Applications will be made available on **July 1, 2019**, and will be due on **August 29, 2019**
- Award determinations will be made by **November 1, 2019**, and contracts will begin **January 1, 2020**
- For more information, please visit the Capacity Building Grant Program page of the THDA website: <https://thda.org/business-partners/capacity-building-grant>