

The State of Affordable Housing in Tennessee

BETTIE TEASLEY SULMERS

HULYA ARIK, PHD

MORGAN MANSA

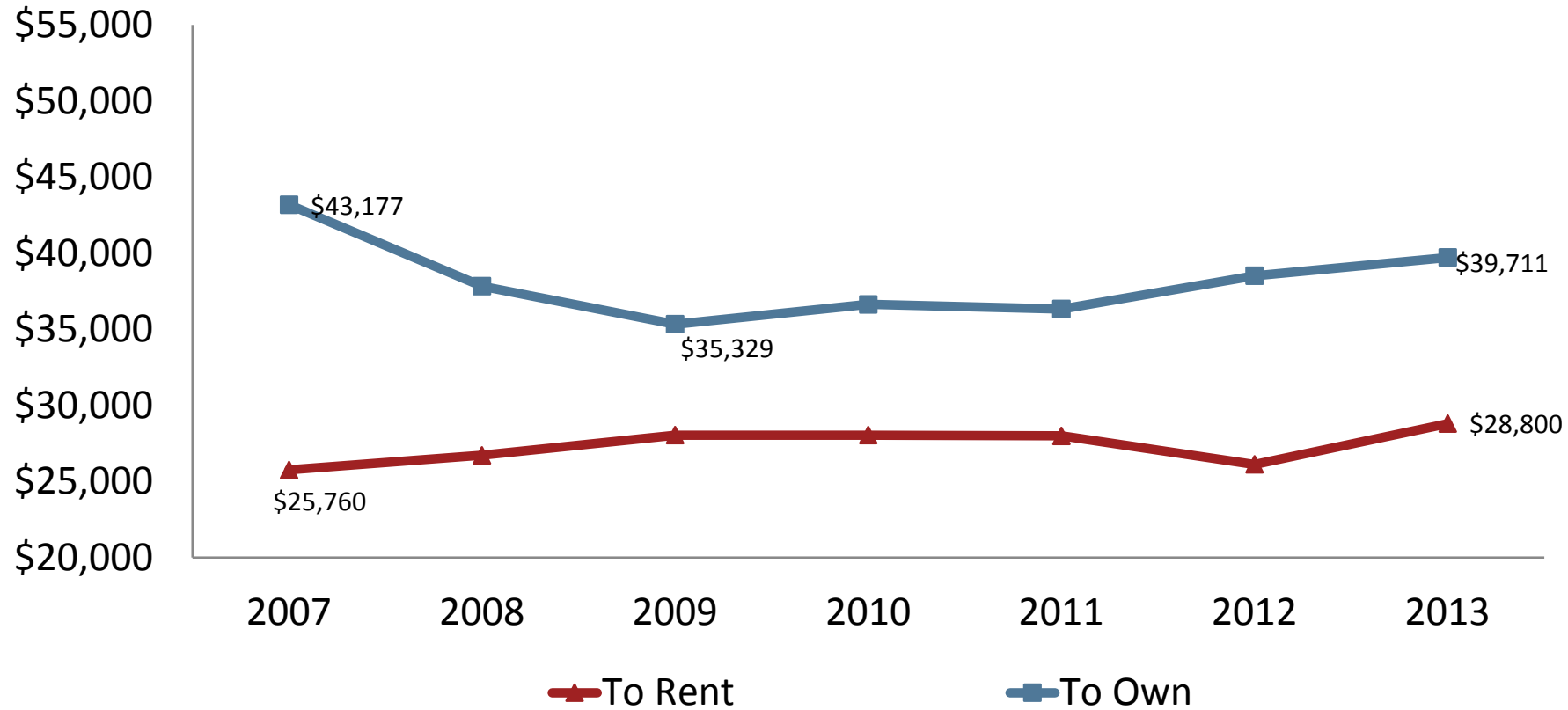
OCTOBER 8, 2015

RESEARCH AND PLANNING

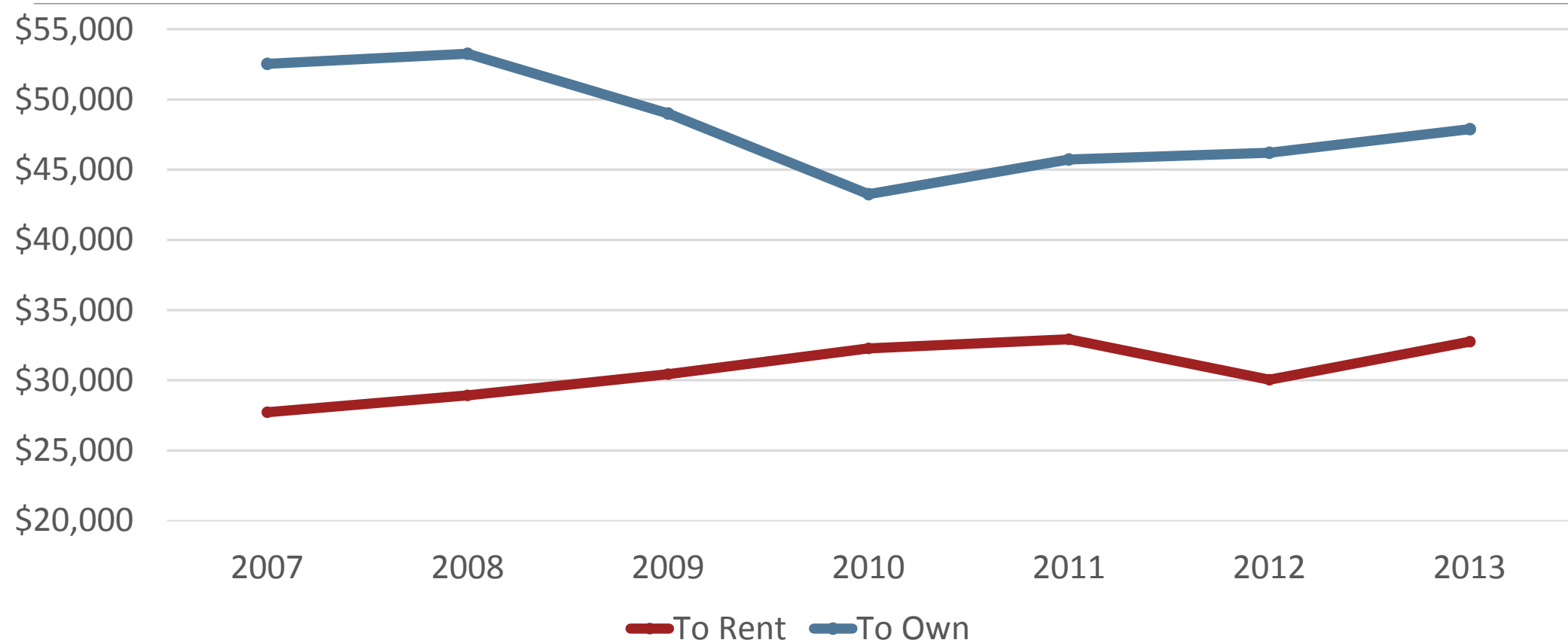
THDA



Income needed to afford median priced housing Tennessee, 2007-2013



Income needed to afford median priced housing Nashville Davidson MSA, 2007-2013

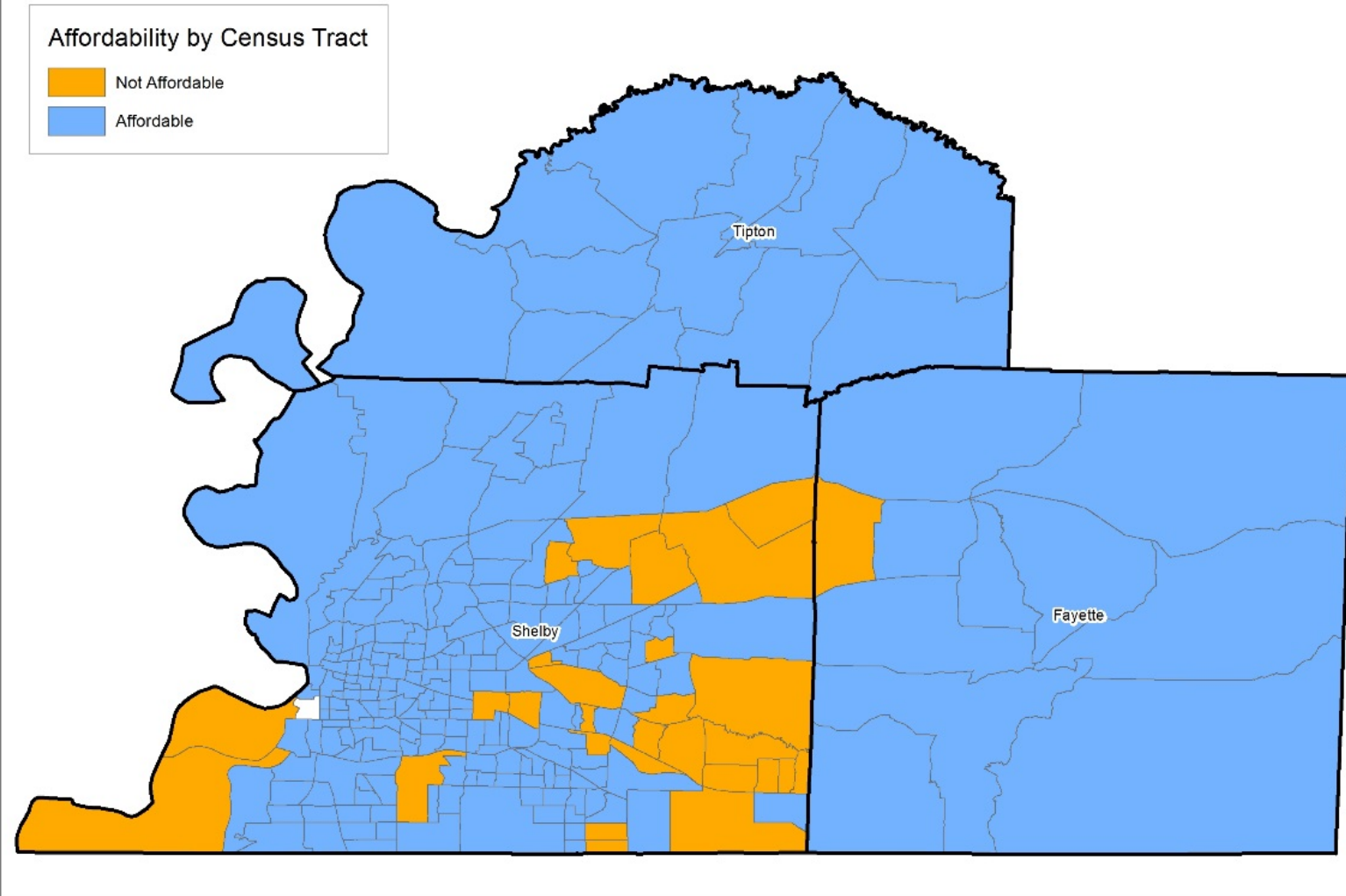


A Regional Look by Occupation/Wages

MEMPHIS AREA MSA

NASHVILLE AREA MSA

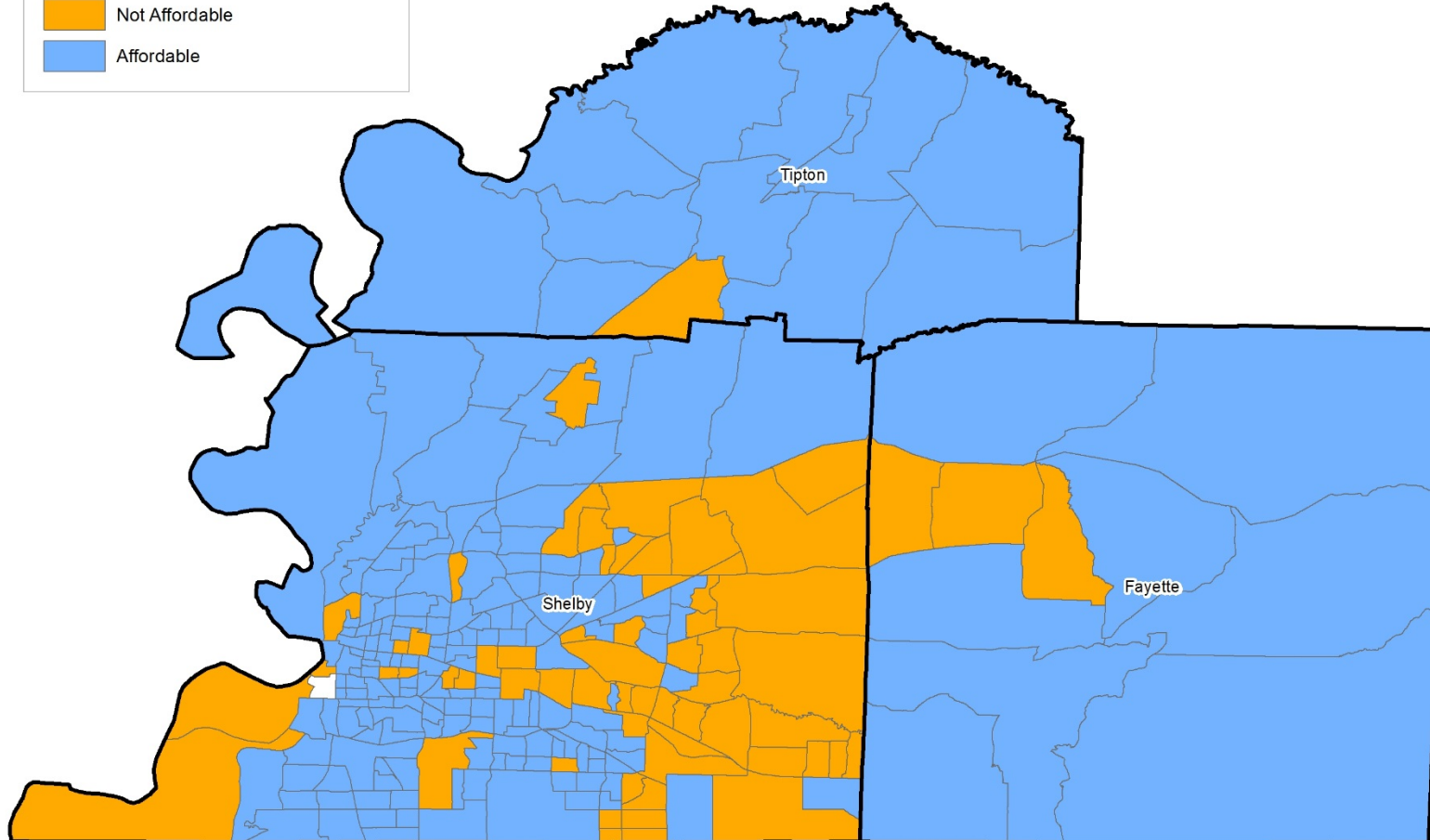
Affordability of Homeownership for Registered Nurses, 2013, Memphis MSA



Memphis Area MSA

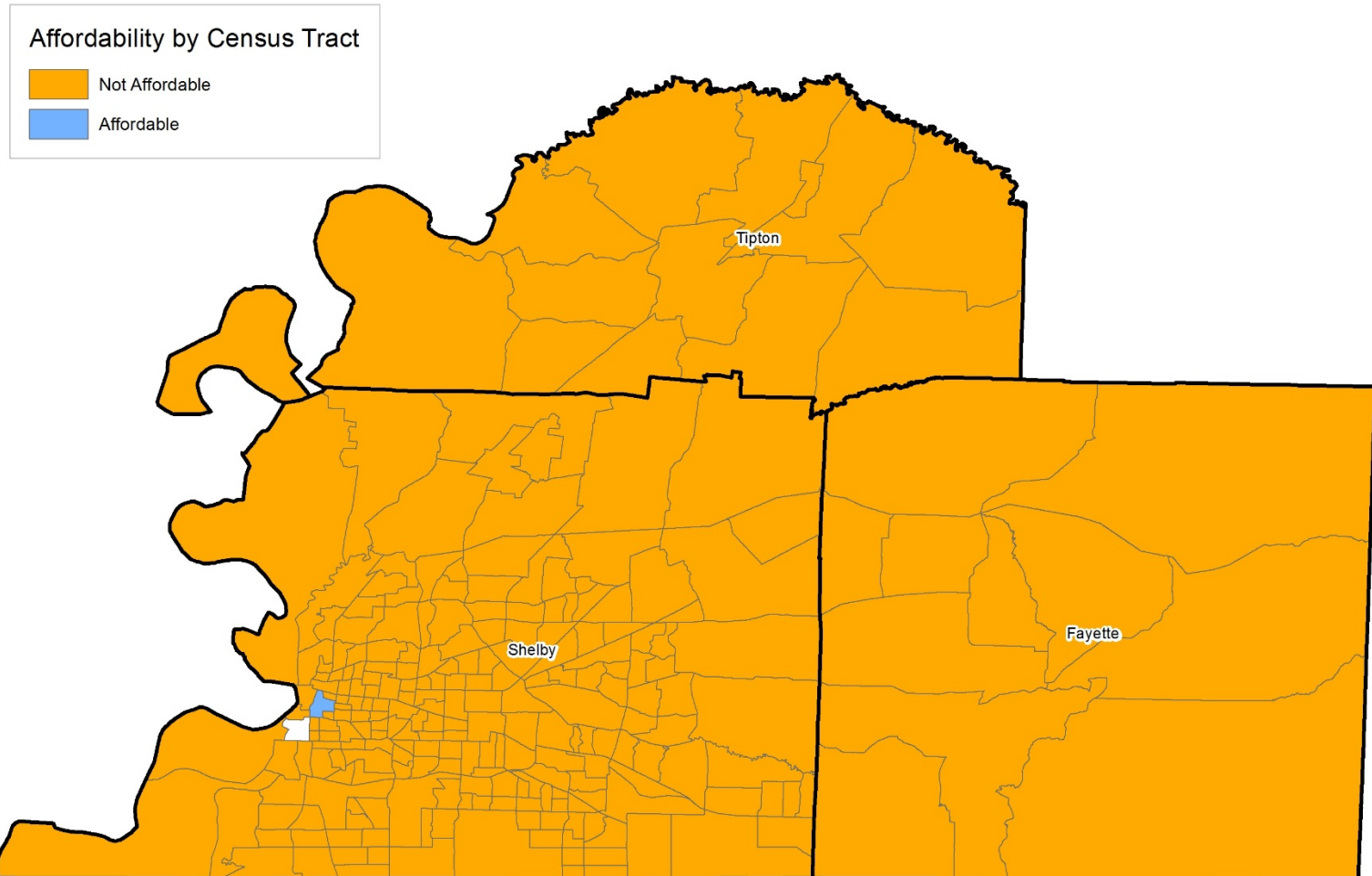
Affordability of Homeownership for Educators, 2013, Memphis MSA

Affordability by Census Tract



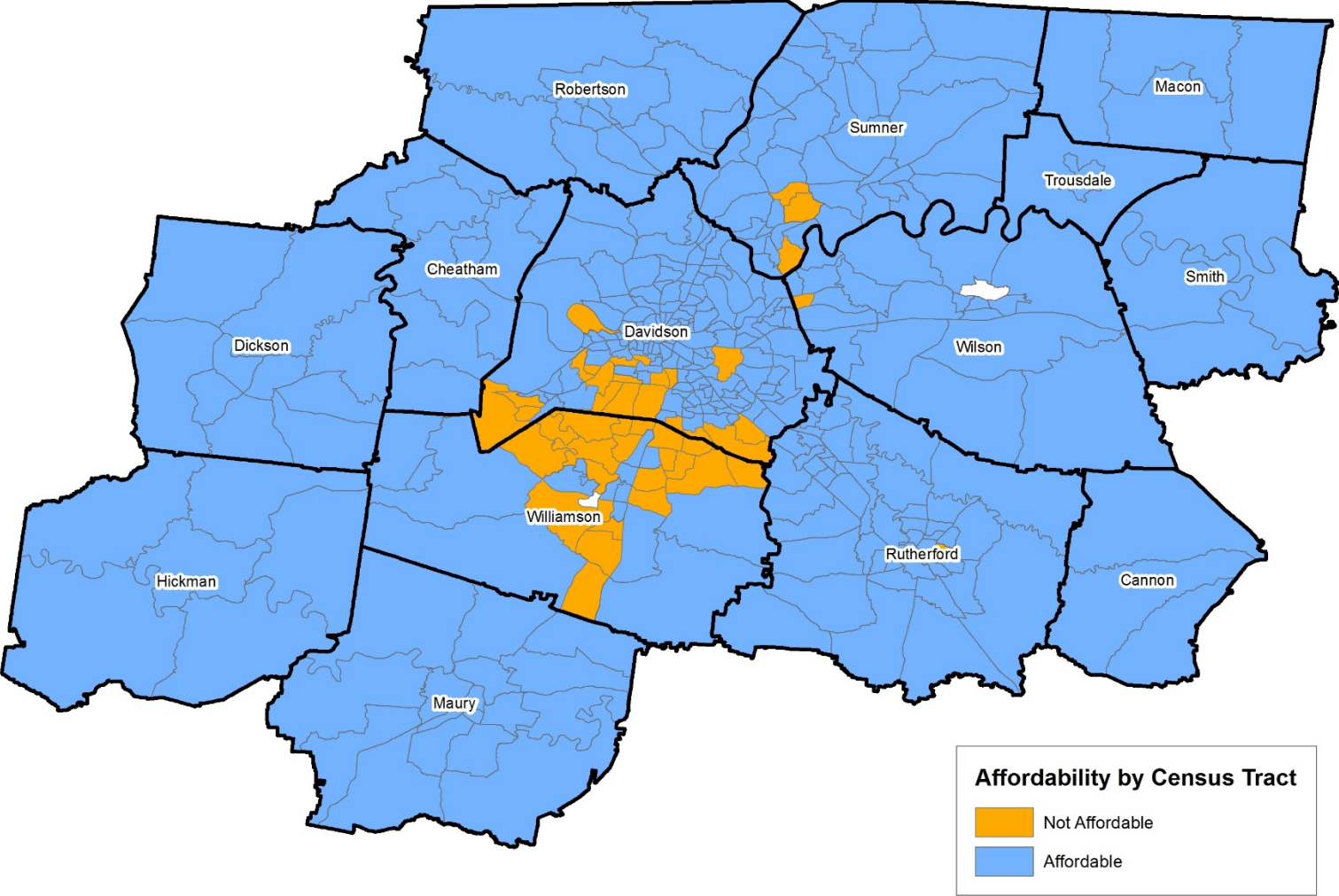
Memphis Area MSA

Affordability of Homeownership for Waiters, 2013, Memphis MSA



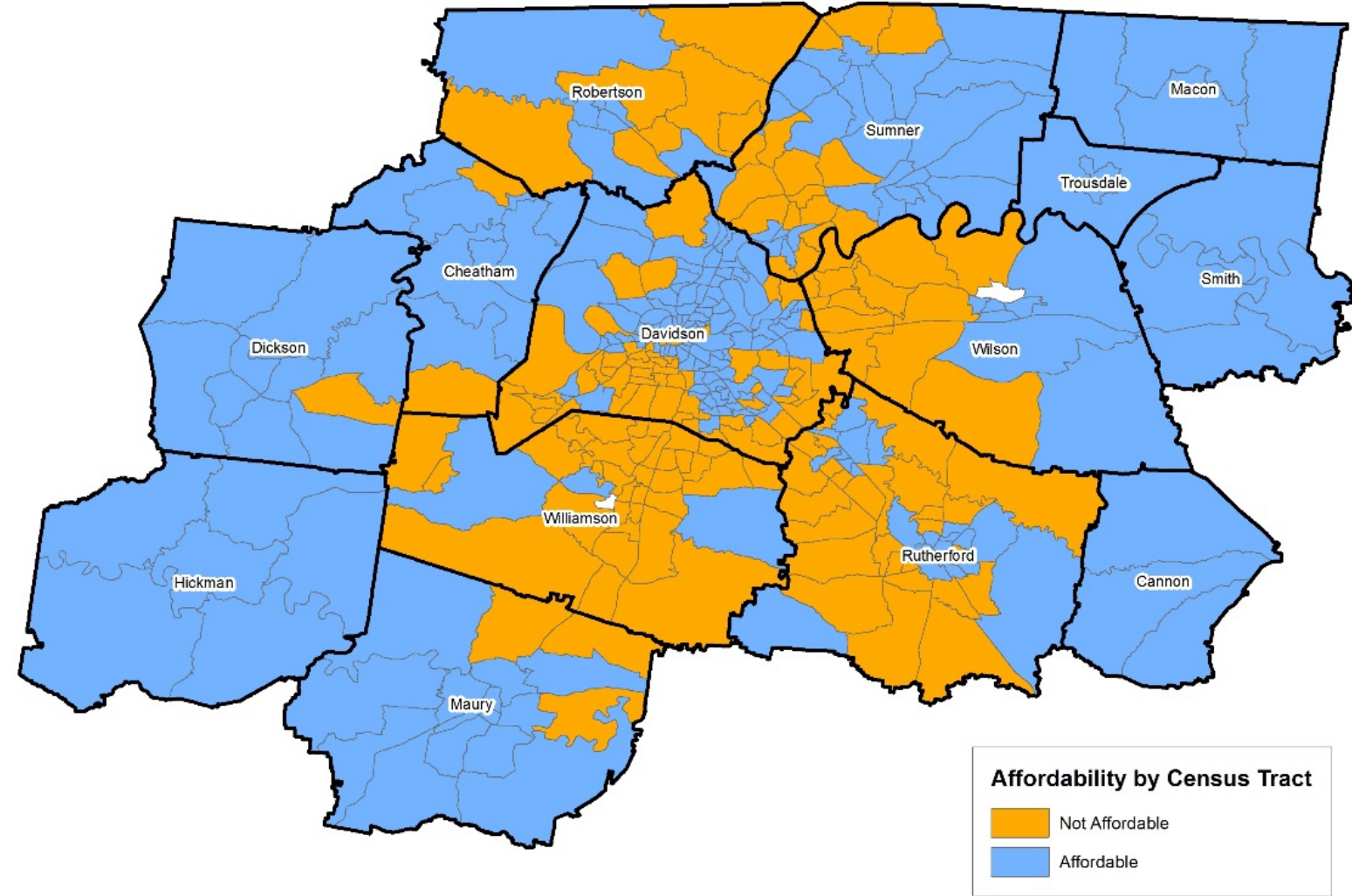
Memphis Area MSA

Affordability of Homeownership for Registered Nurses, 2013, Nashville MSA



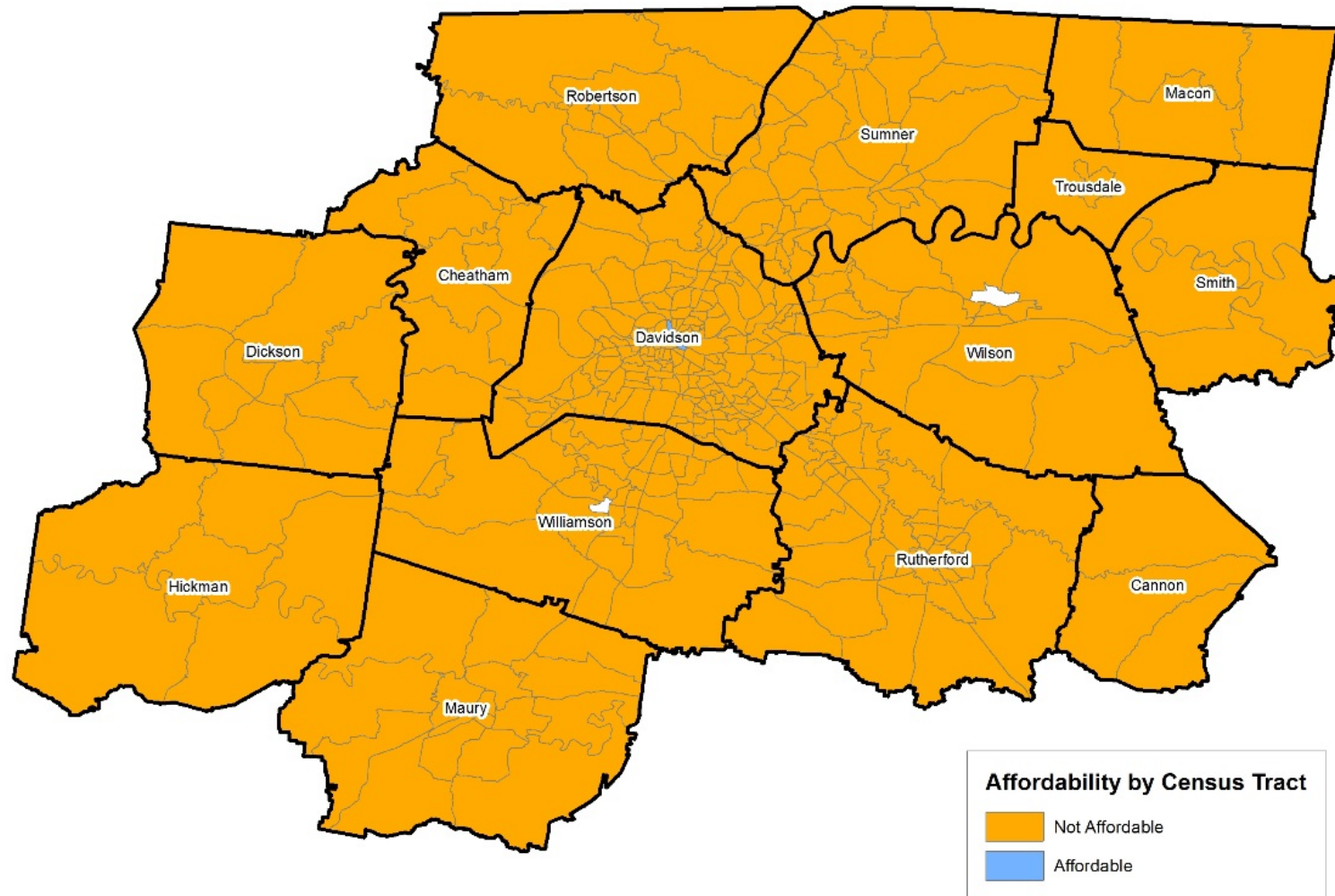
Nashville Area MSA

Affordability of Homeownership for Educators, 2013, Nashville MSA



Nashville Area MSA

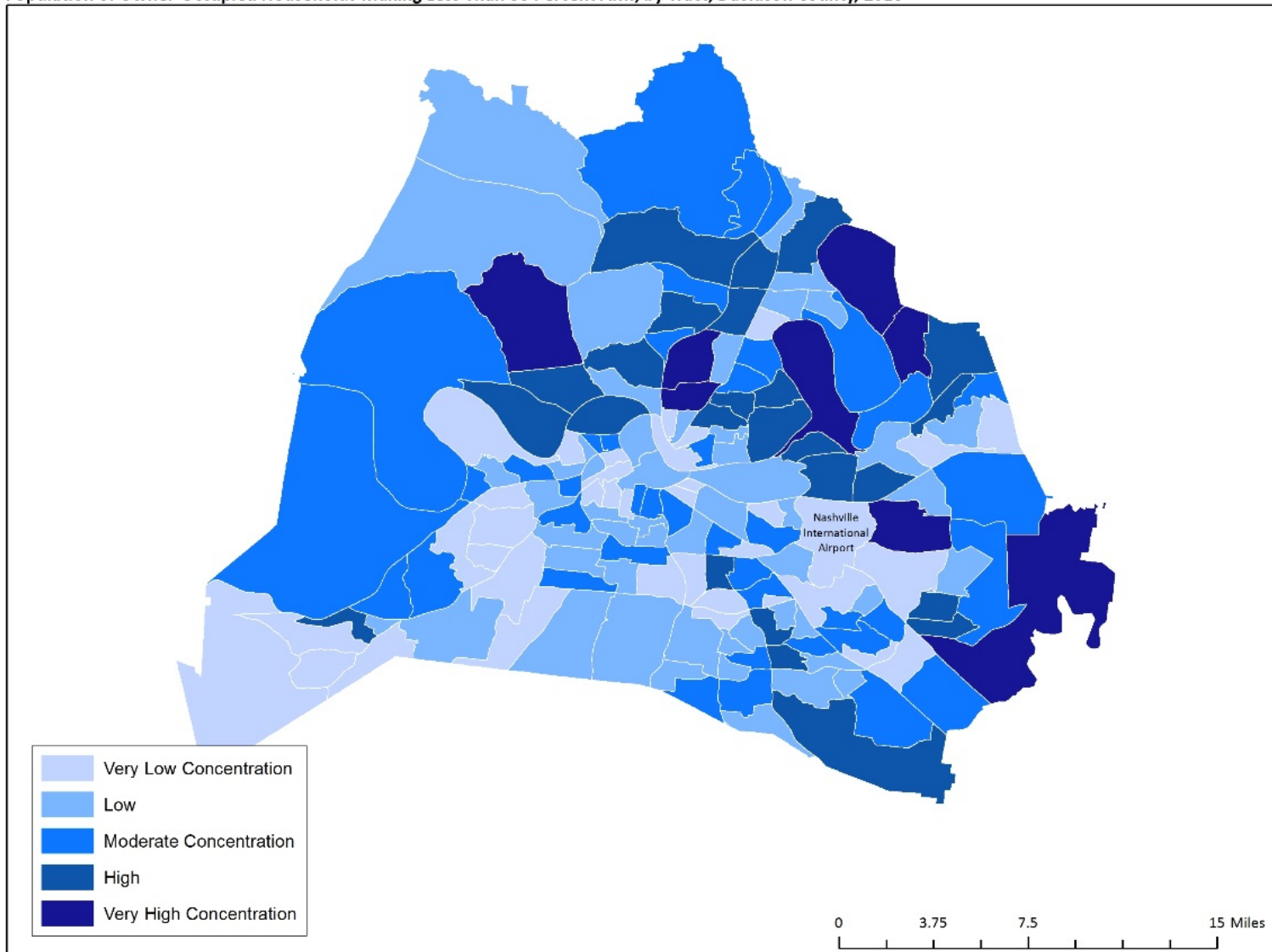
Affordability of Homeownership for Waiters, 2013, Nashville MSA



Nashville Area MSA

Where are these
households and can
they afford their home?

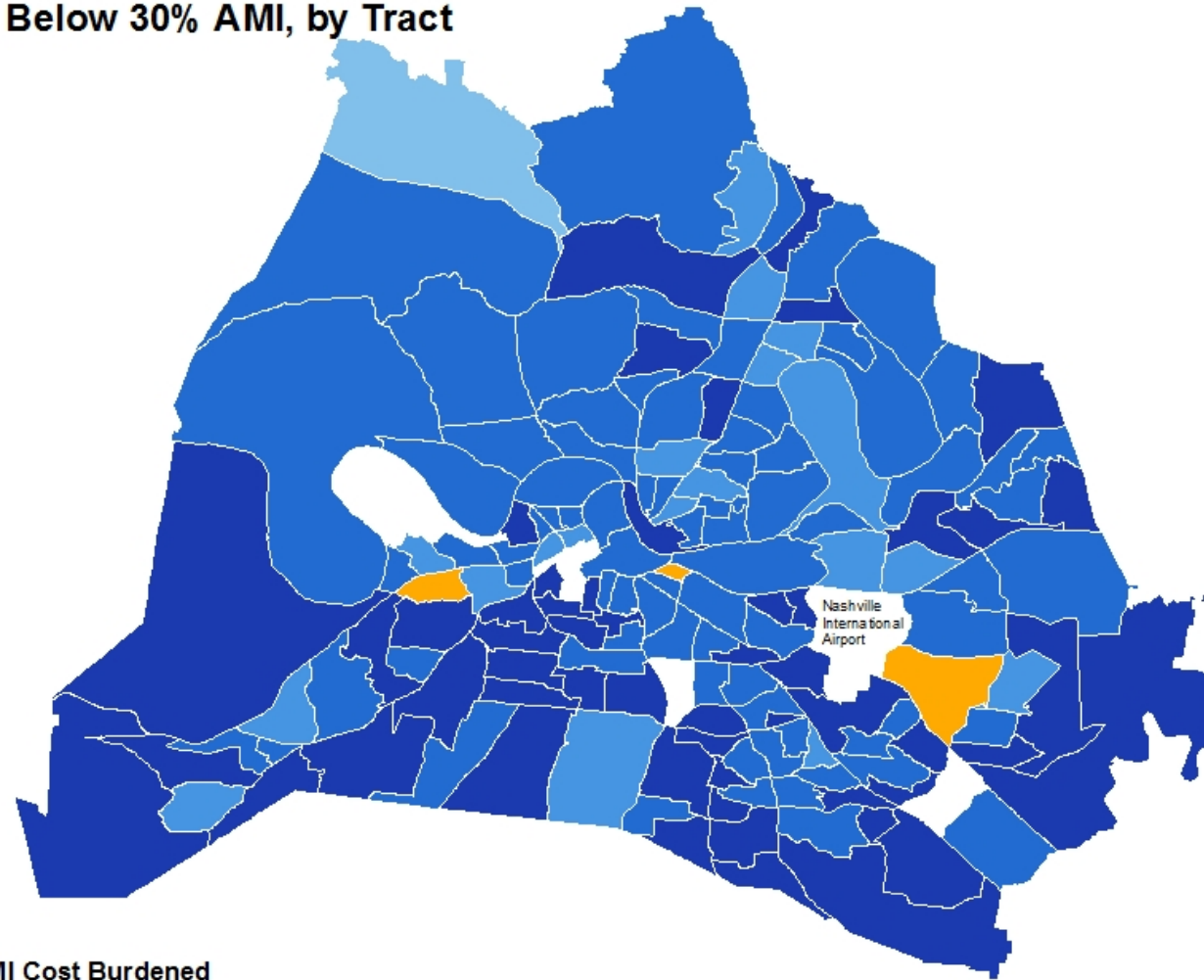
Less than 30 percent
AMI



Owner-occupied homes

Concentration of Cost Burden Among Owner-Occupied Households at or Below 30% AMI, by Tract

Homeowner Cost Burden

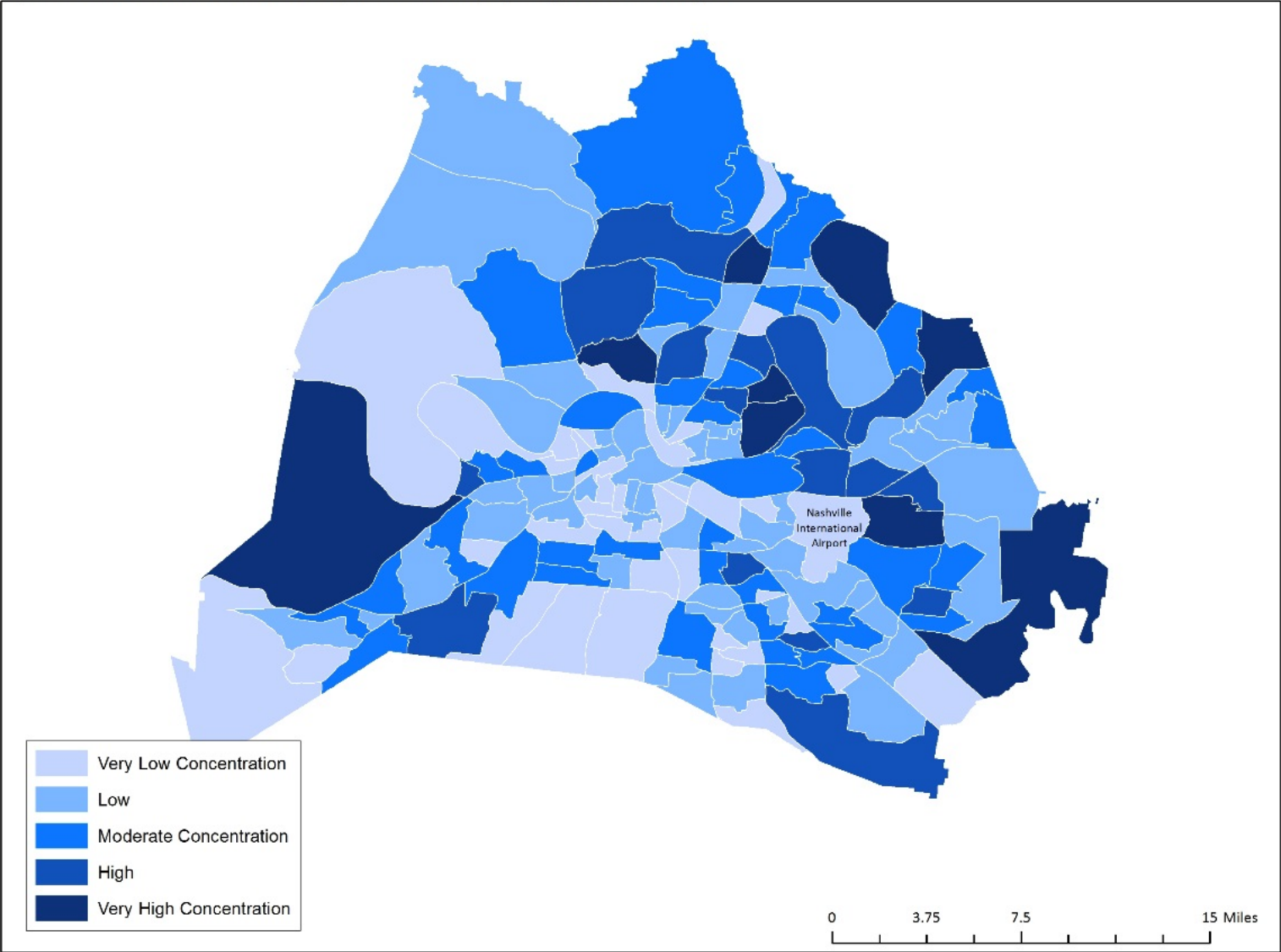


-  No > 30 Percent AMI Cost Burdened
-  1% to 30% Population Cost Burdened
-  31% - 60% Population Cost Burdened
-  61% - 99% Population Cost Burdened
-  100% All > 30 Percent AMI Cost Burdened

0 4 8 16 Miles

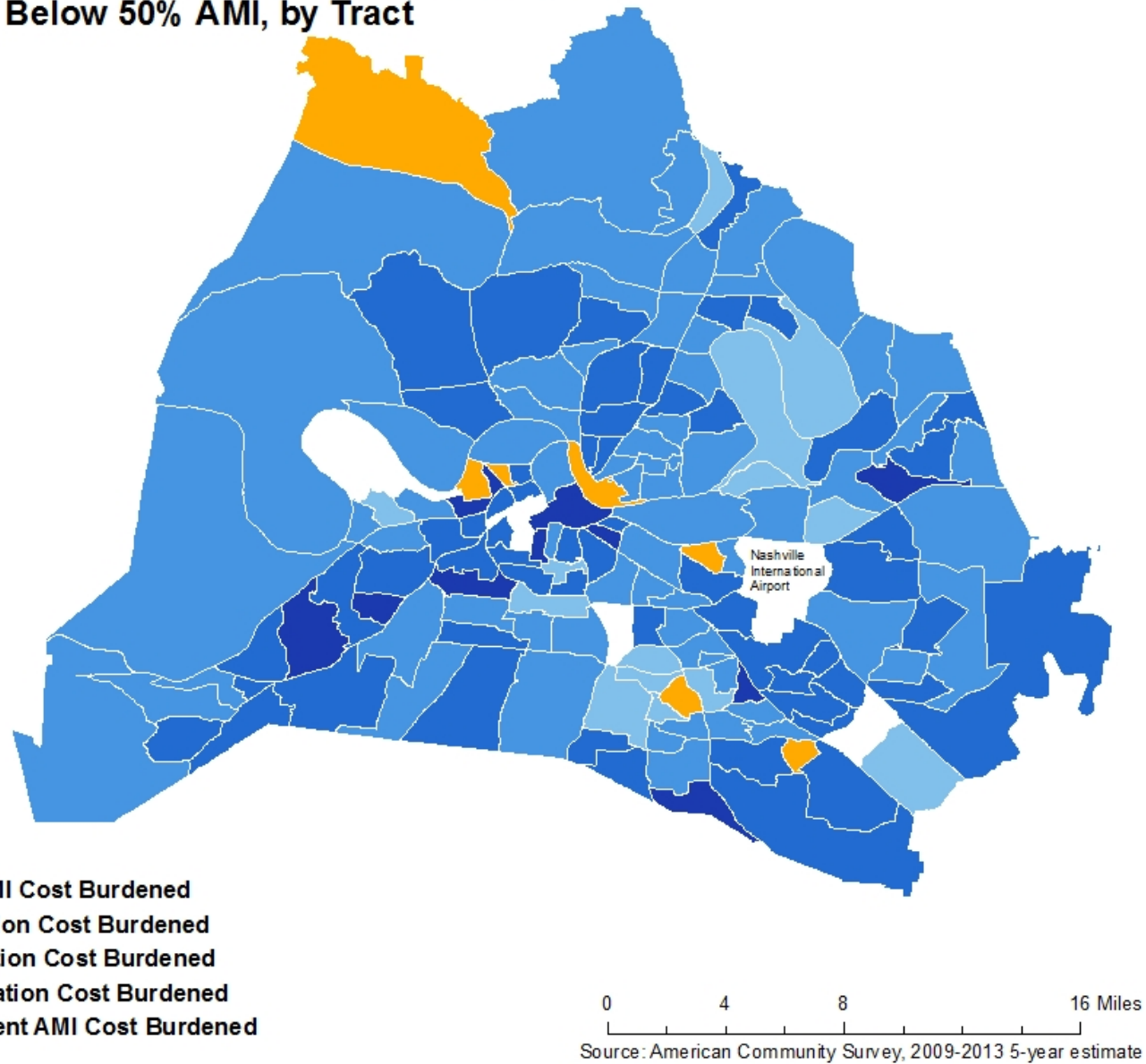
Source: American Community Survey, 2009-2013 5-year estimate

Population of 50 Percent AMI Owner Occupied Households, by Tract, Davidson County, 2013

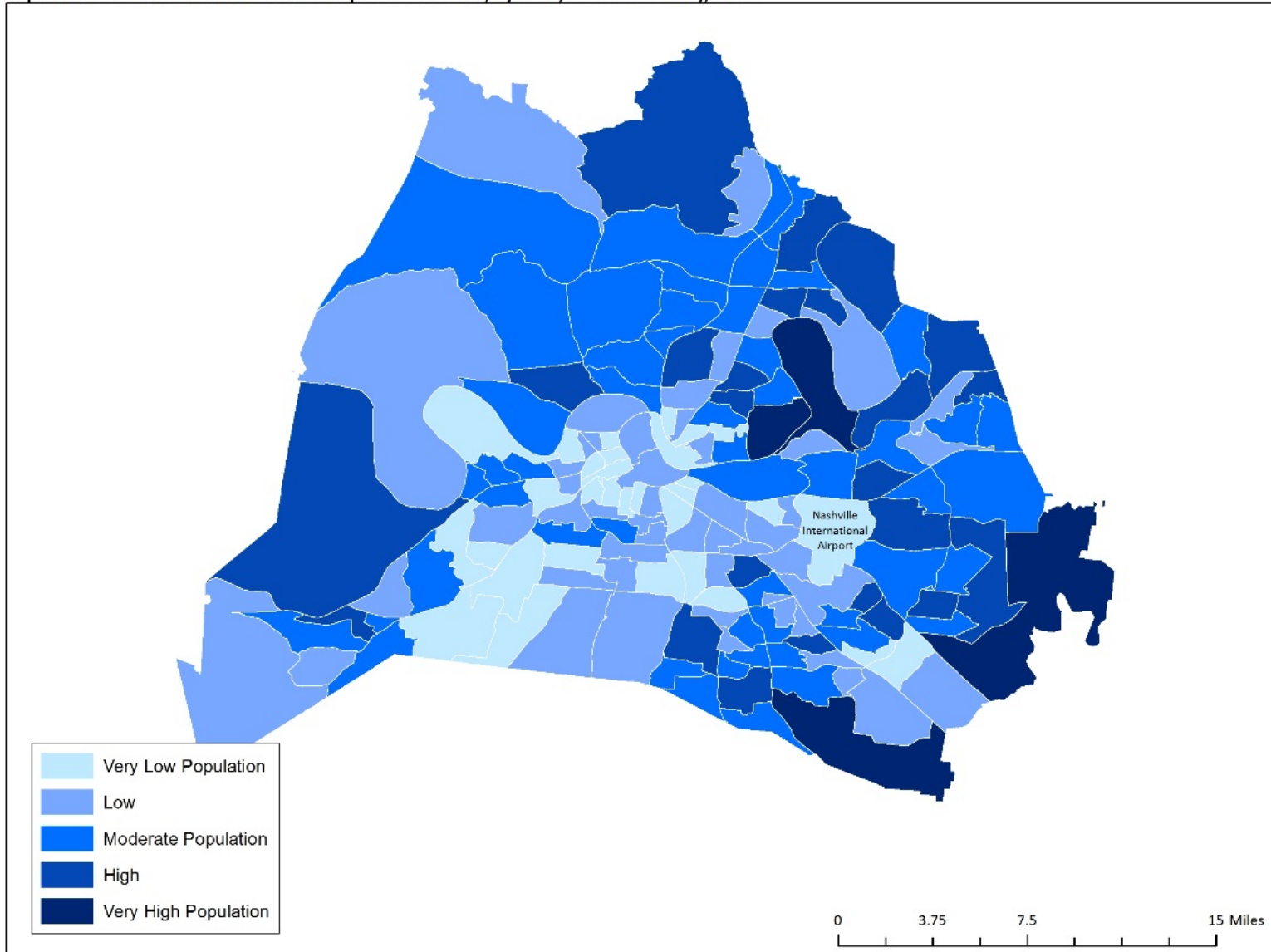


**Concentration of Cost Burden Among Owner-Occupied
Households at or Below 50% AMI, by Tract**

Homeowner Cost Burden

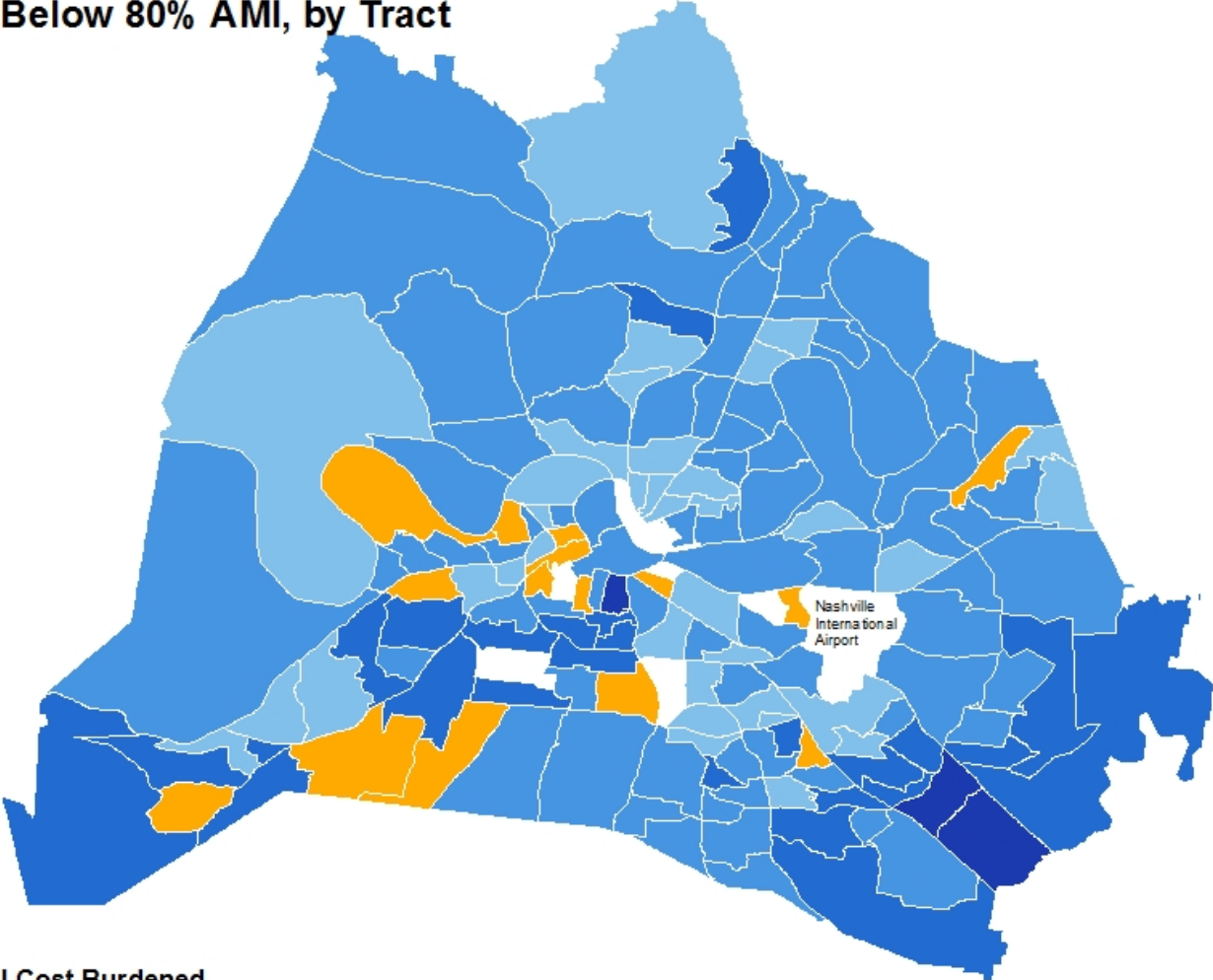


Population of 80 Percent AMI Owner Occupied Households, by Tract, Davidson County, 2013



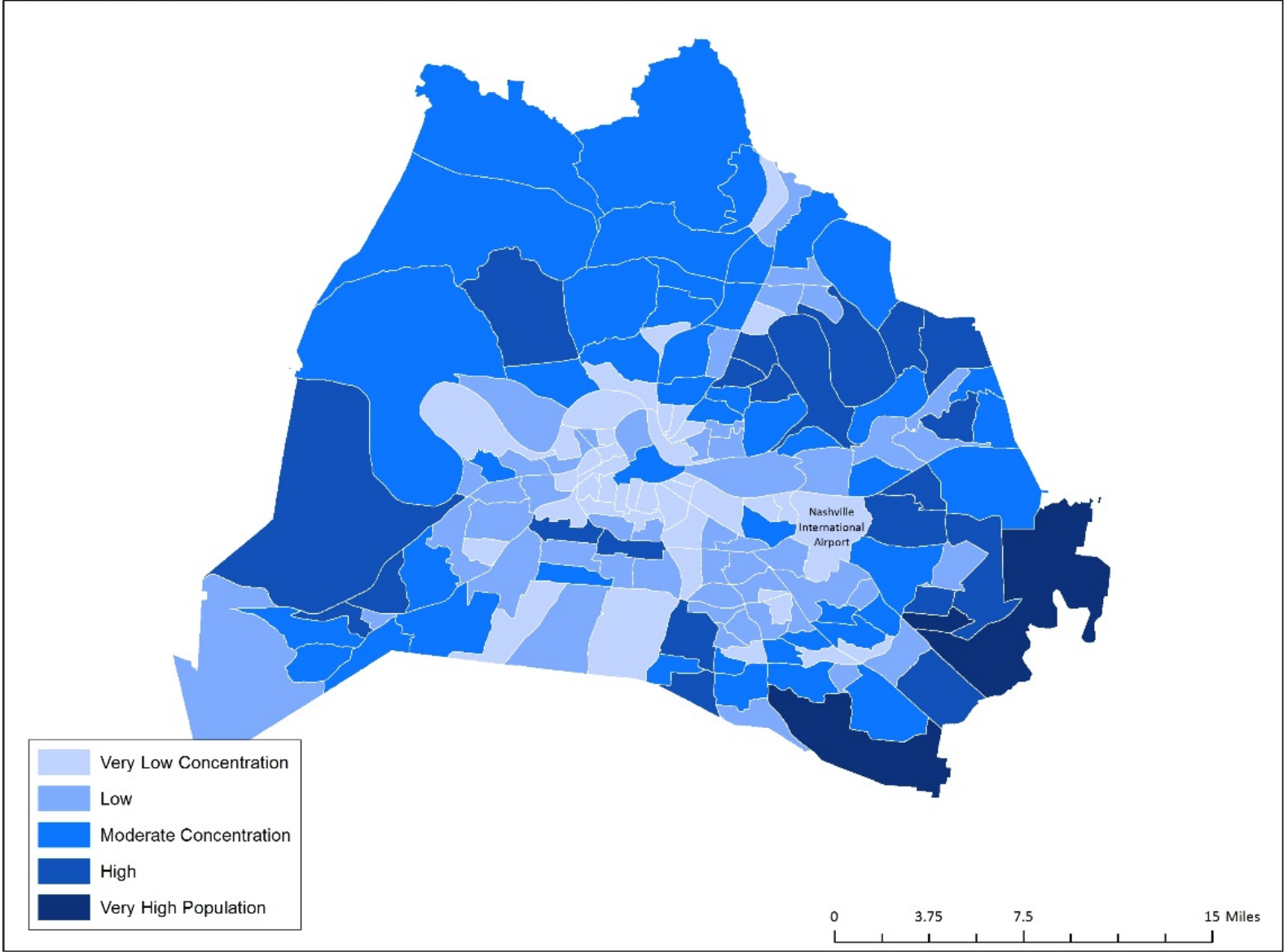
**Concentration of Cost Burden Among Owner-Occupied
Households at or Below 80% AMI, by Tract**

Homeowner Cost Burden



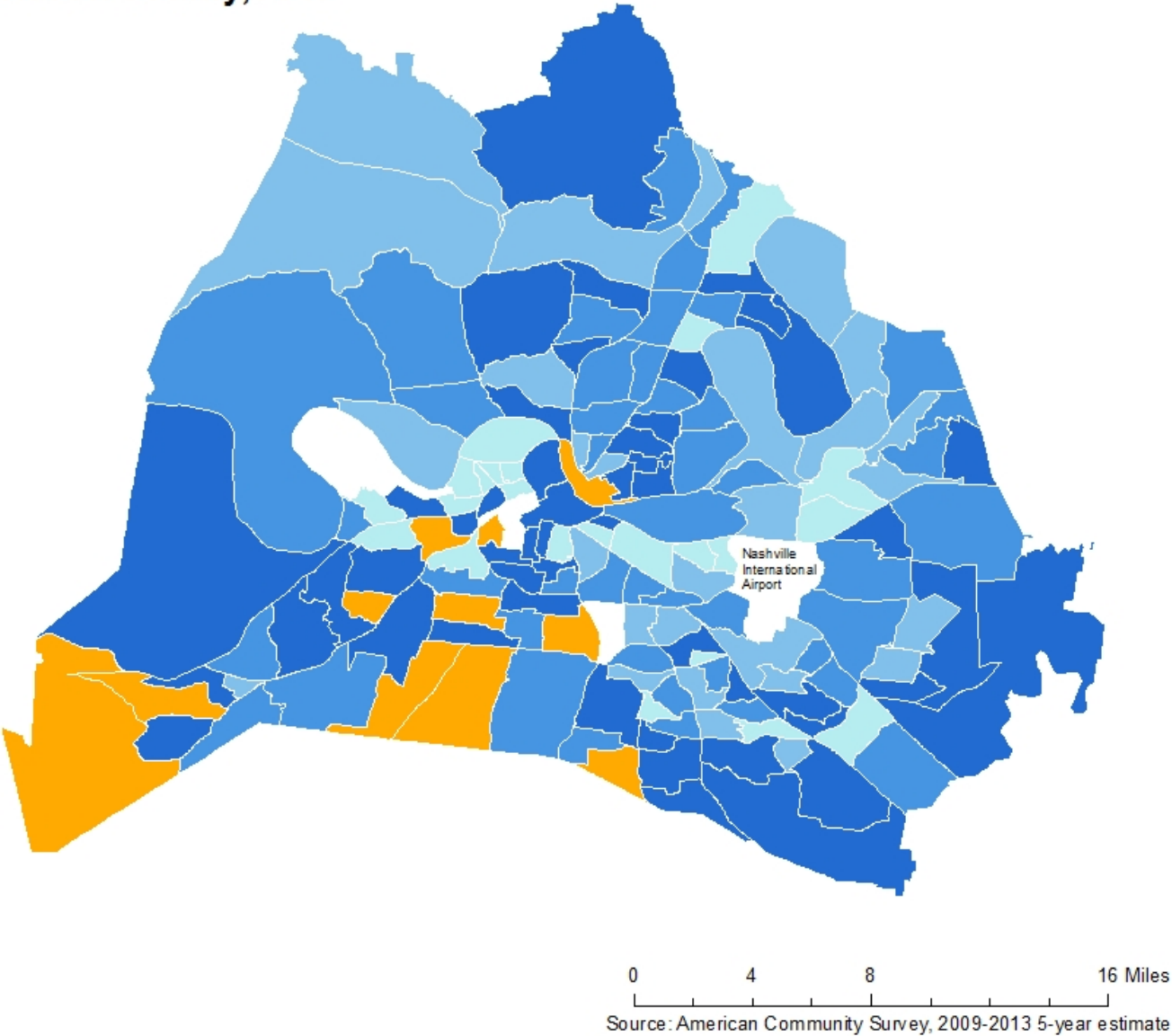
- No > 80 Percent AMI Cost Burdened
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- 100% All > 80 Percent AMI Cost Burdened

0 4 8 16 Miles
Source: American Community Survey, 2009-2013 5-year estimate

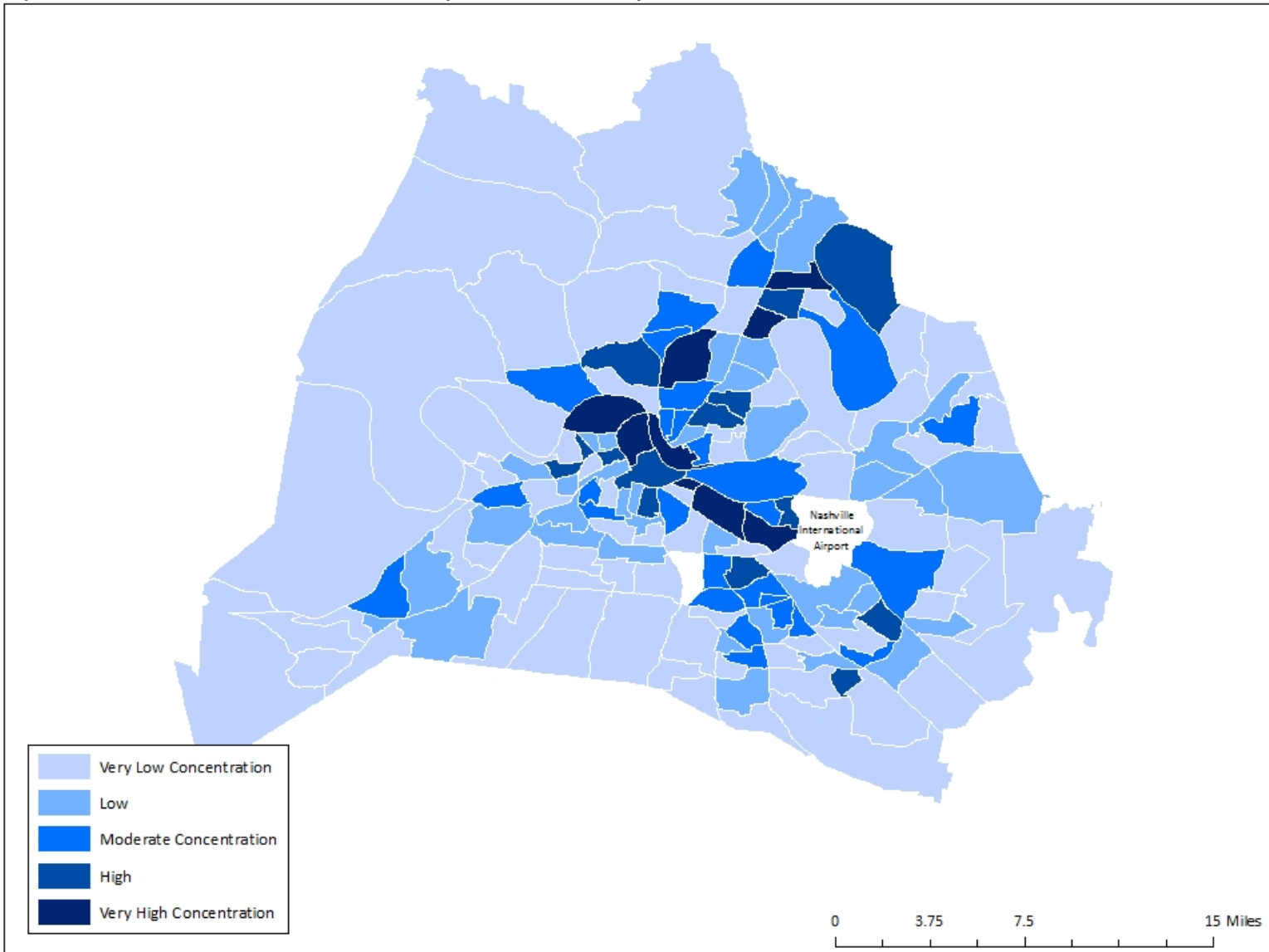


**Housing Cost Burden, Owner Occupied Households at
100% of AMI, Davidson County, 2013**

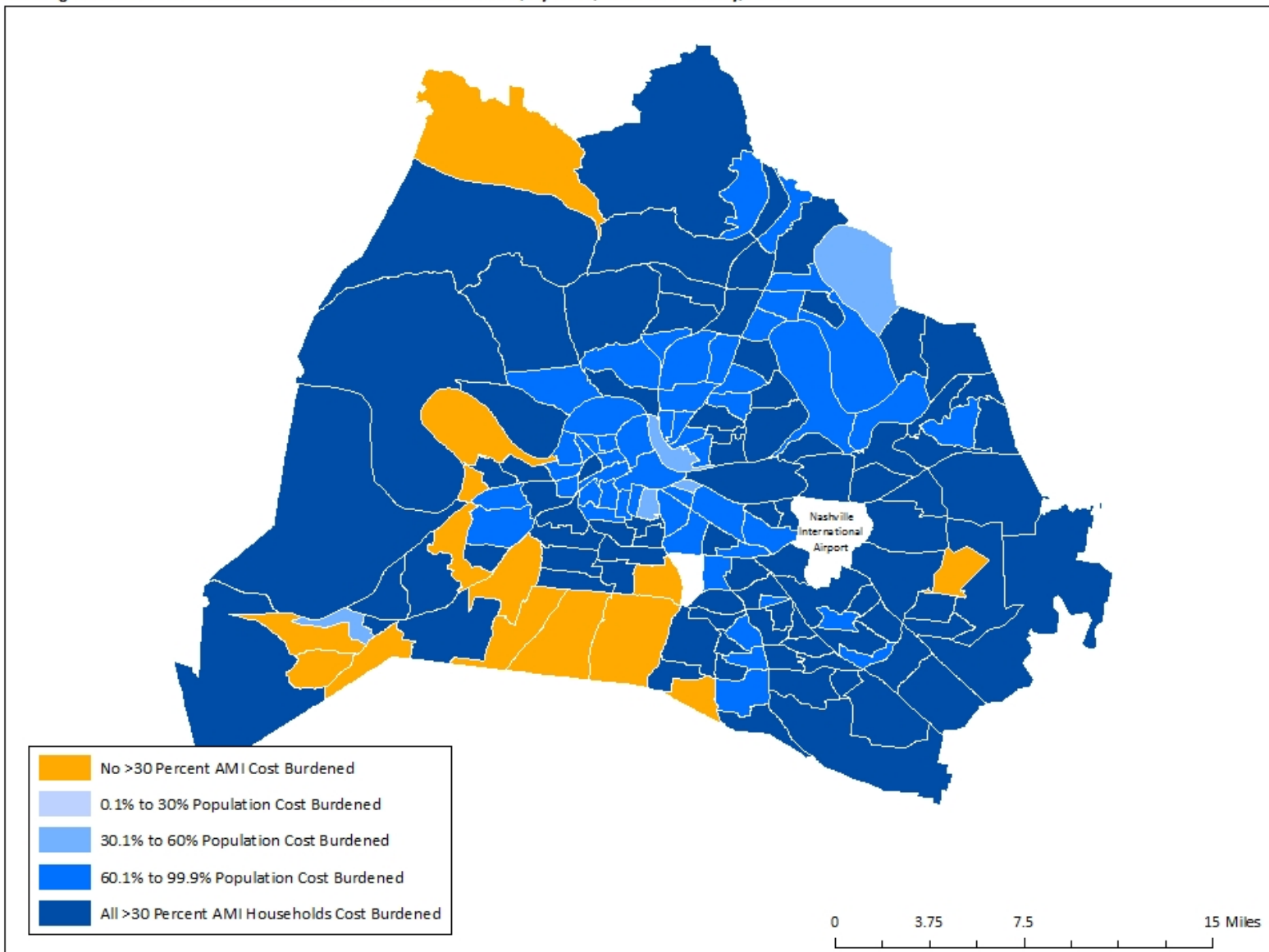
Homeowner Cost Burden



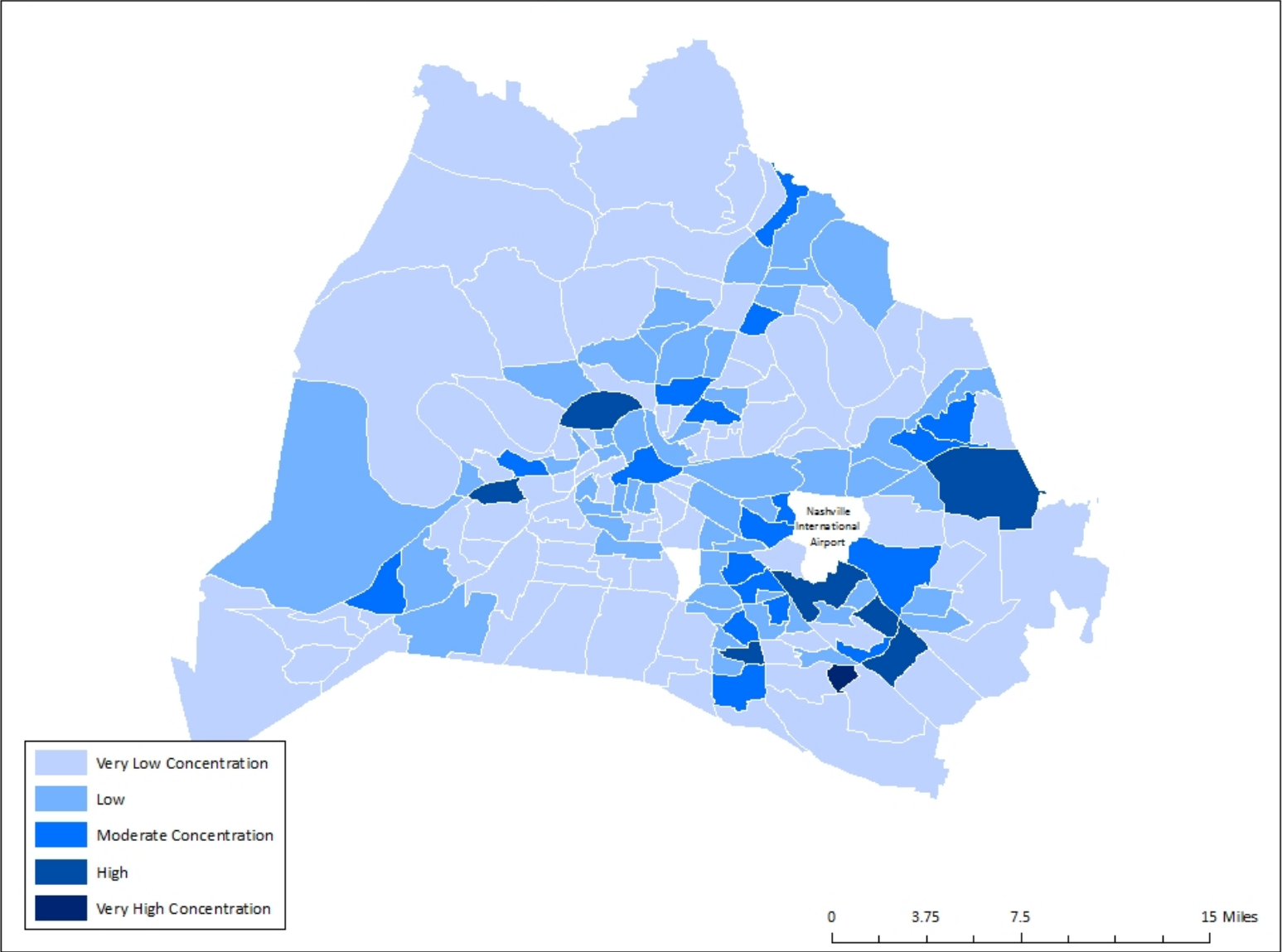
Rental Households



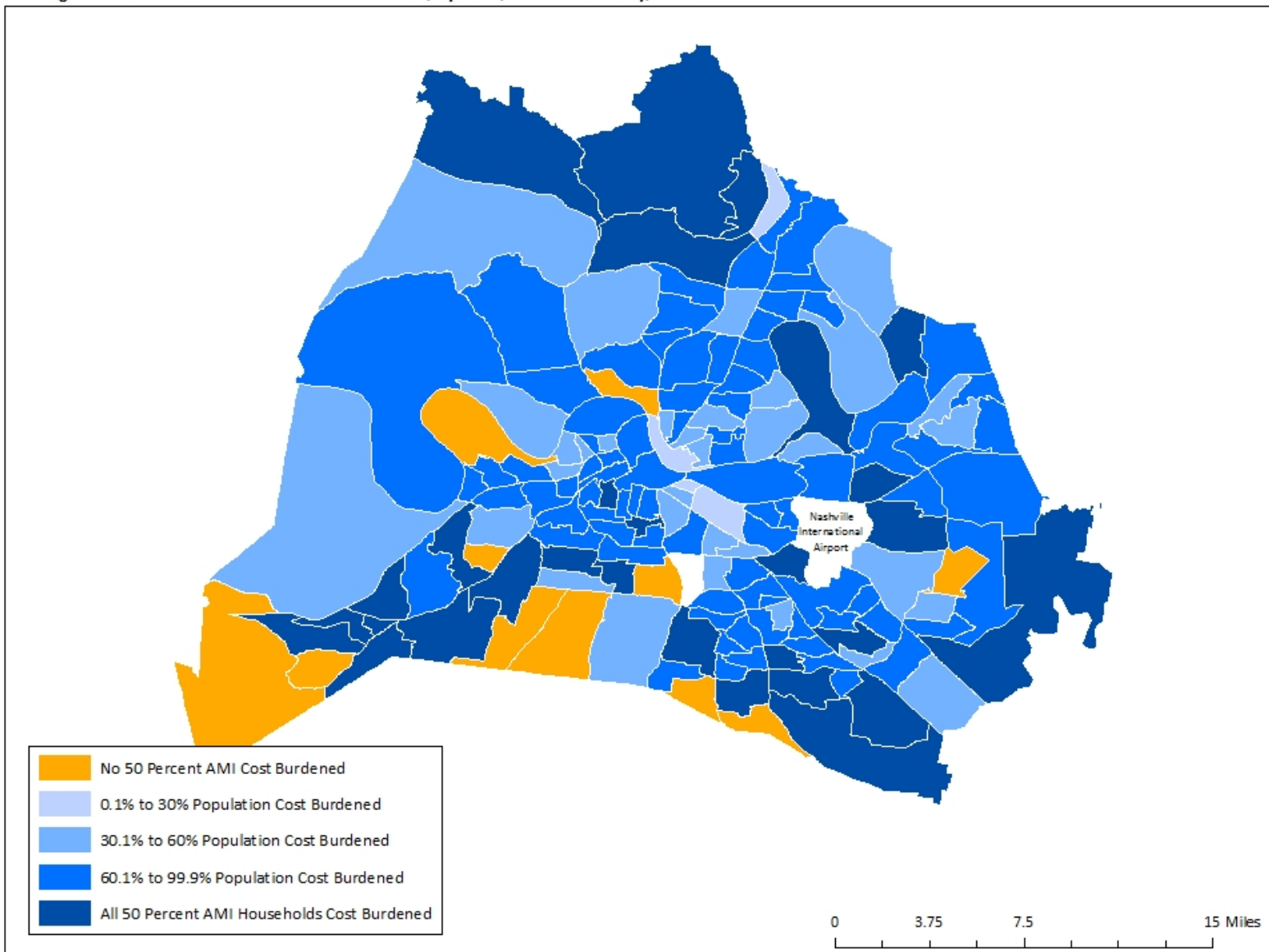
Rental Cost Burden



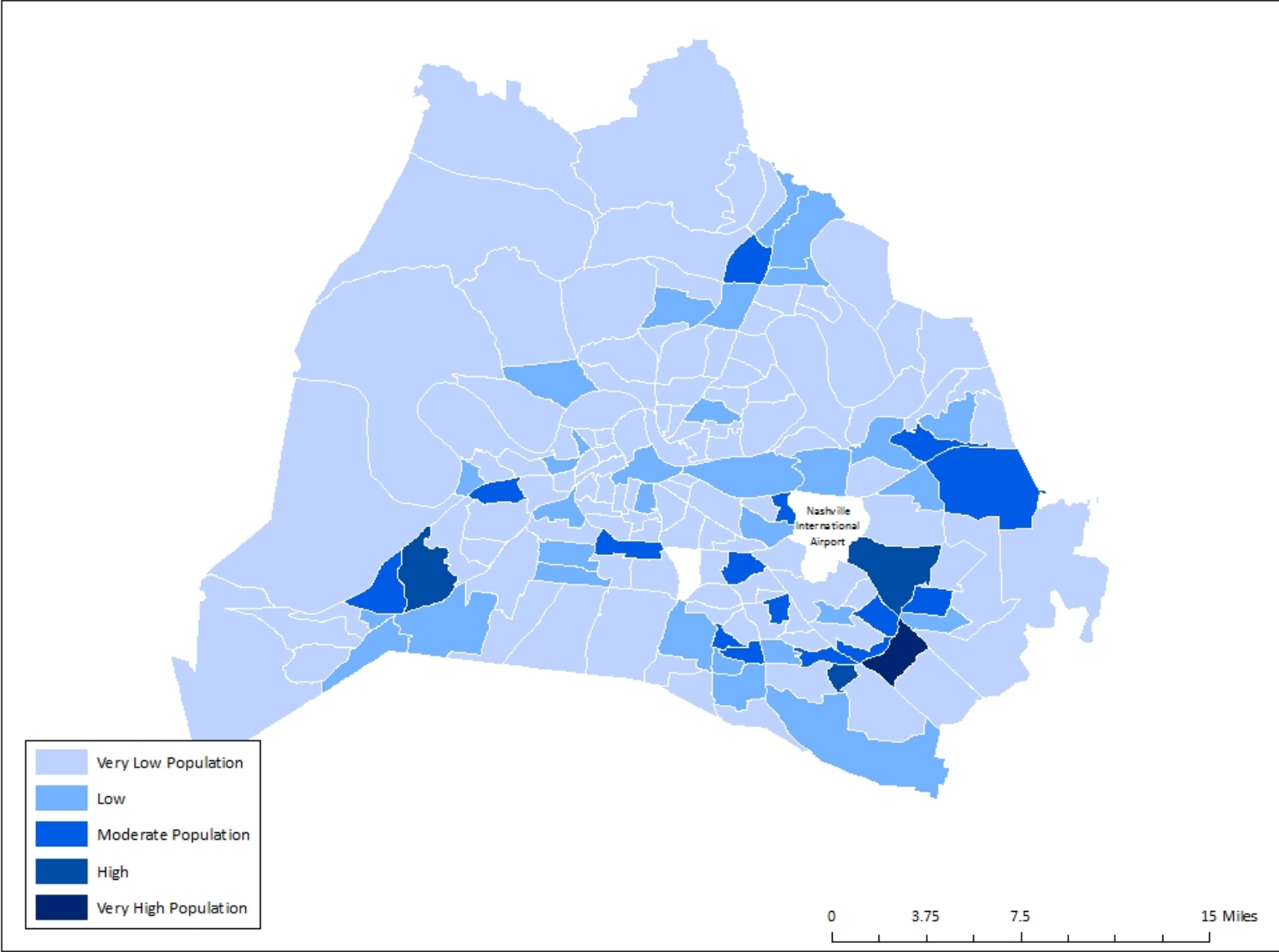
Population of 50 Percent AMI Households, by Tract, Davidson County, 2013

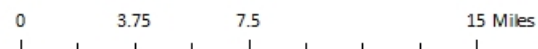
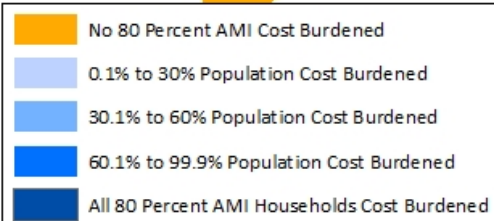
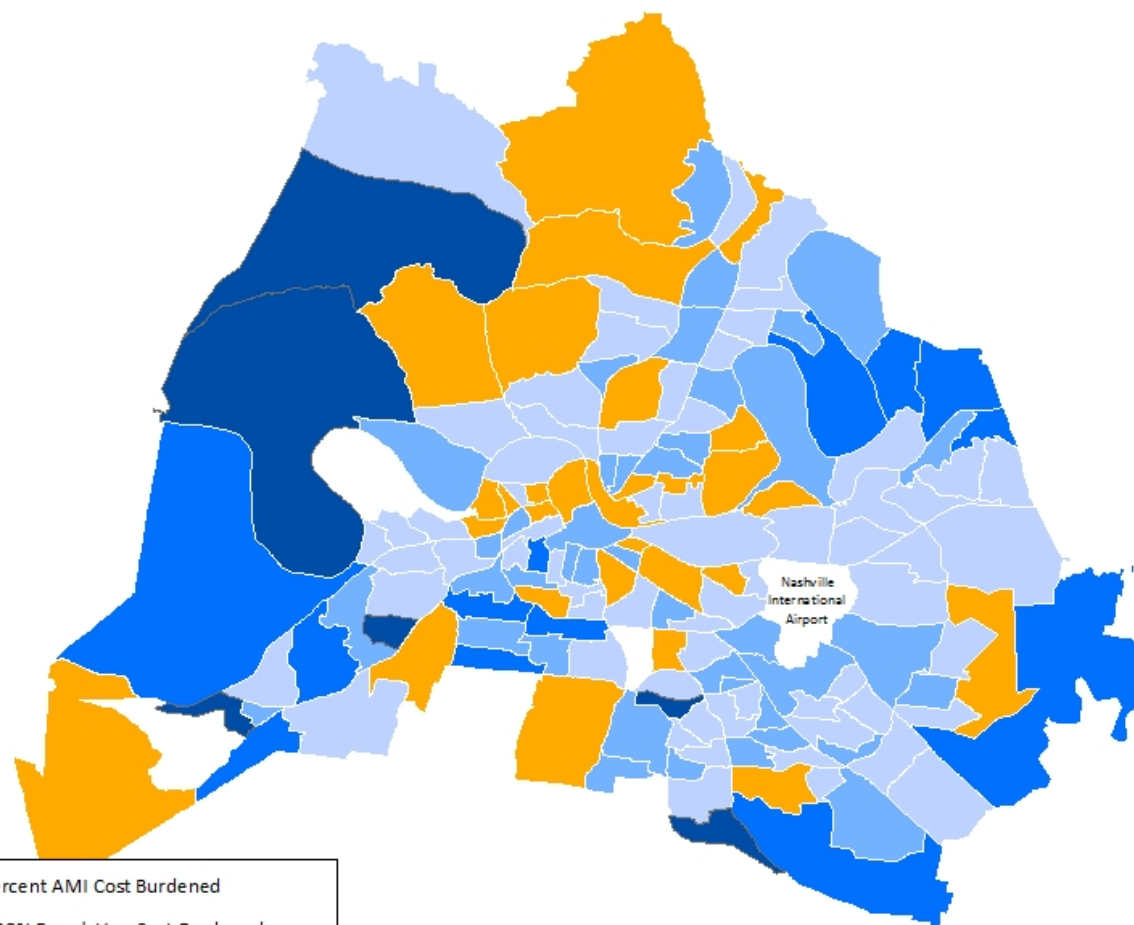


Rental Cost Burden



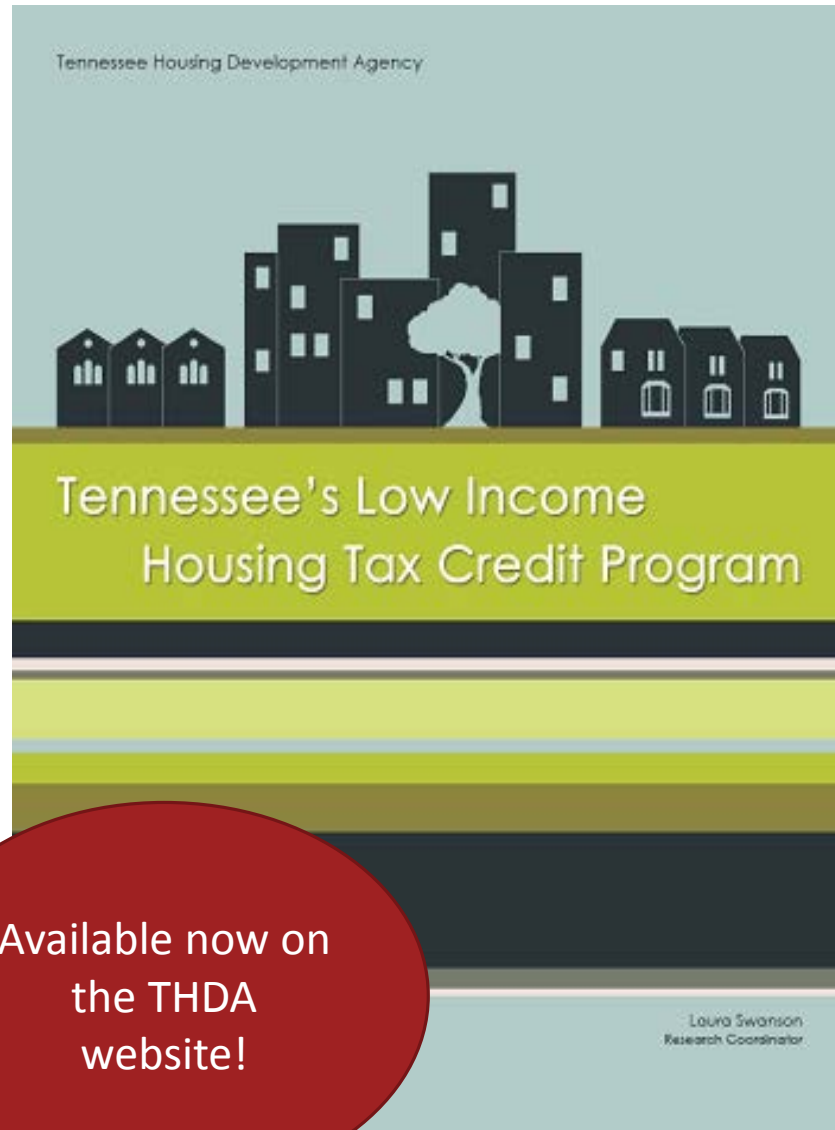
Population of 80 Percent AMI Households, by Tract, Davidson County, 2013





Rental Cost Burden

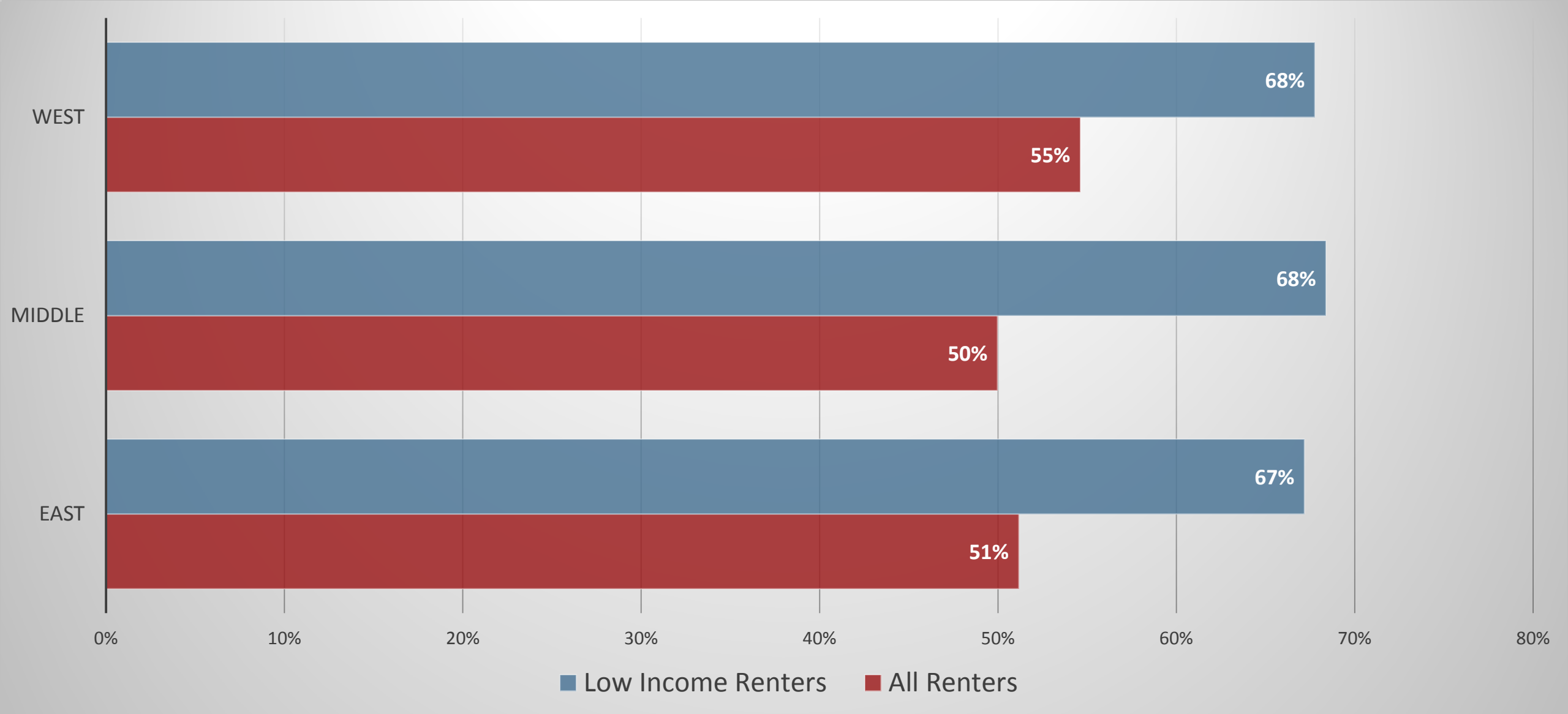
Multifamily Research



Available now on
the THDA
website!

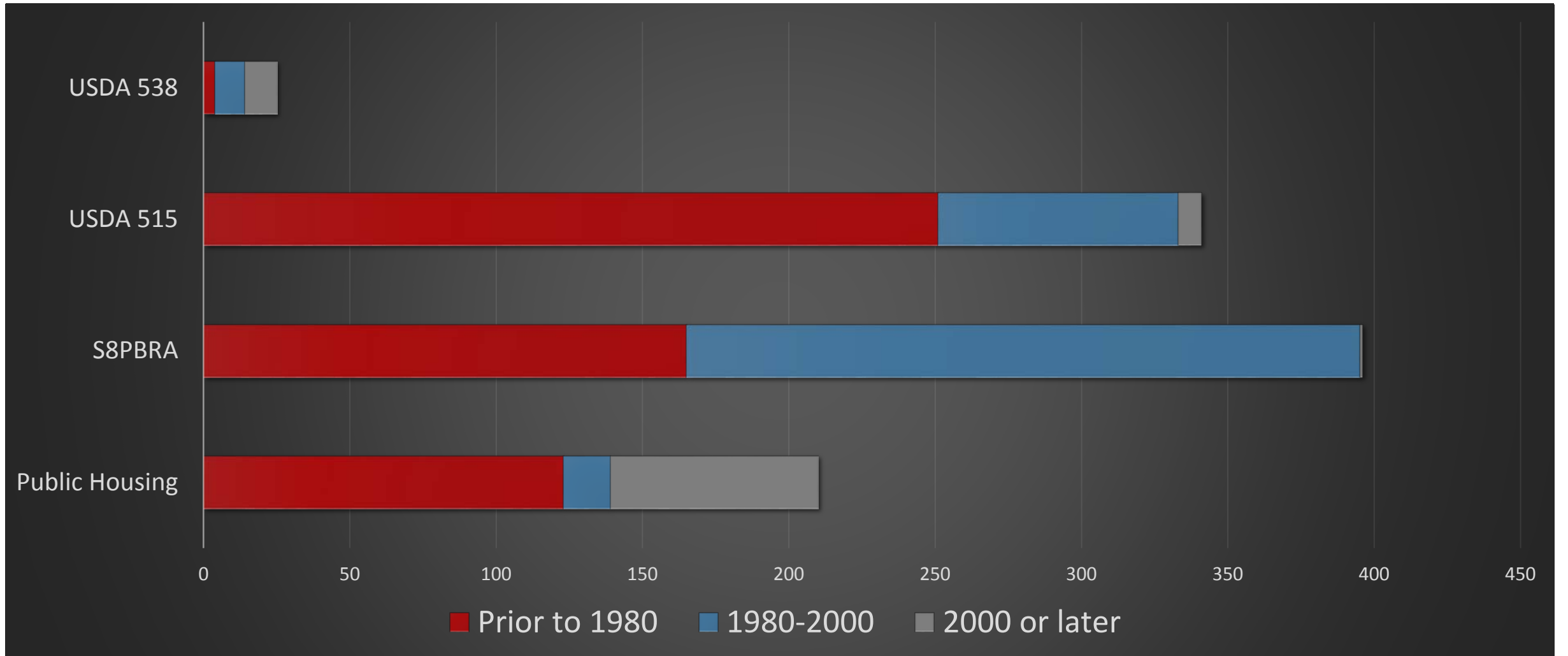


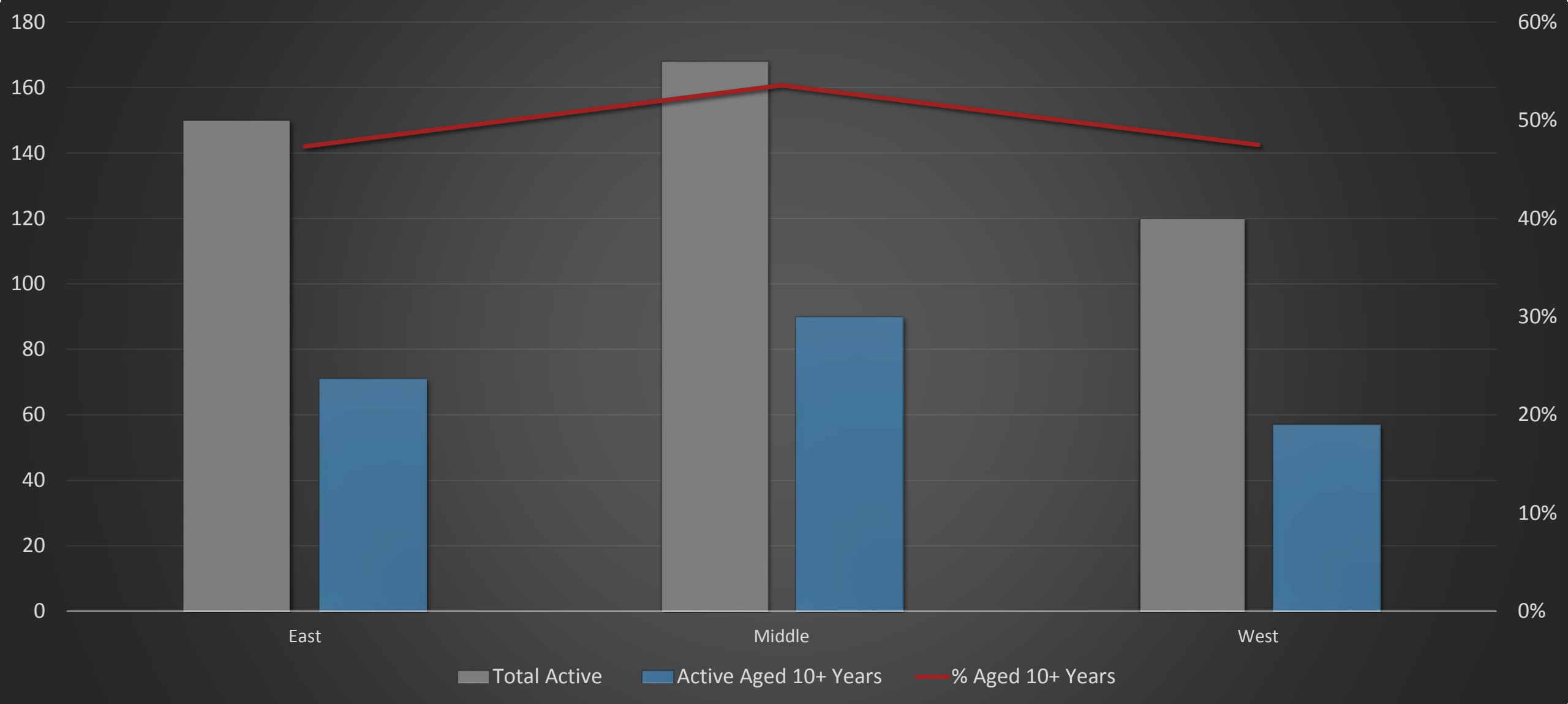
Coming Soon...
Report on Aging
Affordable
Housing in
Tennessee & Need
for Preservation



Tennessee Renters who Live in Housing Built before 1980, CHAS 2008-2012

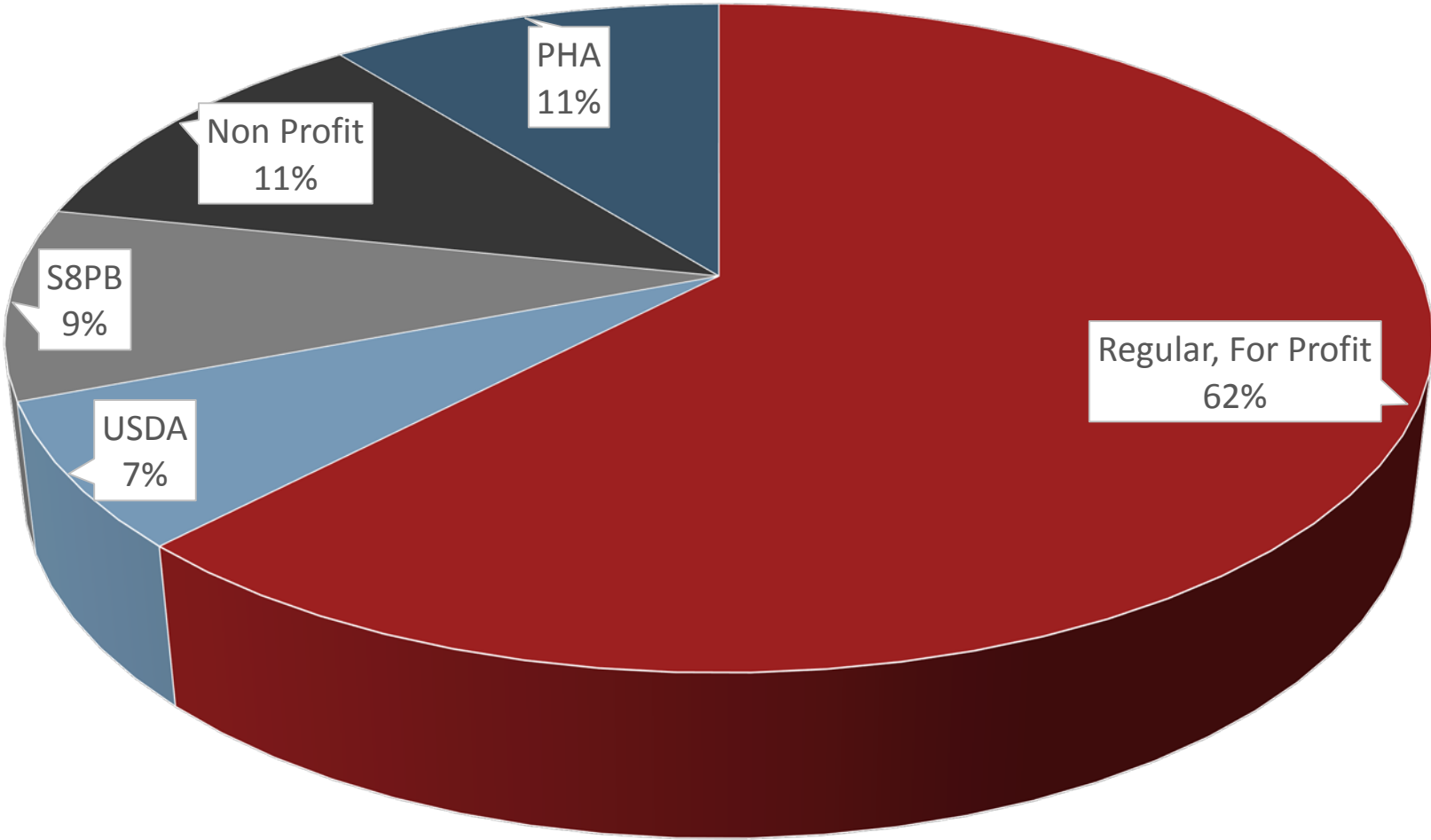
How Old is the Affordable Housing Stock in Tennessee?



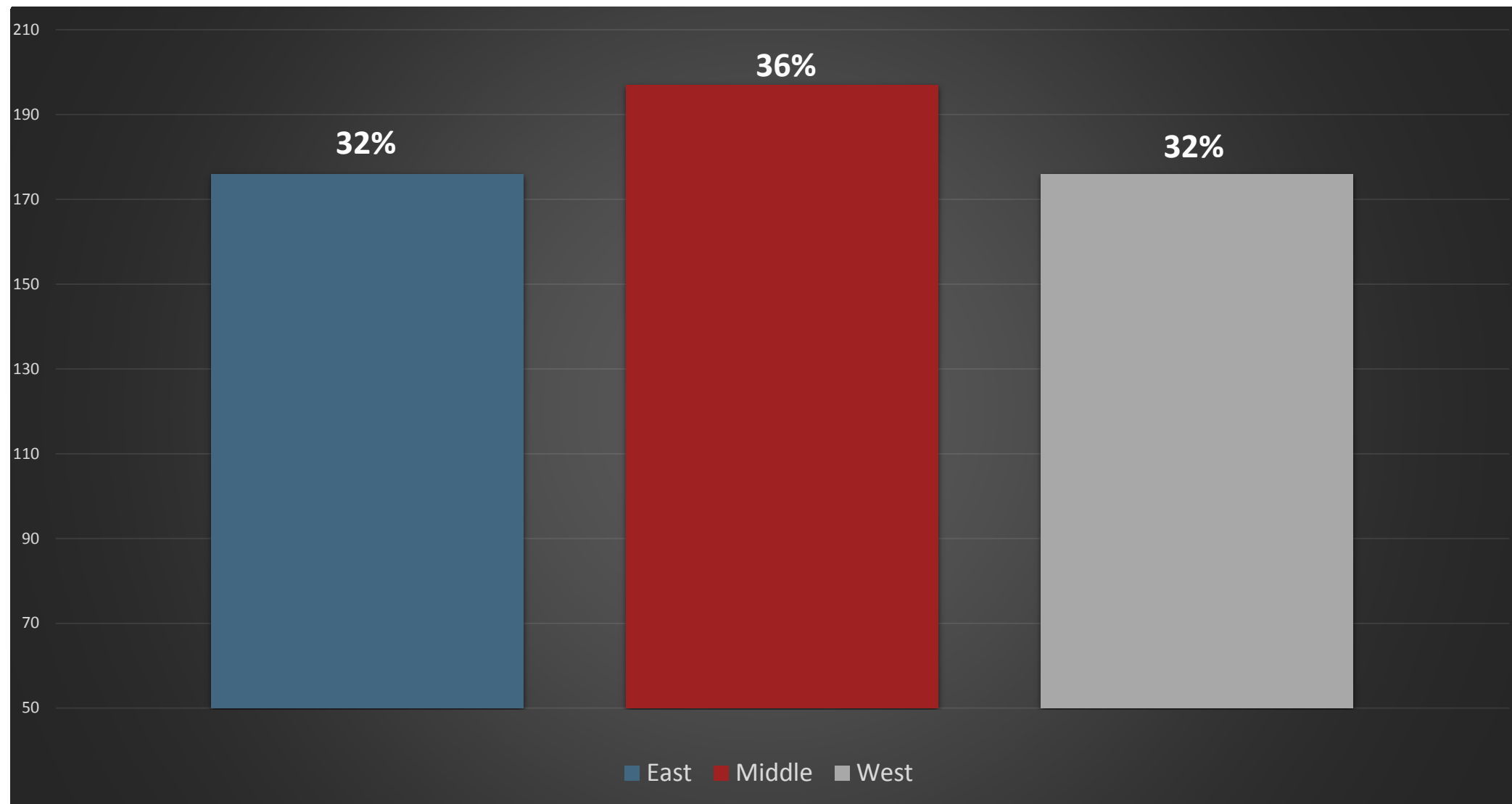


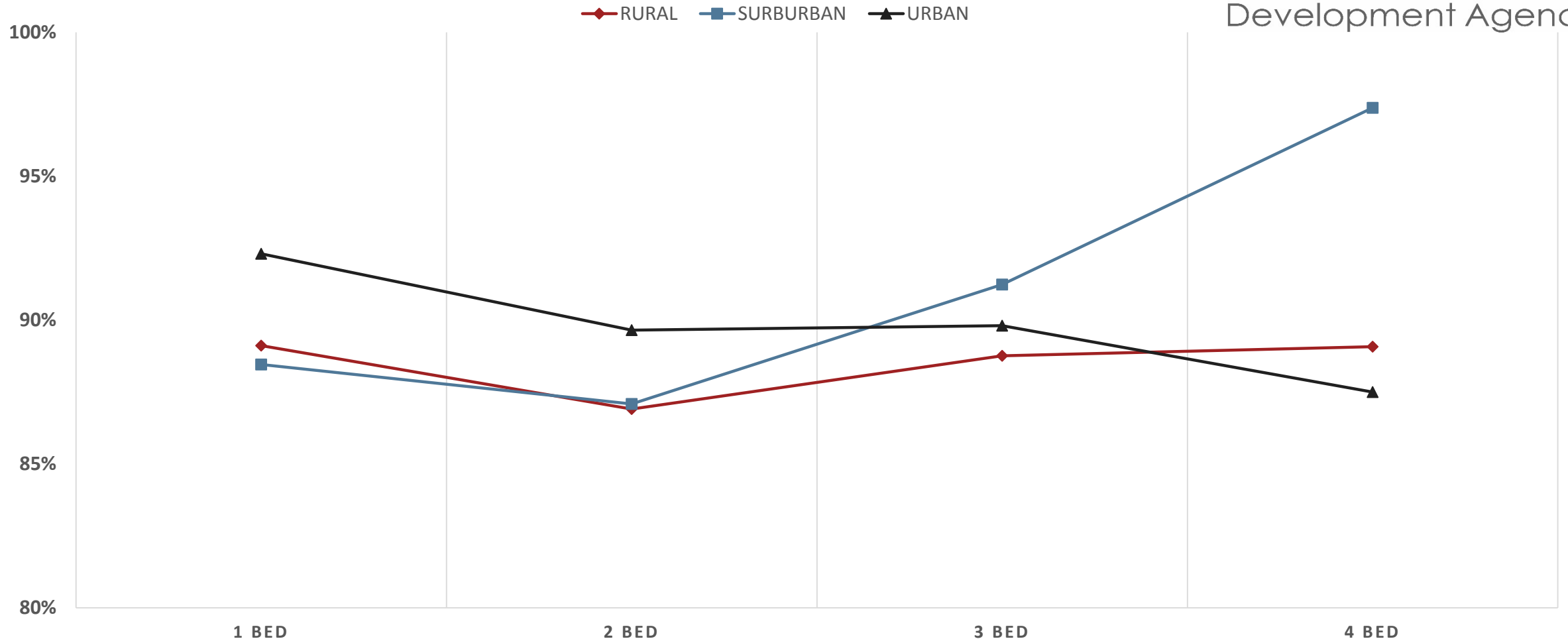
Age of Active LIHTC Properties

LIHTC Developer Type, 1987-2013

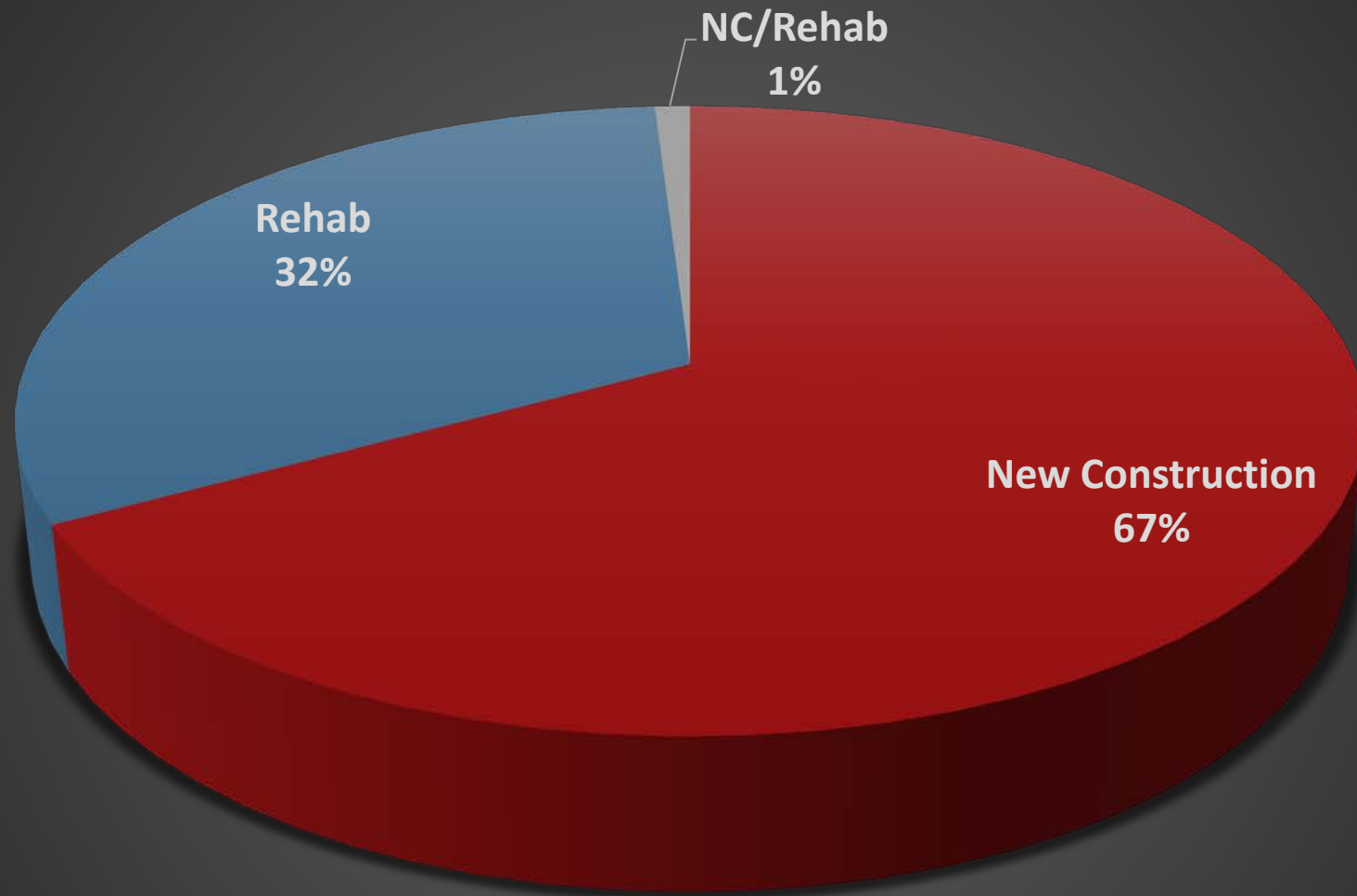


Active LIHTC Properties, 2014



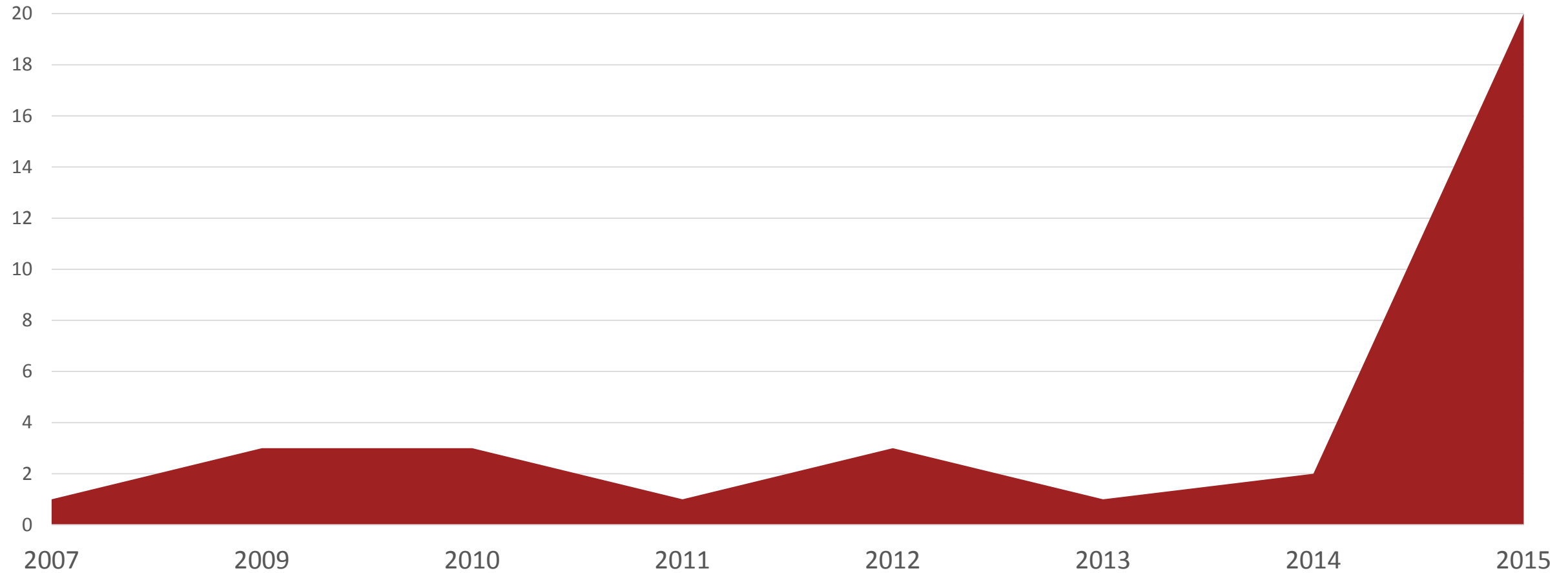


Actual 2013 LIHTC Rents compared to Max LIHTC Rent (60% AMI)



LIHTC (4 & 9%) Allocations by Type, 1987-2013

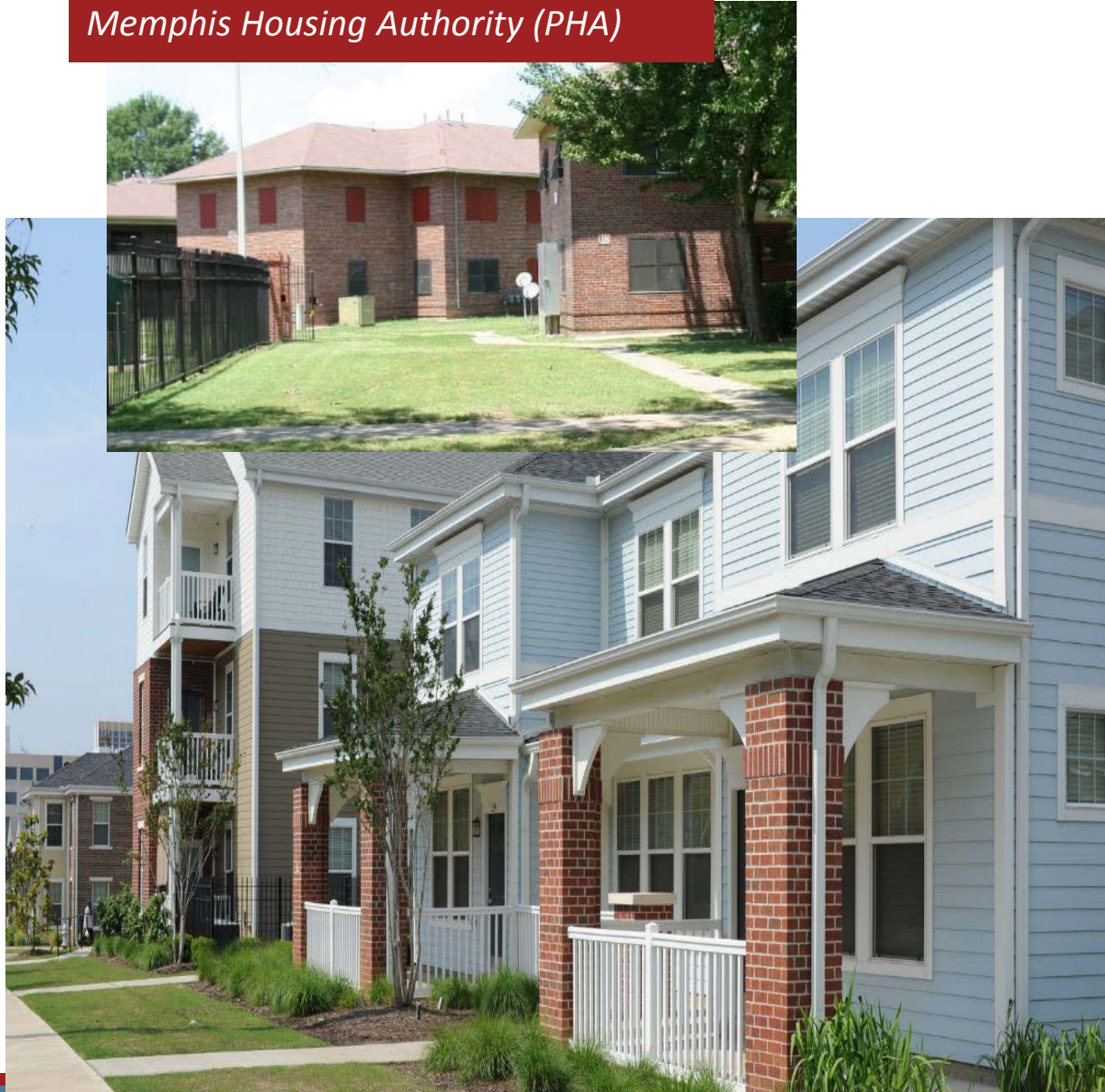
No. of Properties



Aging LIHTC Properties & the Need for Additional Credits

PRESERVATION/REDEVELOPMENT

*LIHTC 9%, Hope VI,
Memphis Housing Authority (PHA)*



NEW CONSTRUCTION

*LIHTC 9%, Nashville (Gulch)
Housing Trust Fund (non-profit)*

A Look at Tennessee Mortgage Activity:

A one-state analysis of the Home Mortgage
Disclosure Act (HMDA) Data
2004-2013

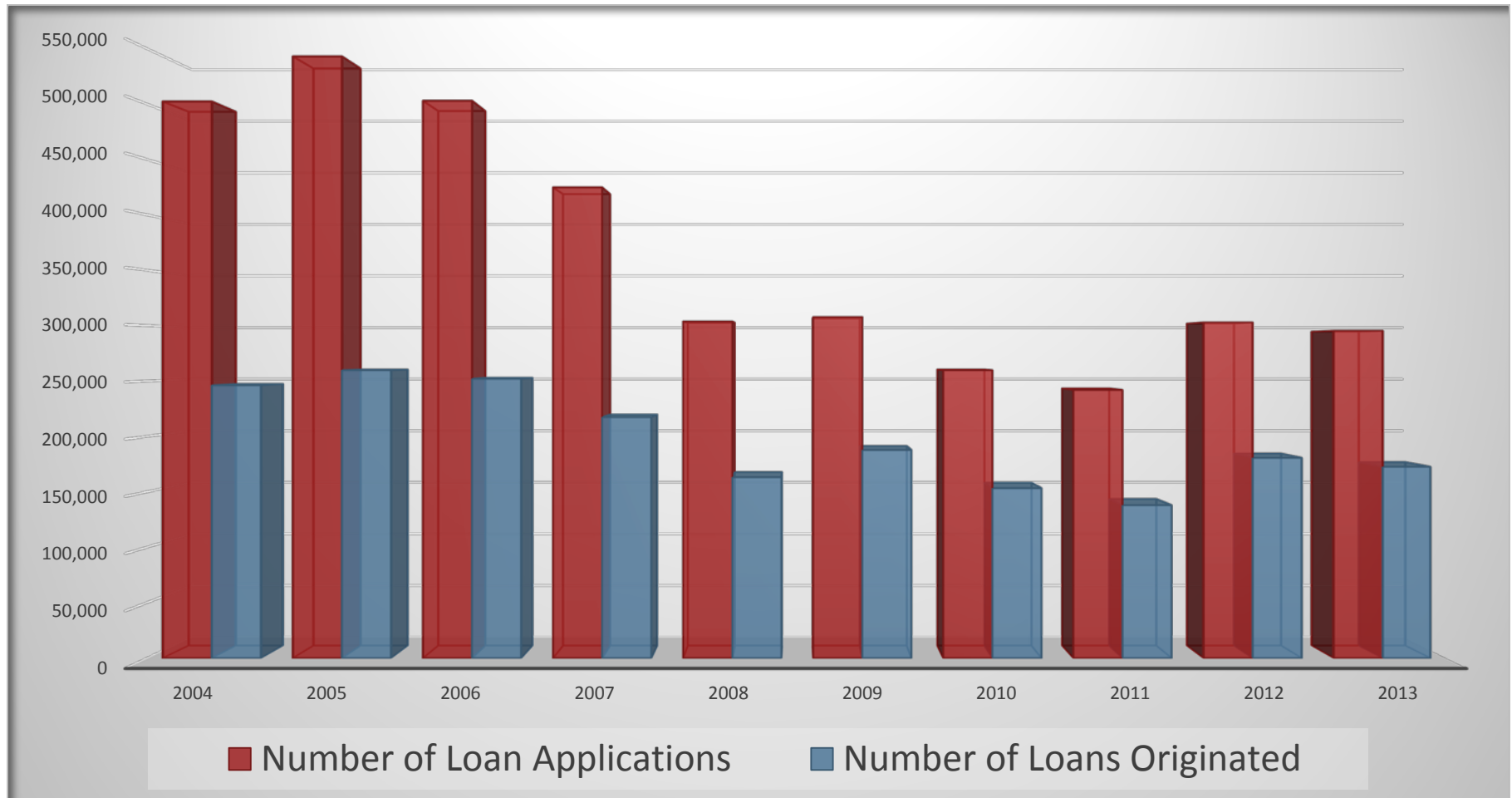
- Lending patterns in Tennessee using the HMDA data from 2004 until 2013.
- THDA's share in Tennessee home loans market in 2011, 2012 and 2013.

What is HMDA

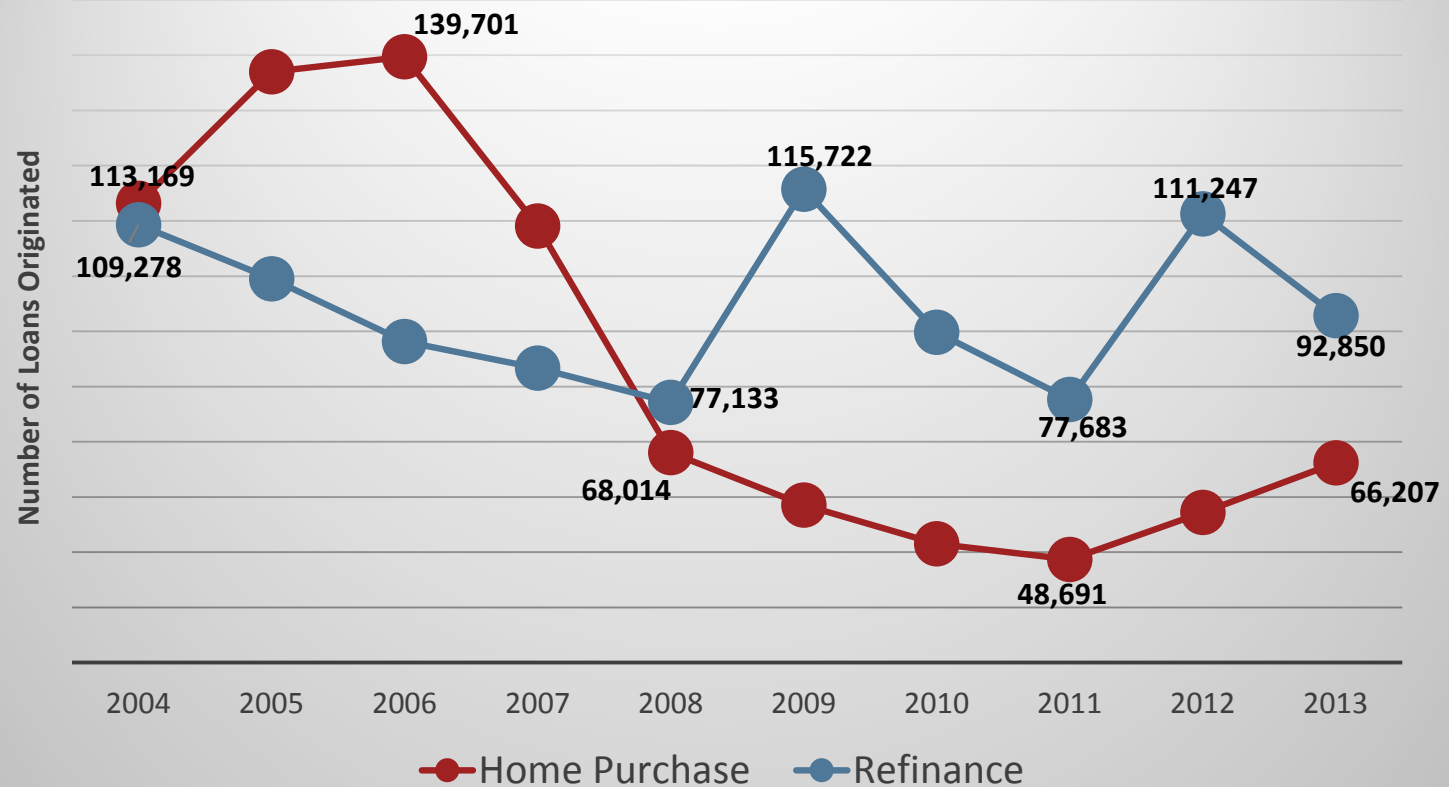
The HMDA data include:

- The type, purpose, and characteristics of each home mortgage originated or purchased during the calendar year;
- The census-tract designations of the properties;
- Loan pricing information;
- Applicants' gender, race, ethnicity and income

Trend in Loan Applications and Originations, 2004-2013, Tennessee

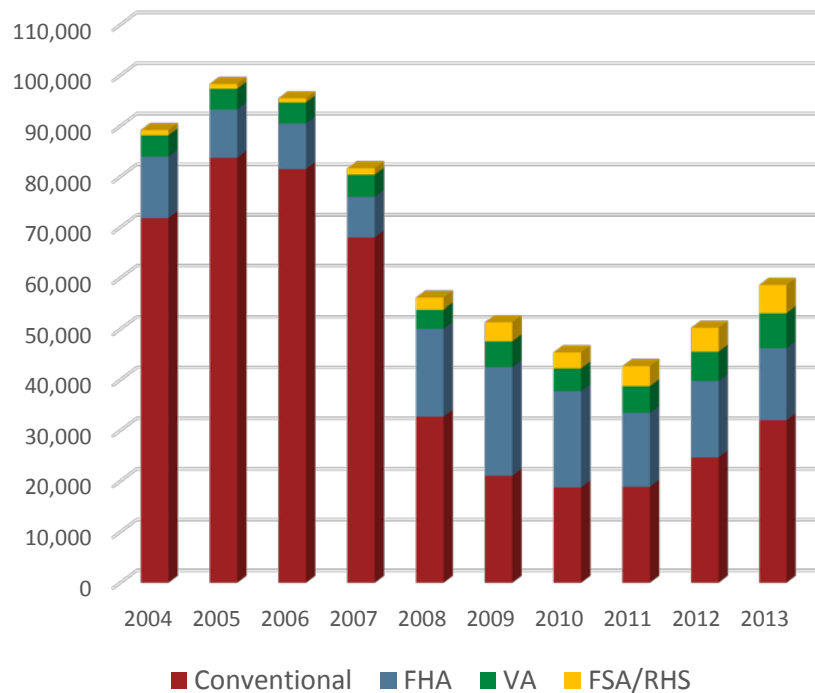


Trends in Refinance and Home Purchase Loan Origination

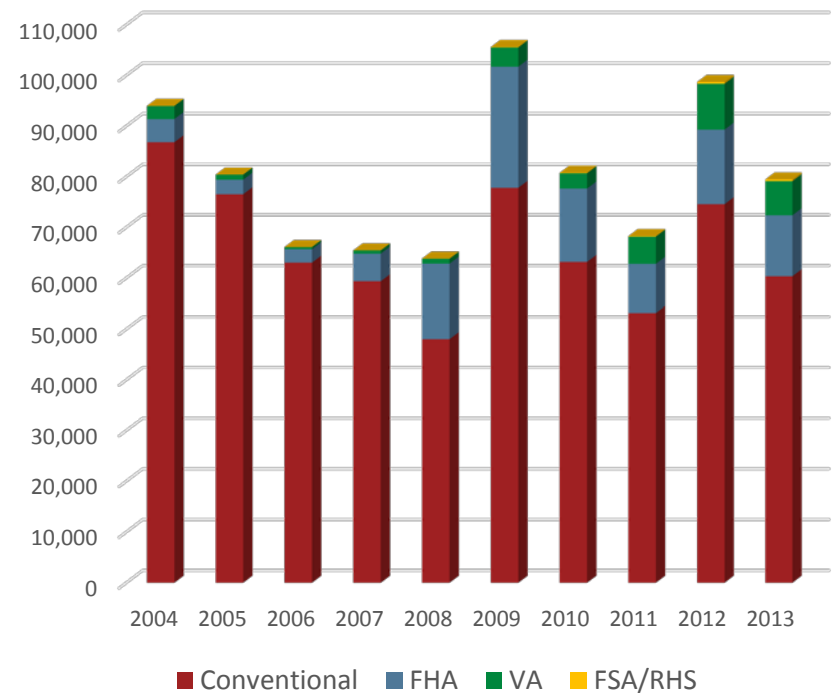


Trends in Loan Originations by Conventional and Non-conventional Loans

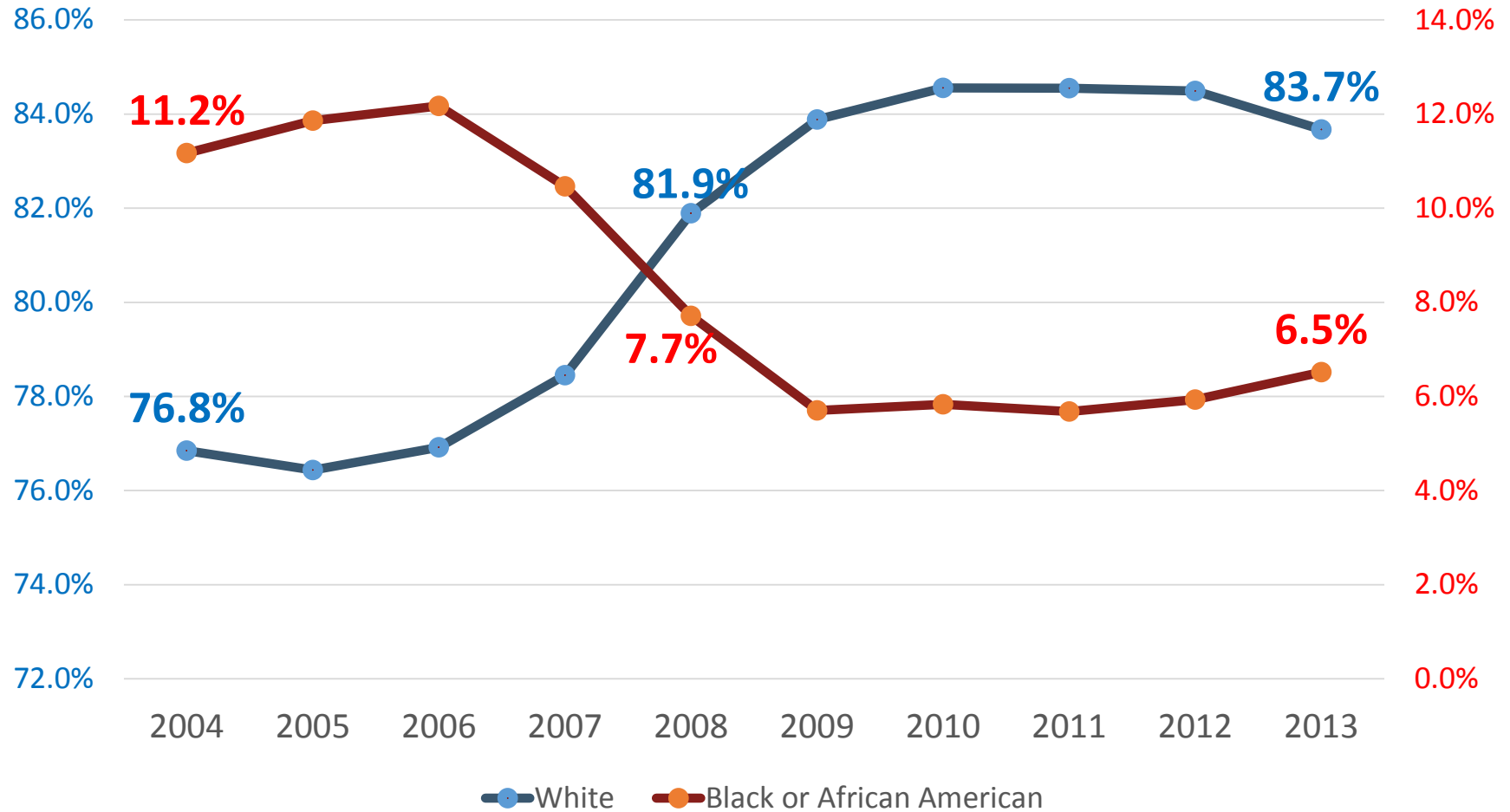
Home Purchase



Refinance

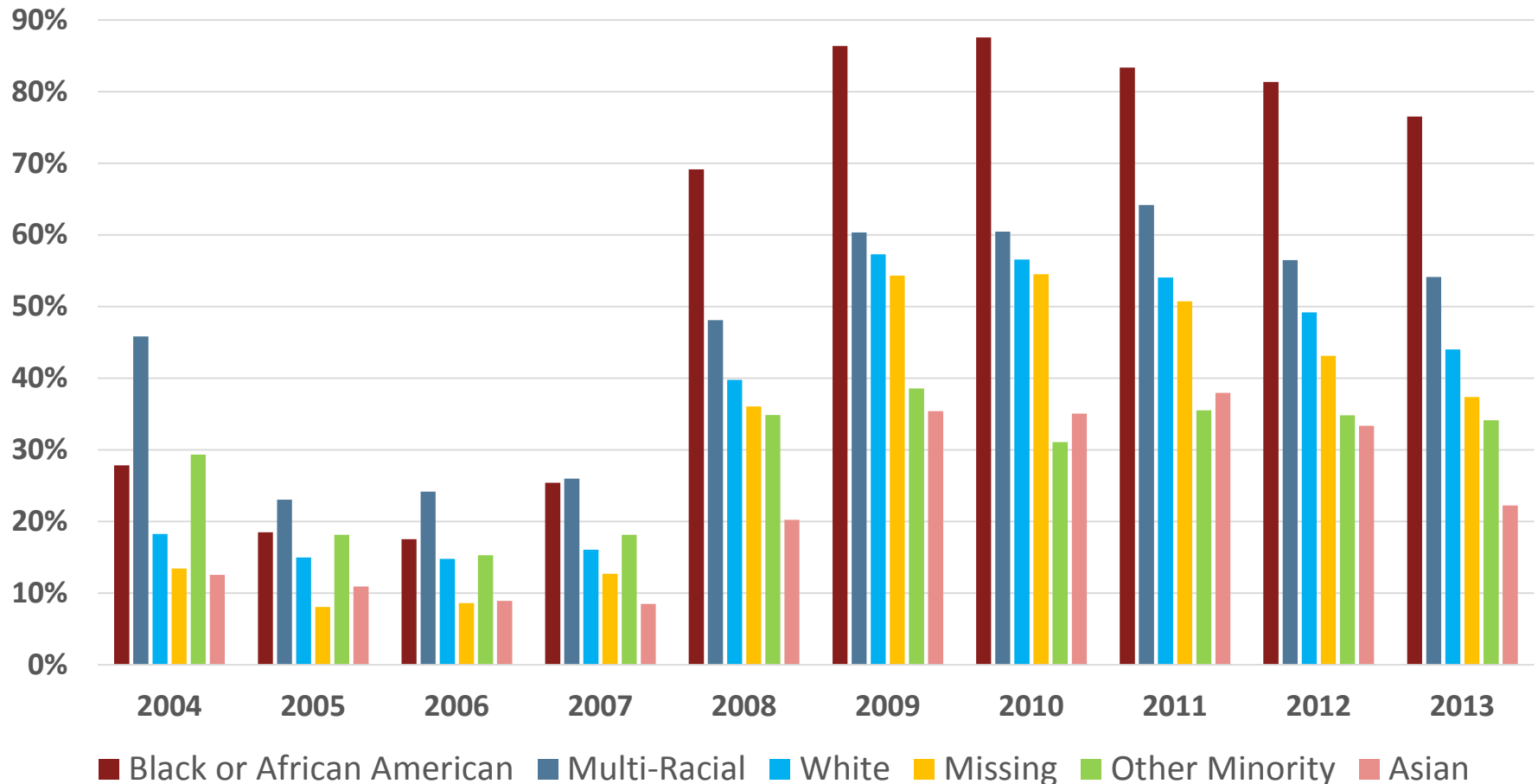


Trend in Racial Composition of Loan Originations

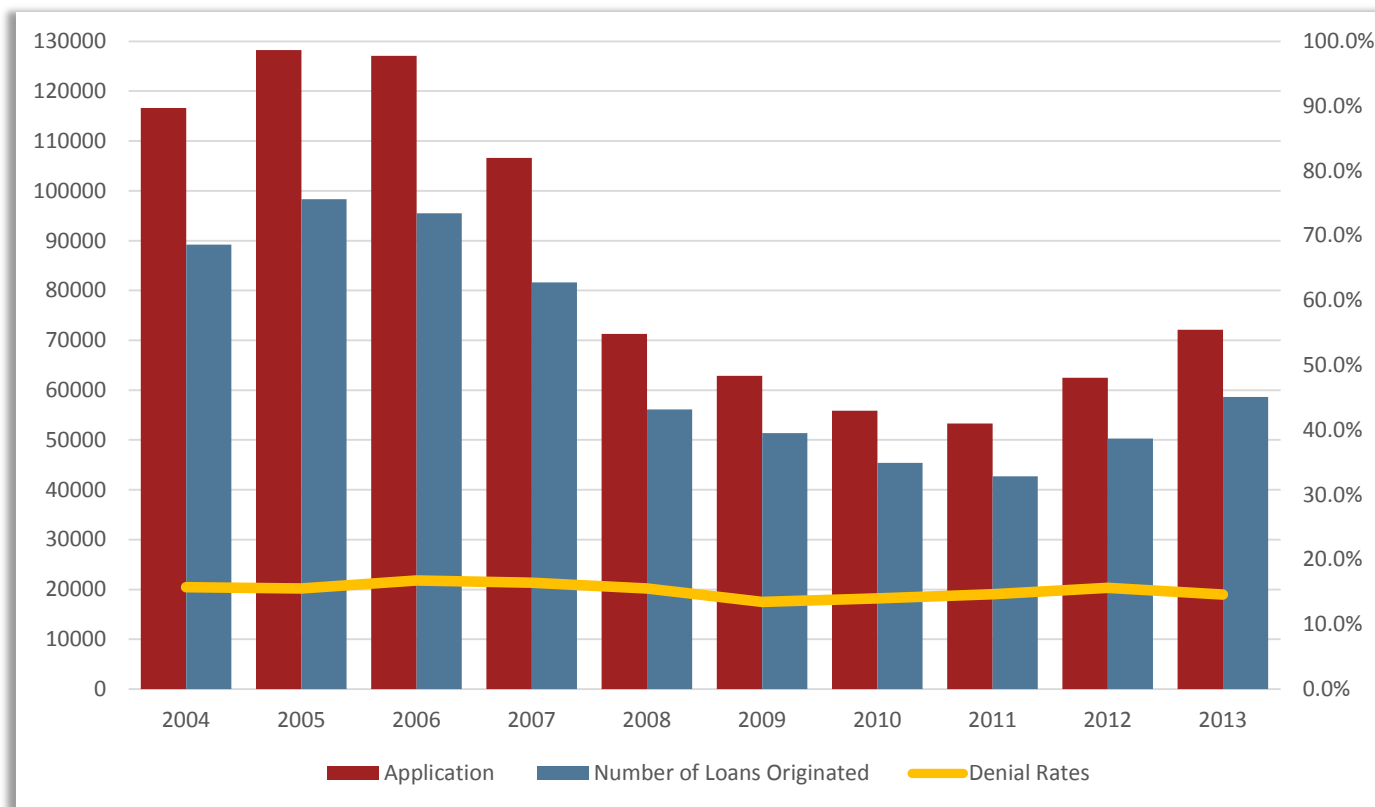


Non-white borrowers are much more likely to use non-conventional loans than conventional loans

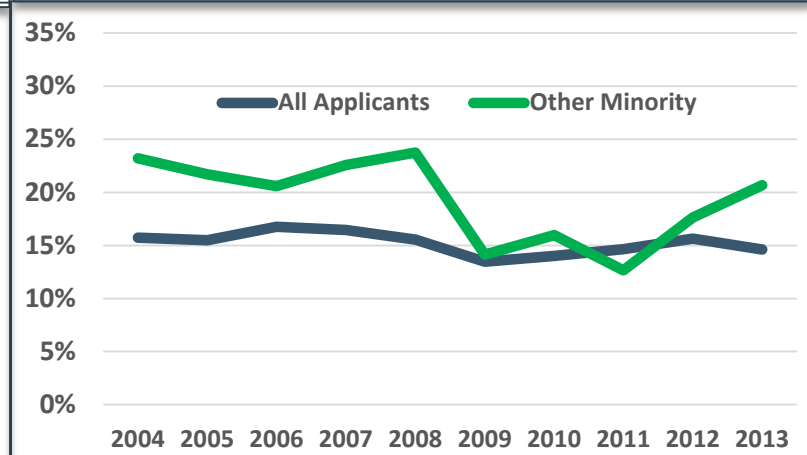
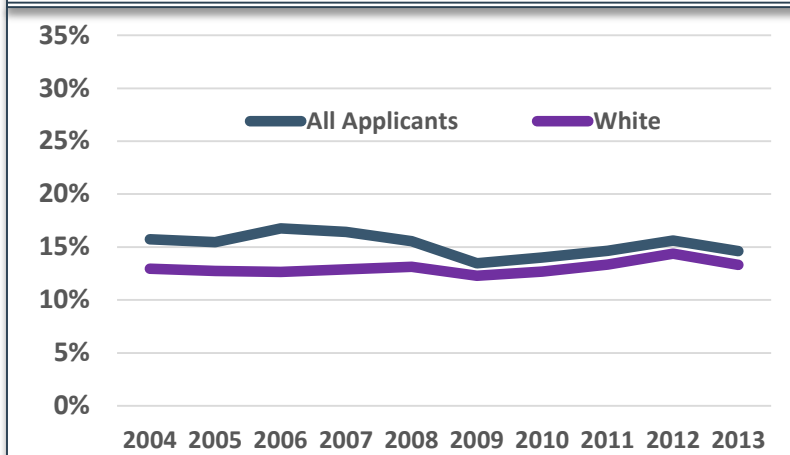
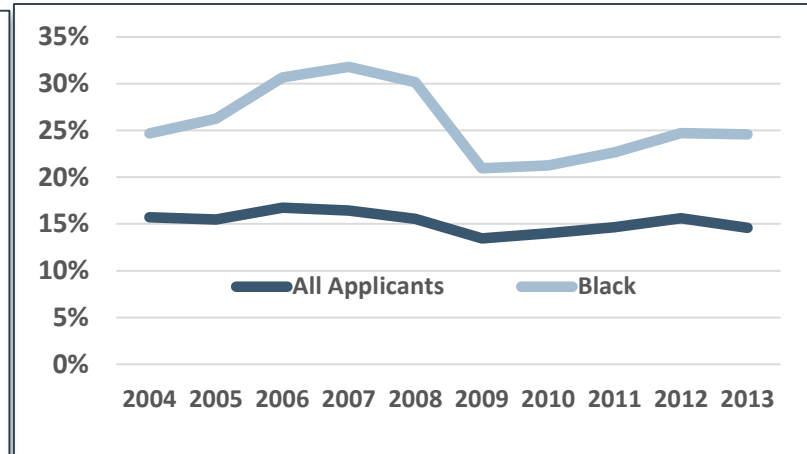
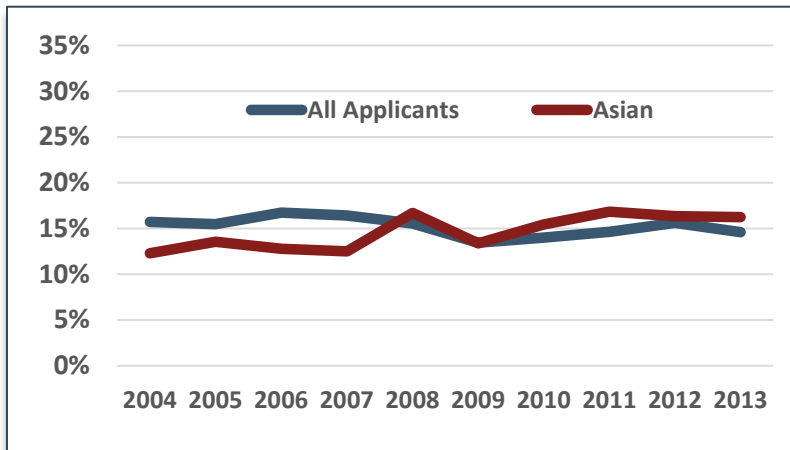
Non-Conventional Share of Home Purchase Loans, by Race



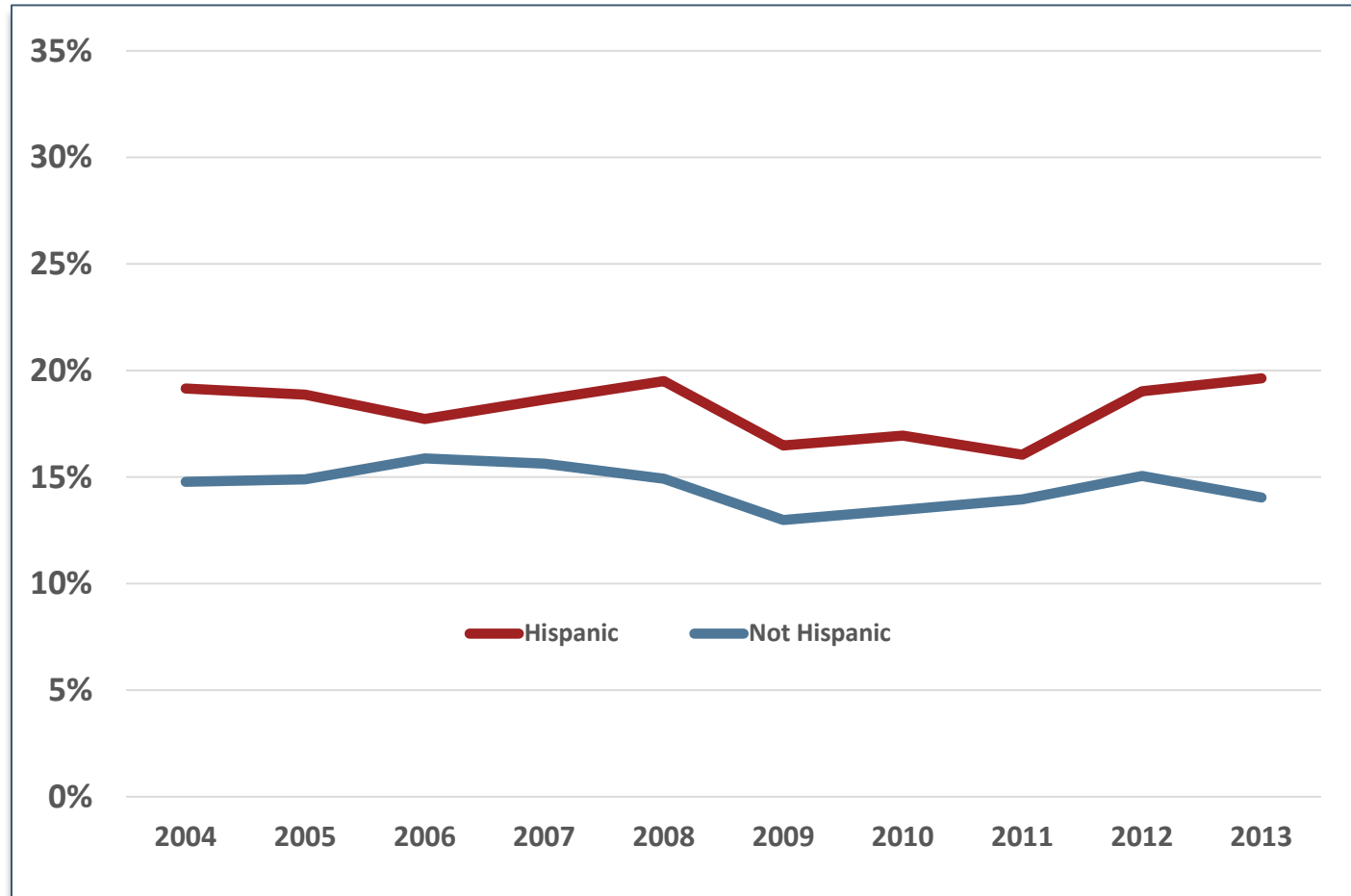
Home purchase loan applications and originations fluctuated in 10-year period. Denial rates for all borrowers stayed relatively steady



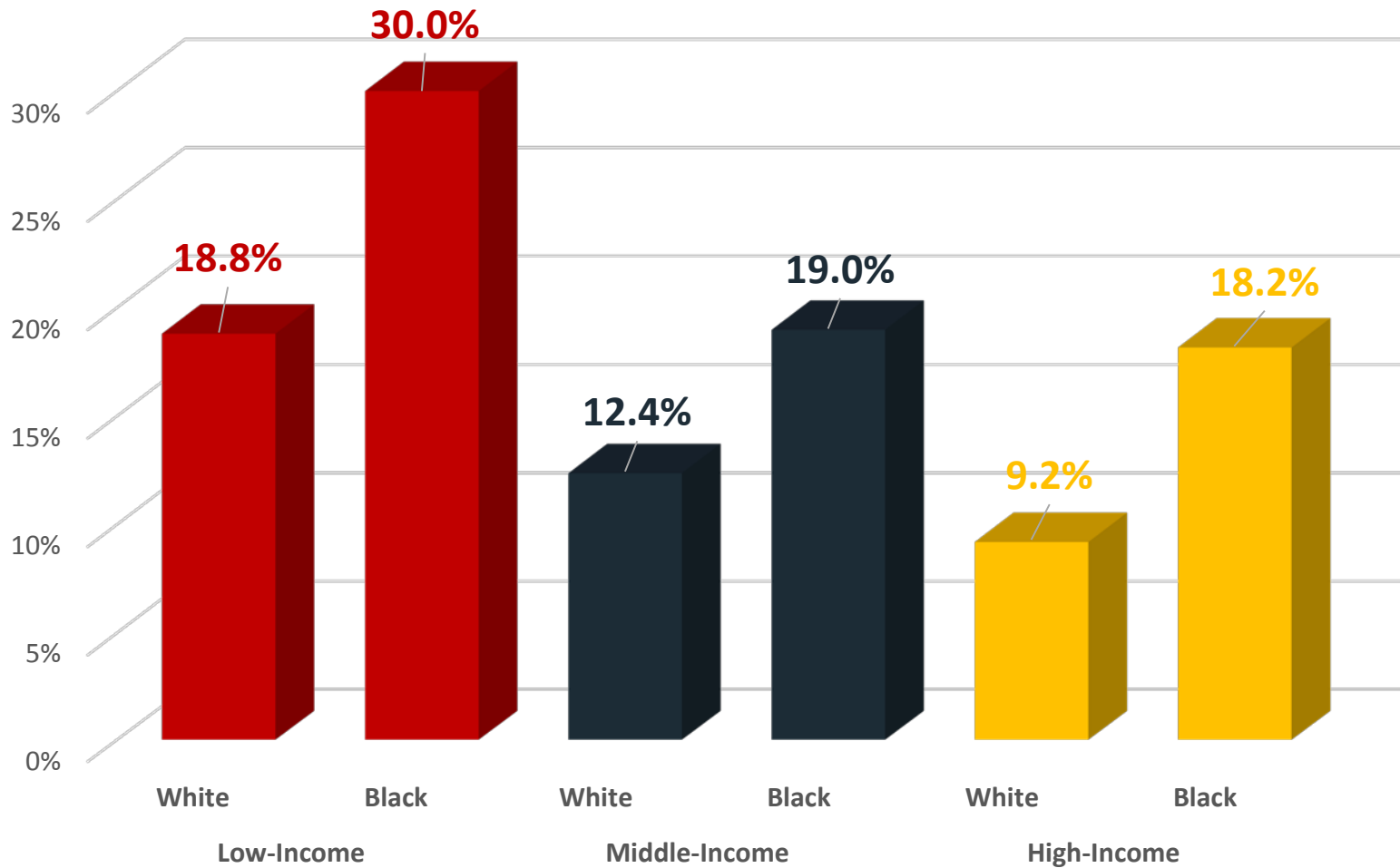
Denial rates for home purchase loans by race widely varied



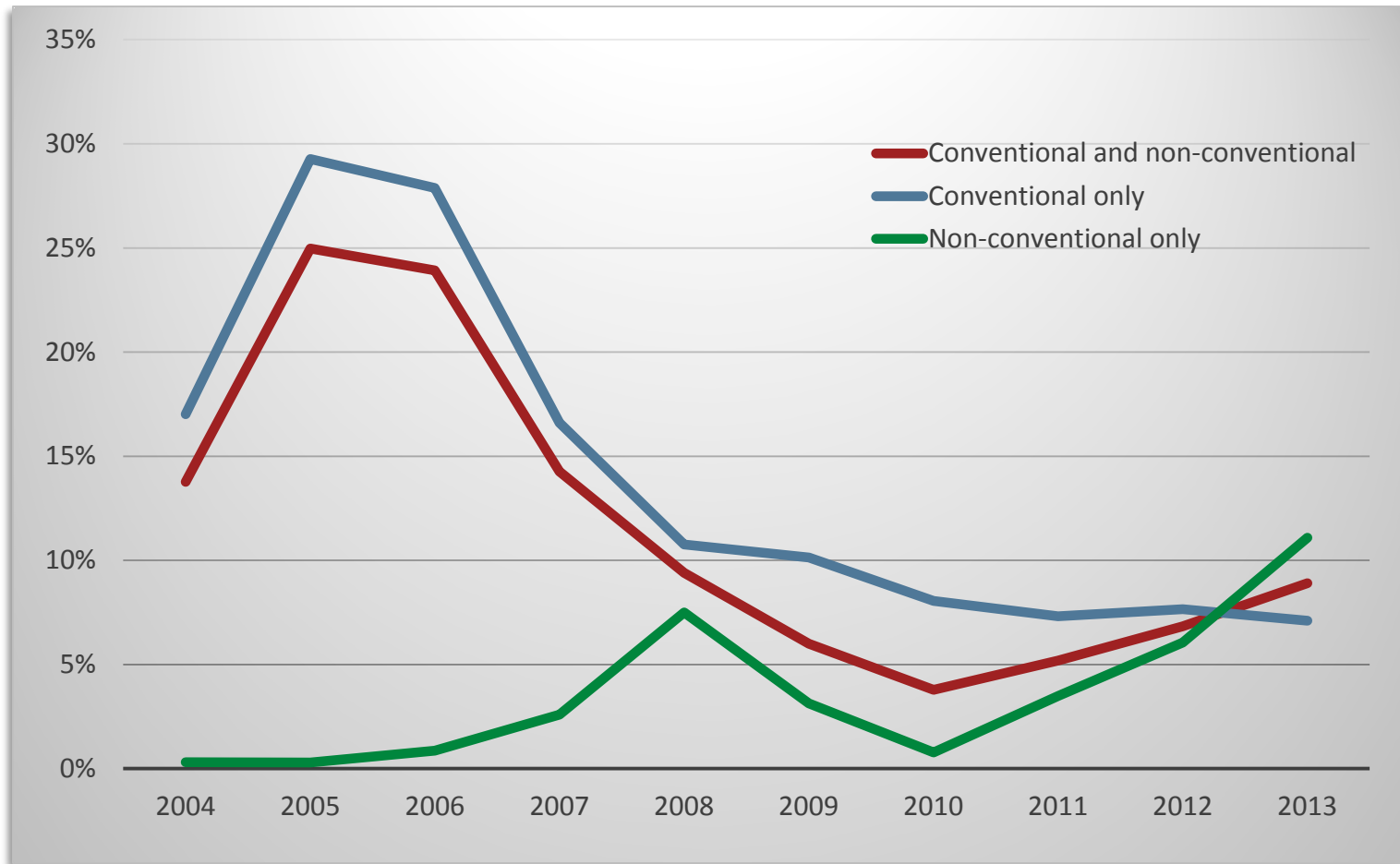
Denial rates for Hispanic and Non-Hispanic Borrowers also varied



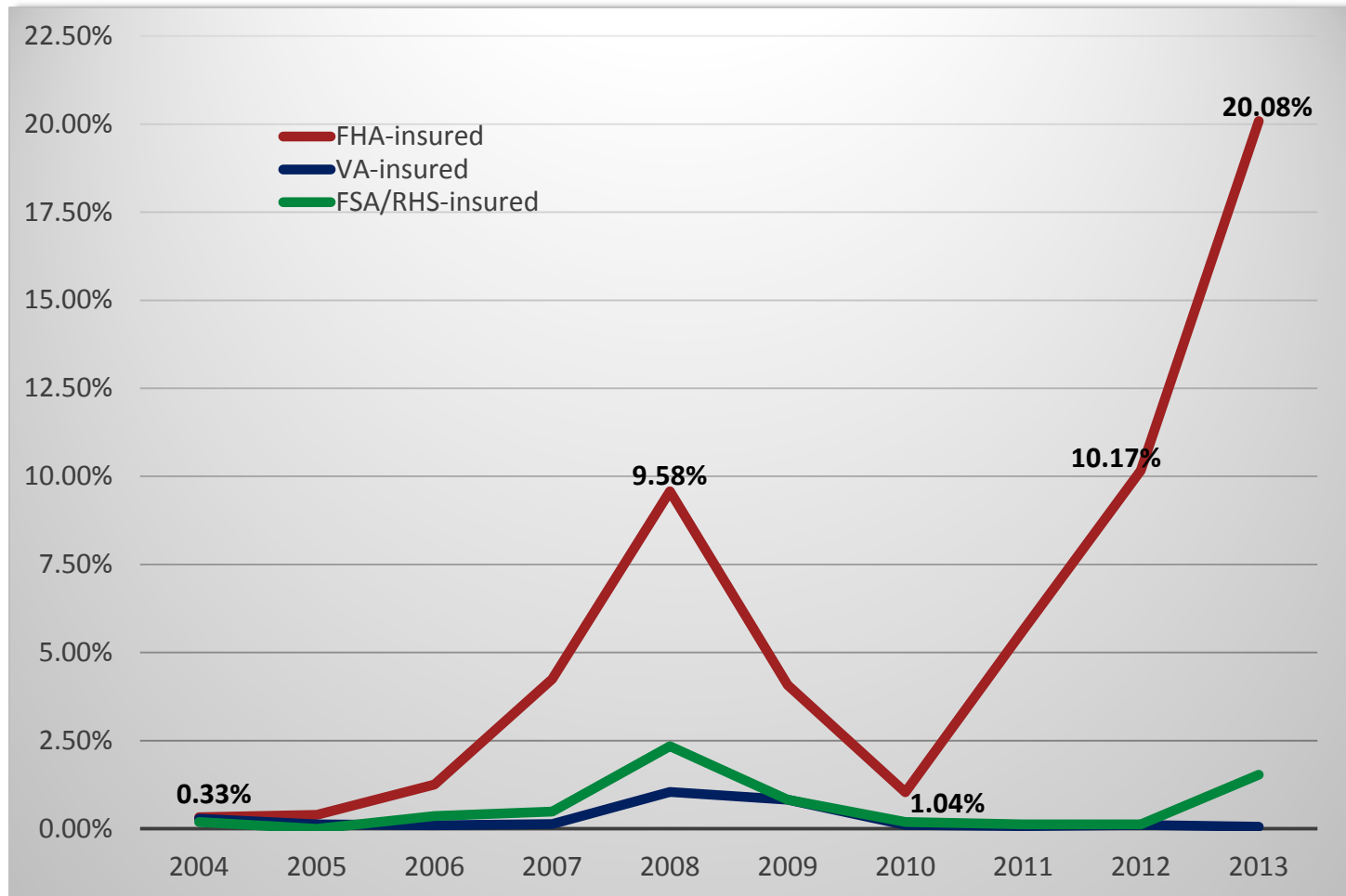
Even after controlling for income levels, denial rates between white and African American applicants varied substantially



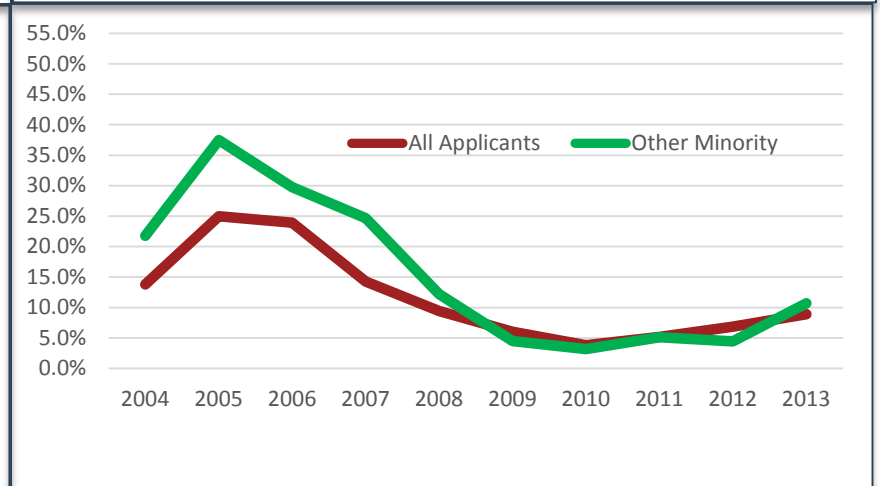
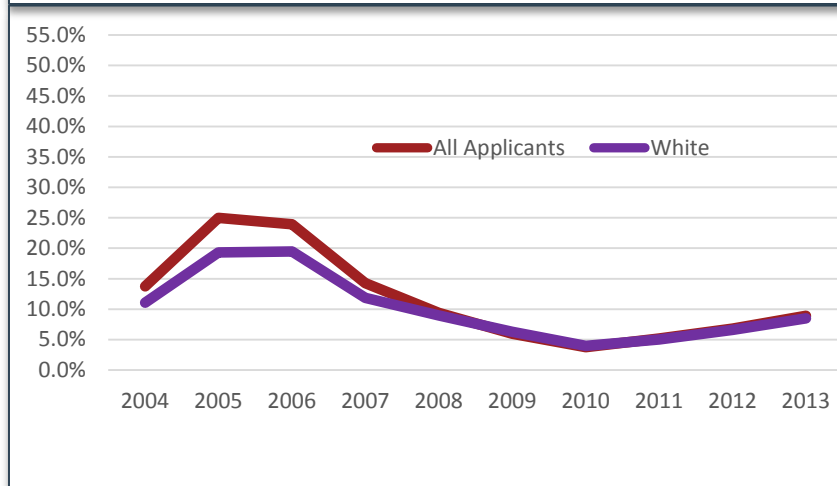
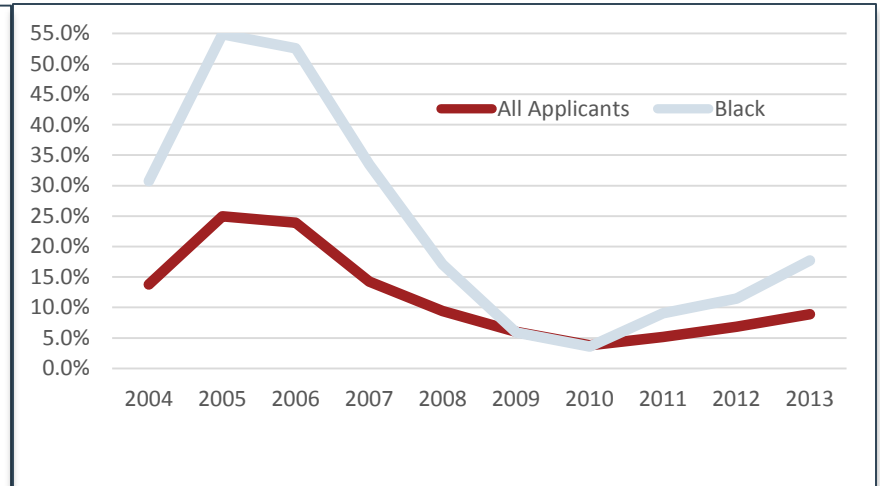
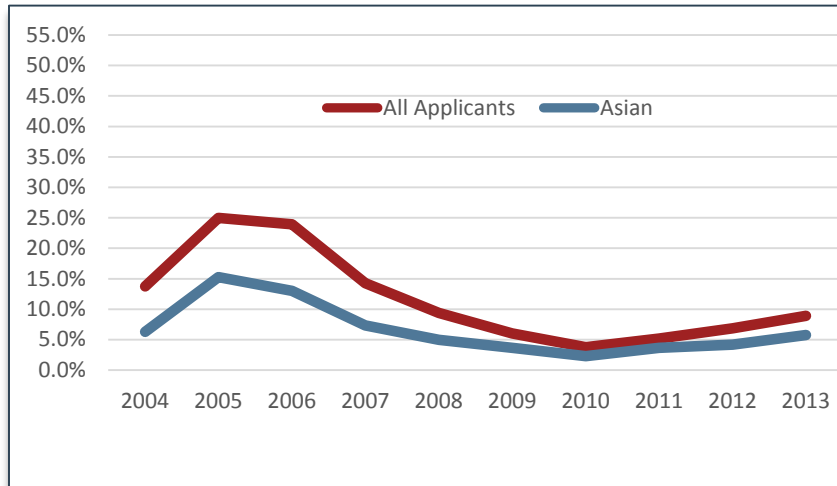
Fraction of home-purchase loans above the higher-priced threshold



More specifically, the higher-priced fraction of FHA-insured home purchase loans spiked.



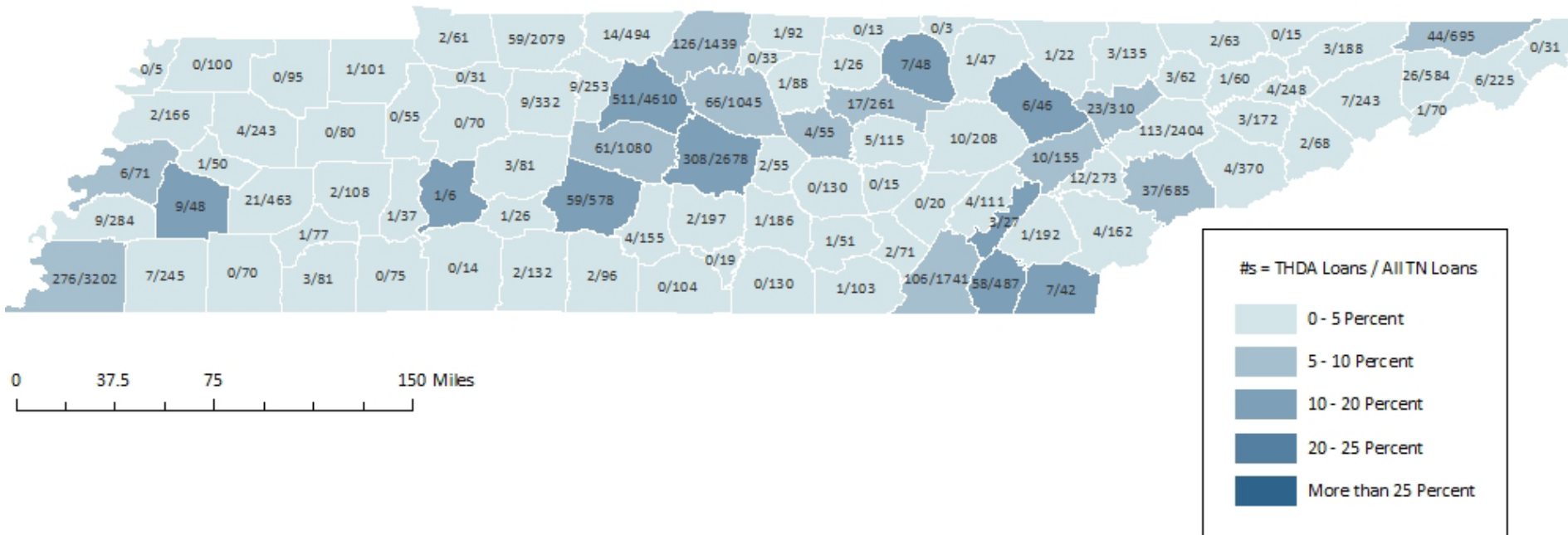
Incidence of high cost home purchase loans varied by applicant's race.



THDA in the Home Purchase Mortgage Loan Market

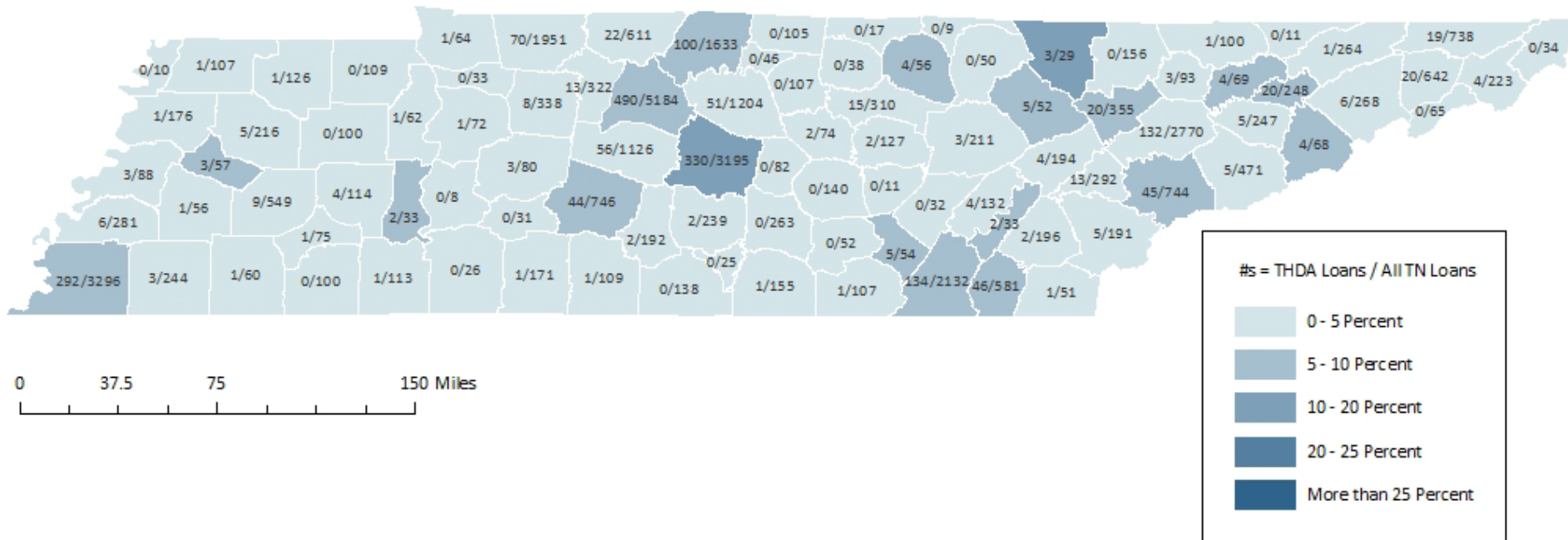


THDA's Share in the Home Loans Market, 2012



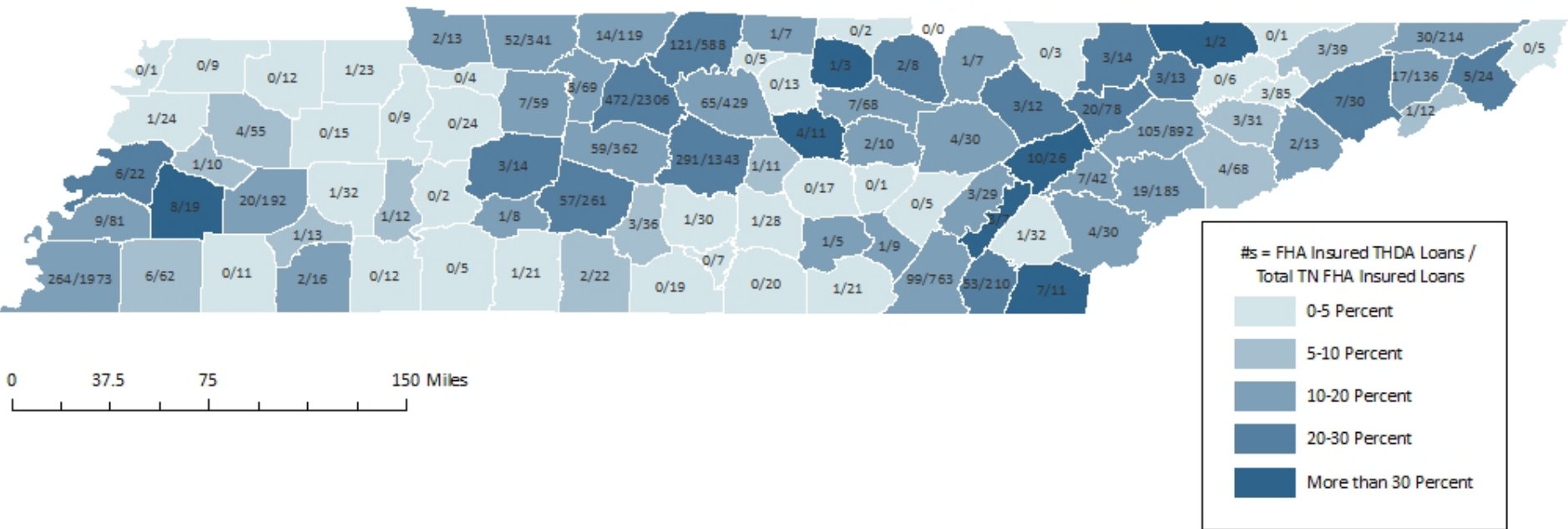
First-lien home purchase loans for owner occupied 1-4 family dwellings that are originated in 2012. The borrowers with less than or equal to THDA's income limit and purchased homes that are less than or equal to THDA's purchase price limit are included.

THDA's Share in the Home Loans Market, 2013



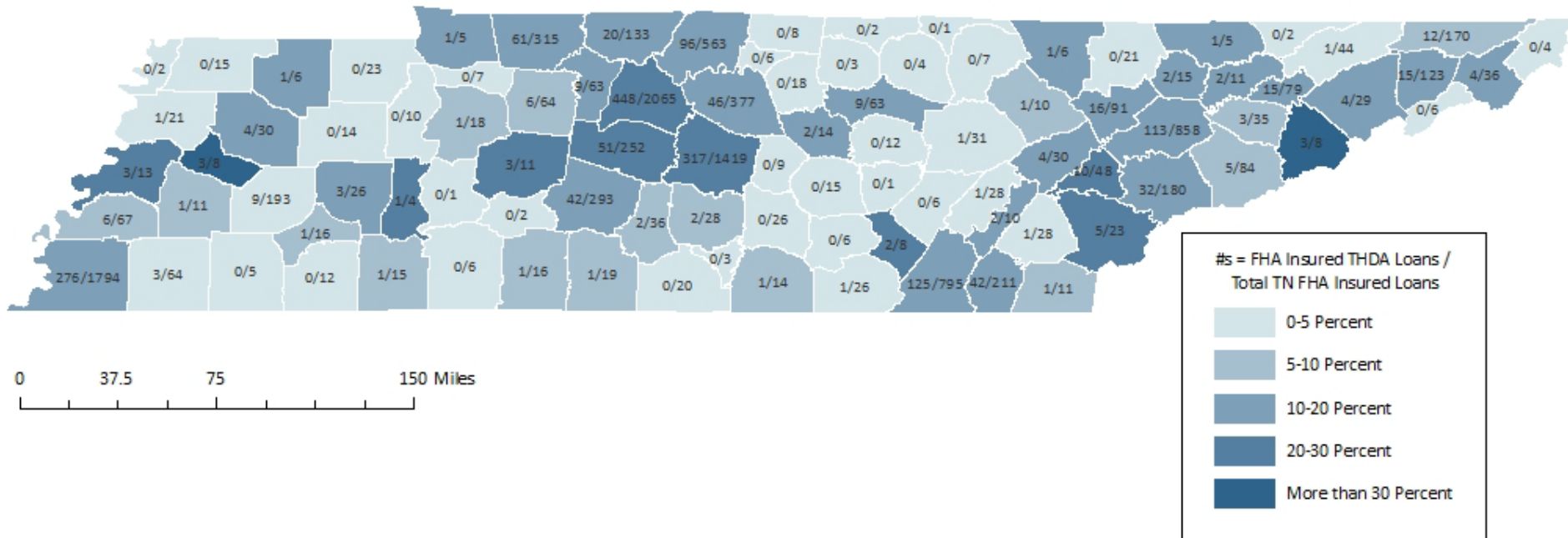
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THDA's Share in the FHA-Insured Home Loans Market, 2012



First-lien FHA-insured home purchase loans for owner occupied 1-4 family dwellings that are originated in 2012. The borrowers with less than or equal to THDA's income limit and purchased homes that are less than or equal to THDA's purchase price limit are included.

THDA's Share in the FHA-Insured Home Loans Market, 2013



First-lien FHA-insured home purchase loans for owner occupied 1-4 family dwellings that are originated in 2013. The borrowers with less than or equal to THDA's income limit and purchased homes that are less than or equal to THDA's purchase price limit are included.

Housing & Community Needs Assessment

Middle Tennessee real estate market is hot!

Hagan Stone 1:02 a.m. CDT July 13, 2014



216



Economic incentives to continue under Barry

Oct. 3, 2015, 11:02 a.m.

asure all sorts of
as a visual gage for
ey are used to
at in the body, a room
e have definitely seen
ature outside and in



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skin community
ort tiny baby
51 p.m.

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19 Reasons Tennessee Is Clearly The Best State

Why would you want to live anywhere else?



TennesseeBound
COMMUNITY MEMBER

CAT POWER: 1



Join The Community!



1. Because we have four very distinct seasons.



BuzzFeedNEWS

In The News Today

- The U.S., Japan, and 10 other Pacific Rim nations have agreed to a historic trade deal encompassing 40% of the world's economy. >
- Three scientists who developed treatments against parasites have won the 2015 Nobel Prize in Physiology or Medicine. >
- At least three people have died in South Carolina due to severe rainfall. More than 11 inches of rain fell on the city in 48 hours. >

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10 hottest housing markets for 2014

Recommend 11k

Memphis, Tenn.



Tennessee Consolidated Plan





671

Website, Emails & Social Media



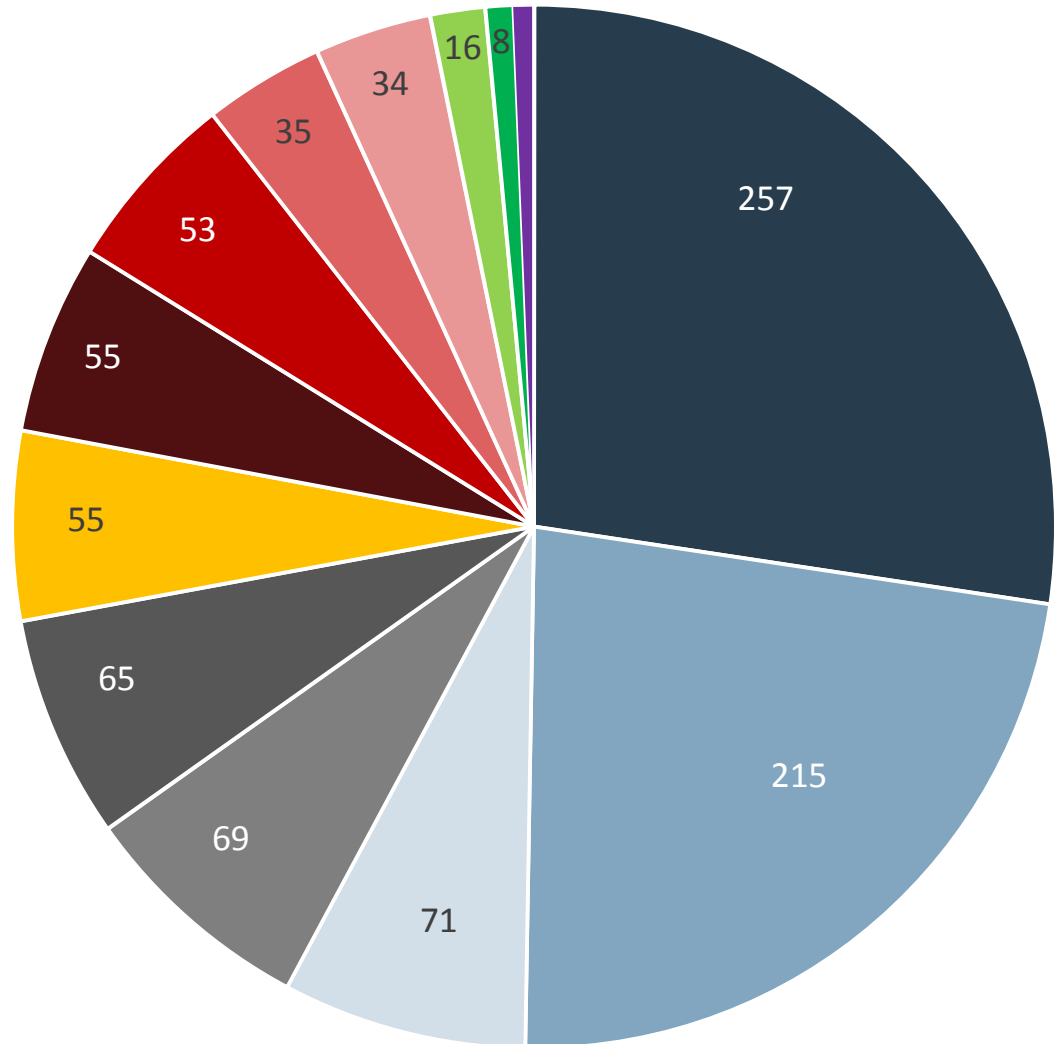


Presentations & Meetings



Representation Among Assessment Respondents

- Tennessee Resident
- Non-profit Organization
- State Government
- Housing Provider or Developer
- Lender or Realtor
- Public Housing Authority
- City or County Mayor
- Local Government
- Business Owner
- Development District
- Economic or Community Development Organization
- Regional Planning Commission
- Other Elected Official



Most Important Housing Needs

1

Extremely low-income households are at risk of homelessness

2

Current renters are cost-burdened due to high rental rates

3

Households are “doubling-up” with family/friends into overcrowded living arrangements



At Risk of Homelessness Statistic

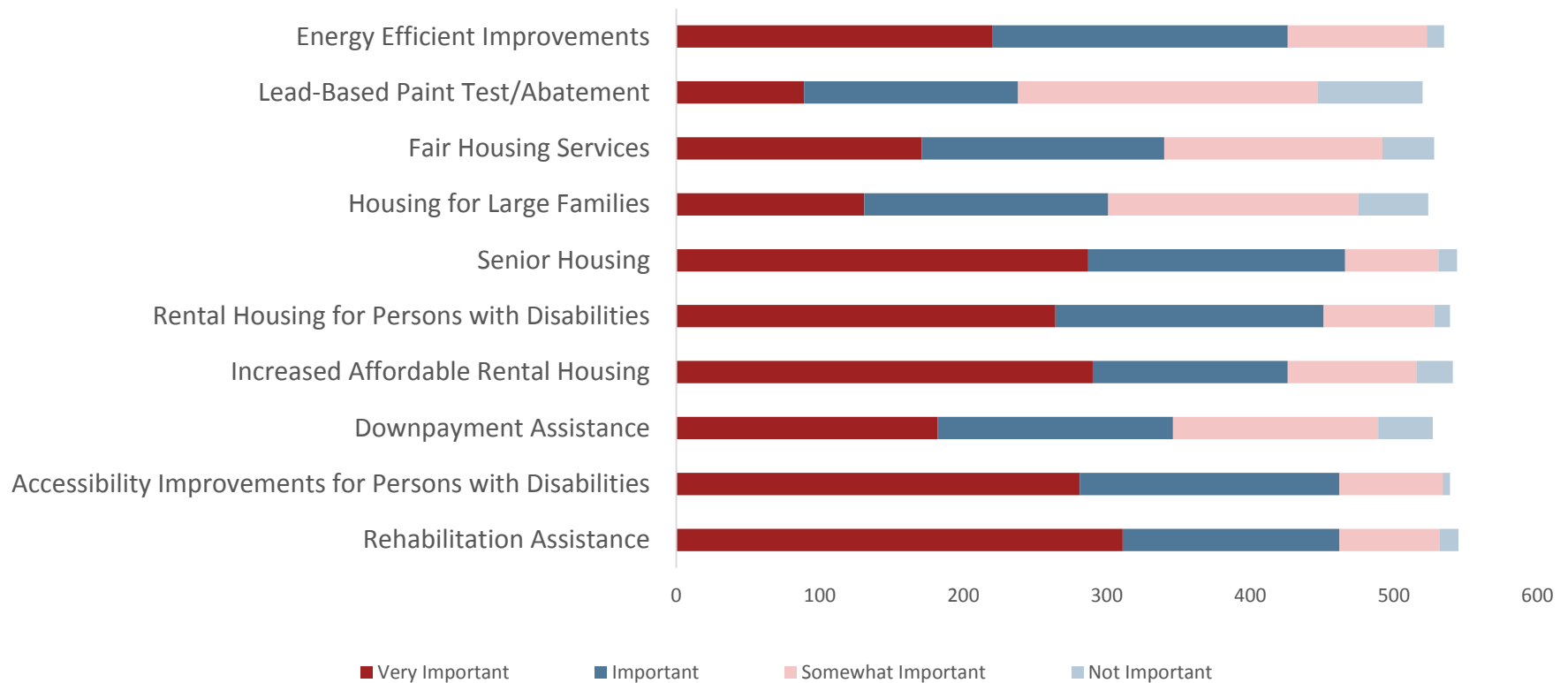


Cost Burden Statistic

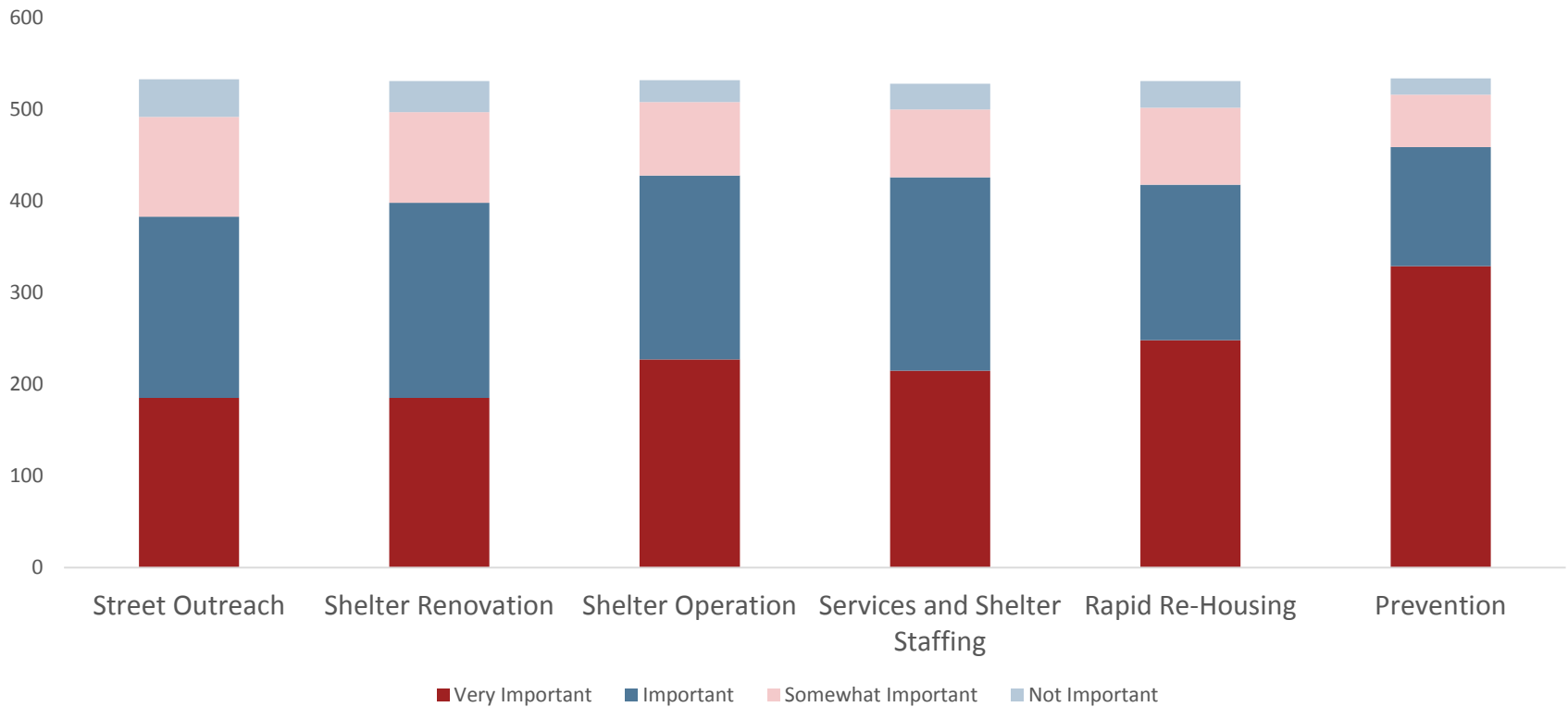


Overcrowding Statistic

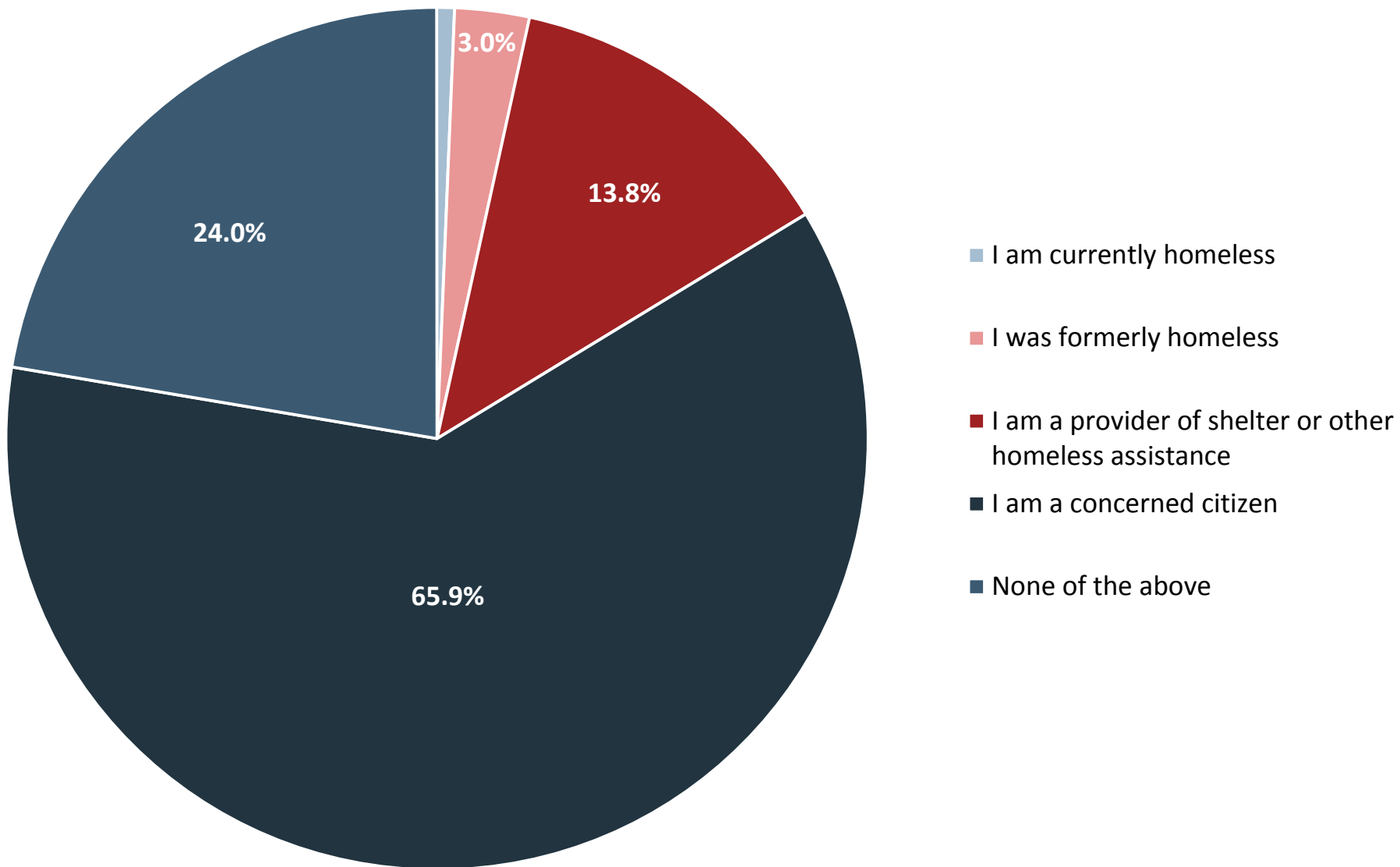
Affordable Housing Programs / Activities



Persons Experiencing Homelessness



Respondent's Connection to Persons Experiencing Homelessness



Persons Living with HIV/AIDS

