



## Economic Impact of THDA Activities on the Tennessee Economy, CY2007

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Identified as one of the basic human needs, housing has a profound impact, both social and economic, on individuals and communities. Safe, sound, affordable housing is essential to a healthy home, educational achievement, successful employment, and the stability and safety of the neighborhood. Both housing rehabilitation and the construction of new homes generate jobs and income in the community and produce additional tax revenue.

### *Economic Impact of THDA Activities in 2007*

#### *Business revenue*

- ✓ Total contribution of the THDA-related activities to Tennessee's economy was estimated at \$1.133 billion\* in 2007
  - Of this total, \$639.3 million was directly injected into the economy by THDA-related activities
  - Every \$100 of the THDA-related activities generated an additional \$77 in business revenues

#### *Personal income*

- ✓ THDA-related activities generated \$395.7 million\* in wages and salaries in 2007
  - Every \$100 of personal income produced an additional \$68 in personal income in the local economy

#### *Employment / Job Creation*

- ✓ THDA-related activities created 10,666 jobs\* in 2007
  - Every 100 jobs created by THDA-related activities, primarily in the construction sector, generated 66 additional jobs throughout the local economy



#### *State and local taxes*

THDA-related activities accounted for \$37.9 million in state and local taxes in 2007.

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In this study, we developed a comprehensive framework to estimate the *economic* impact of Tennessee Housing Development Agency (THDA) activities in providing safe, sound, affordable housing options to low- and moderate-income households. To this end, we reviewed THDA programs, both loans and grants, to determine the scope and the monetary flows of each program’s activities.

***THDA program activities included in this study<sup>1</sup>***

- ✓ Mortgage production reached over \$513 million. As a result, 4,647 low- to moderate-income families and individuals achieved the dream of homeownership in 2007.
- ✓ Low Income Housing Tax Credit 2007 allocations in the amount of \$19.8 million will create an additional 4,867 affordable housing units.
- ✓ Multifamily Tax-Exempt Bond Authority 2007 allocation in the amount of \$120.5 million will rehabilitate 3,277 affordable housing units.
- ✓ HOME grants, which include American Dream Downpayment Initiative (ADDI), in the amount of \$16.5 million helped 486 households in 2007.
- ✓ Rural Housing Repair program (RHS) awarded \$669,000 to assist 145 households.
- ✓ Direct Rental Assistance Programs helped 33,792 households pay reasonable rent by providing \$161 million. Of this, tenant-based assistance of \$25 million aided 5,679 households across Tennessee and project-based assistance of \$136 million helped 28,113 families.
- ✓ BUILD loan program promoted the production, preservation and rehabilitation of 68 affordable housing units.
- ✓ Community Investment Tax Credit (CITC) in the amount of \$556,332 helped 235 households.
- ✓ \$644,143 of Emergency Repair Program (ERP) helped 136 low income elderly homeowners.
- ✓ \$10 million of Housing Trust Fund competitive grants were awarded to 33 non-profit organizations, local governments, and other departments within State government to make safe, sound and affordable housing available to 900 very low income residents of the State.

Because of the economic multipliers or “ripple” effect, our affordable housing programs impact all industries in the economy, going far beyond the specific unit or neighborhood in which THDA program money is spent. We used the IMPLANpro input-output model to calculate these “ripple” effects of 2007 program accomplishments on the Tennessee economy.

*For more information on THDA, please visit: [www.thda.org](http://www.thda.org). To download the full economic impact report or learn about other THDA research activities, click on the “Research & Planning” button on the right side of our webpage.*



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<sup>1</sup> Due to data limitations some housing-related expenditures, though important, are not incorporated in this study including: the Homebuyer Education program, benefits of accumulated home equity, and interest earnings throughout the life of mortgages generated by THDA homeownership programs. Additionally, no attempt was made to measure the social impact of affordable housing.