PRESENTATION ON AFFORDABLE HOUSING
Our Mission:

The Housing Fund provides resources and creative leadership to help individuals and communities create and maintain affordable and healthy places in which low and moderate income people live.

- Non-profit Loan Fund for Affordable Housing and Community Development Projects
- Founded in 1996 as part of Nashville’s Agenda
- With over $21 million in assets, THF has lent $75 million, leveraging $468 million in private financing for nearly 5,000 housing units.
- Certified by U.S. Treasury Department as a CDFI
- Certified by FHA in TN
- CARS AAA2+ industry rating
- Member of Opportunity Finance Network (OFN)
DEFINITIONS

Affordable Housing
- By federal definitions: Households at or below 80% of the area median income (AMI)
- Davidson County Median income: $66,900 (80% = $51,200)

Workforce Housing
- Typically households between 81-120% of the AMI (120% = $80,280)

Cost Burden
- Households allocating more than 30% of their annual income to housing costs (including utilities)

Gentrification
- When low-Income/Urban areas experience significant changes in demographics, real estate markets, land use, and culture and/or character due to an increase in upper income households
CURRENT ISSUES

- Affordability, Affordability, **AFFORDABILITY !!!** - rental and homebuyer, AND for longer periods of time

- **GENTRIFICATION** of inner city neighborhoods

- lack of **WORKFORCE HOUSING**

- **NON-PROFIT DEVELOPMENT CAPACITY** - particularly on homebuyer side

- **DECLINING PUBLIC SUBSIDIES**

- **ESCALATING LAND COSTS**
# Rent & Sales Prices for HHS at 80%

<table>
<thead>
<tr>
<th></th>
<th>1 Person HH</th>
<th>2 Person HH</th>
<th>3 Person HH</th>
<th>4 Person HH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>80% of MFI</strong></td>
<td>$37,450</td>
<td>$42,800</td>
<td>$48,150</td>
<td>$53,500</td>
</tr>
<tr>
<td><strong>Hourly Equiv.</strong></td>
<td>$18</td>
<td>$20.57</td>
<td>$23.15</td>
<td>$25.72</td>
</tr>
<tr>
<td><strong>Rent &amp; Utilities</strong></td>
<td>$936</td>
<td>$1070</td>
<td>$1204</td>
<td>$1337</td>
</tr>
<tr>
<td><strong>Purchase Price</strong></td>
<td>$134,218</td>
<td>$154,962</td>
<td>$175,705</td>
<td>$196,449</td>
</tr>
<tr>
<td>(no other debt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Purchase Price</strong></td>
<td>$95,446</td>
<td>$116,189</td>
<td>$136,933</td>
<td>$157,676</td>
</tr>
<tr>
<td>($250 other debt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

January 2015 Median SF Sales Price = $215,000 (80% = $172,000)

**Assumptions:**
- $0 downpayment, PMI
- 30% DTI
- 3.75 IR, 30 yr.
- 1.2% for property tax
- $850 homeowner ins.
- No HOA
# RENT & SALES PRICES FOR HHS AT 50%

<table>
<thead>
<tr>
<th></th>
<th>1 Person HH</th>
<th>2 Person HH</th>
<th>3 Person HH</th>
<th>4 Person HH</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of MFI</td>
<td>$23,425</td>
<td>$26,750</td>
<td>$30,100</td>
<td>$33,450</td>
</tr>
<tr>
<td>Hourly Equiv.</td>
<td>$11.27</td>
<td>$12.86</td>
<td>$14.47</td>
<td>$16.08</td>
</tr>
<tr>
<td>Rent &amp; Utilities</td>
<td>$586</td>
<td>$669</td>
<td>$753</td>
<td>$836</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>$79,840</td>
<td>$92,732</td>
<td>$105,720</td>
<td>$118,709</td>
</tr>
<tr>
<td>(no other debt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Price</td>
<td>$41,067</td>
<td>$53,959</td>
<td>$66,948</td>
<td>$79,937</td>
</tr>
<tr>
<td>(5$250 other debt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

January 2015 Median SF Sales Price = $215,000 (50% = $107,500)

**Assumptions:**

- $0 downpayment, PMI
- 30% DTI
- 3.75 IR, 30 yr.
- 1.2% for property tax
- $850 homeowner ins.
- No HOA
POTENTIAL SOLUTIONS

- Develop innovative financing programs
- Provide transit options to lessen cost burdens
- Support private, public, and non-profit housing developers so that they can provide affordable housing
- Create housing choices in rural, suburban, and urban areas
- Reduce the negative impacts of gentrification
- Create programs that reduce displacement and exclusion
THANK YOU