

A Handy Guide

Tennessee Agency Releases Statewide Housing Needs Assessment Study

Housing needs in Tennessee are widespread, diverse, and have intensified since 2000 despite significant resources devoted to assisting homeowners, renters, and others in the state, according to a comprehensive new statewide housing needs assessment study released by the Tennessee Housing Development Agency (THDA).

The 94-page study, prepared by THDA Policy Analyst Mick Nelson, PhD, provides the “big picture” about the size, breakdown, and occupants of Tennessee’s housing stock; the prevalence and type of housing problems; and the degree and amount of assistance provided to Tennesseans through THDA-administered housing programs and other major federal housing programs.

Information and statistics are provided for the state as a whole and in many instances for each of Tennessee’s 95 counties, either in charts or indicated on color maps of the state that depict all of the counties.

“What Dr. Nelson has provided for us is a treasure trove of useful information that helps us better understand the housing challenges in Tennessee that we face,” THDA Executive Director Ralph M. Perrey said in an interview. “And it will inform the decisions that we make on where we need to work and the kind of work we need to do.”

He added that THDA intends to use the study “as a tool to help us make good decisions about what we’re doing, where we’re putting our resources to work, and the kinds of programs that we might wish to develop in the future to meet particular needs.”

Perrey noted, for example, that THDA already decided to modify its qualified allocation plan for its 2013 low-income housing tax credit program to place a greater emphasis on preservation projects than in the past in response to some of the early findings that

ended up in the final report.

Nelson indicated that the new study provides a guide to help THDA in its mission and vision. “Our vision is that we want every Tennessean to live in a safe, sound, and affordable home,” he noted. “And for us to carry out or make that vision more of a reality, we need to have a good understanding of the issues facing Tennesseans across the state. So this is an important first step.”

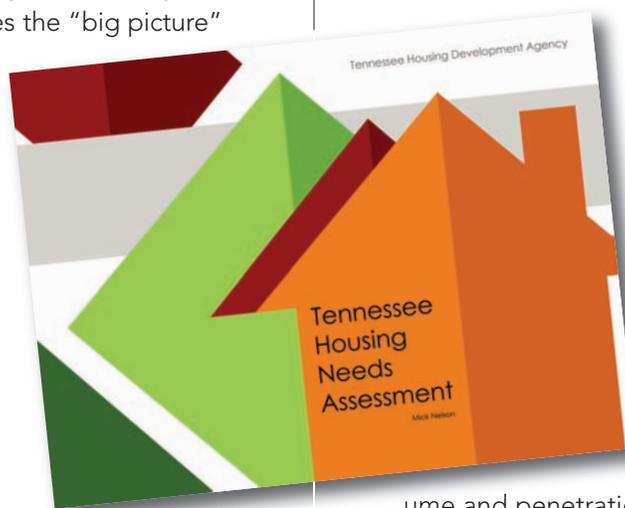
The publication, *Tennessee Housing Needs Assessment*, is divided into three sections. The first examines housing needs in each of Tennessee’s 95 counties and compares the state to the region and country. The second part provides an overview of housing programs for which statewide data are available. The third part looks at the relationship between housing needs and the volume and penetration level of housing programs delivered in each county.

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A Sampling of Findings

Some of the study’s findings are that:

- Homeowners surpass renters among all Tennessee households by 69.7% to 30.3% and are generally better off financially;
- 68.6% of all housing units are single-family detached dwellings and only 12% are in multifamily buildings (5+units);
- A much higher share of renter than homeowner households are cost-burdened (paying more than 35% of income for housing). But the rate has risen significantly for both groups since 2000 due to stagnant or falling incomes and rising housing costs;
- Monthly median rents vary widely across the state, from a low of \$334 in Clay County to a high of



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\$1,045 in Williamson County. Similarly, the incidence of cost-burdened renter households ranges from 18% in Clay County to 46% in Madison County;

- About one in four Tennesseans experience significant housing problem (paying more than 35% of income for housing, living in overcrowded housing, or lacking complete kitchen or plumbing facilities). The rate is nearly half among minority households. Over half of all housing problems are outside the four major urban counties – containing Chattanooga, Knoxville, Memphis, and Nashville; and,
- Nearly 600 affordable rental housing developments containing 50,000 units have been developed in Tennessee with low-income housing tax credits or tax-exempt bond financing.

One finding that Nelson found striking is the acute needs of Tennessee’s renter population, particularly very low-income renters. “We found there were only two affordable units for every five very low-income renters across the state,” he noted. “We have 250,000 renters earning less than \$20,000 a year and only 150,000 units that rent for less than \$500 a month.” Moreover, of the 150,000 units, 50,000 were occupied by renter households making more than \$20,000 a year.

Reaction to Study

Thom Amdur, Executive Director of the Tennessee Developers Council and of the National Council of Housing Market Analysts – two councils of the National Housing & Rehabilitation

Association – called THDA’s study a “great document. It’s probably the most extensive statewide housing needs assessment that’s been done anywhere, based on our analysis.”

“First and foremost,” he noted, “it’s useful in evaluating the success of Tennessee’s current program delivery...It also has a lot of potential to help direct [THDA’s] priorities.”

However, Amdur suggested that while the study provides a good general overview of where there are housing needs in Tennessee, data for smaller geographic areas than counties, such as for census tracts, would be more useful for purposes such as better targeting THDA’s LIHTC qualified allocation plan and giving developers a better idea of where to plan new tax credit projects.

Perrey and Nelson indicated that THDA has already begun to share the study and its findings with some of the agency’s stakeholders and will continue to do so going forward as well as further digest the document’s findings internally.

(To view the study, go to <http://tinyurl.com/c62vp89>) **TCA**

Basic Information on Housing in Tennessee

	Tennessee		United States
	2010	2000	2010
Total Housing Units	2,812,133	2,439,443	131,704,730
Vacancy Rate	11.3%	8.5%	11.4%
Owner Households	ACS 2005-2009¹	2000	ACS 2005-2009¹
Number	1,682,052 (69.7% of all households)	1,561,461 (69.9%)	75,320,422 (66.9%)
Median Annual Income	\$53,175	\$55,750	\$64,338
Median Home Value	\$128,500	\$116,250	\$185,400
Median Monthly Housing Cost (with mortgage)	\$1,136	\$1,103	\$1,486
Number/Share Housing Cost-Burdened	404,598 (24.1% of owner households)	236,959 (15.2%)	22,545,257 (29.9%)
Renter Households			
Number	730,515 (30.3% of all households)	671,444 (30.1% of all households)	37,290,607 (33.1% of all households)
Median Annual Income	\$25,305	\$30,013	\$31,258
Median Monthly Gross Rent	\$658	\$631	\$817
Number/Share Housing Cost-Burdened	311,354 (42.6% of renter households)	224,119 (33.4%)	17,241,359 (46.2%)

Source: Tennessee Housing Needs Assessment; ¹ American Community Survey, 2005-2009