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## MEMORANDUM

TO: Statewide Affordable Housing Coalition

FROM: Lorrie Shearon  
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SUBJECT: Summary of Housing on Tour – Spring 2007

DATE: September 10, 2007

The topics discussed at our recent Housing on Tour (HOT) stops were wide-ranging. However, a number of topics came up repeatedly, or were the subject of considerable discussion. This memo is simply meant to serve as a summary of some of these more significant topics. We will discuss in more detail at our meeting on September 20<sup>th</sup>.

### Ideas for Possible Programs

- 1) Low-interest rate loan program for homeowner repairs (moderate income citizens). USDA/RD repair program is \$4.60 per month for 20 years for every \$1,000 borrowed. Could develop a similar program with sliding interest rate scale depending on income. Fannie Mae's HomeStay initiative also a possible tool.
- 2) Wide need for additional rehab funding (SF & MF, Loans and Grants).
- 3) There need to be more programs to move people "up the stream" (along the continuum) – from homelessness to transitional housing to public housing/Section 8 to market rental to homeownership. We are providing a "hand up" vs. a "hand out".
- 4) Energy efficient construction programs – Mayor of Athens program sponsored by TVA. Reduction in utility costs can make housing more affordable. Information at [energyright.com](http://energyright.com).

### Resources

- 1) CDBG – should be used for more preservation of neighborhoods.
- 2) Development Districts – are available to provide technical assistance.
- 3) U.T. Extension Services – good resource for "healthy homes" issues (radon, lead based paint, etc.). We need to encourage developers to use better construction practices.

- 4) Can we use tax credits more for people at 50% AMI, or is there another program that can serve this population (which is currently not being served).

### Homebuyer Education

- 1) More awareness and proactive approach to financial literacy and need for “credit” counseling – work with Freddie Mac, Financial Institutions, Federal Reserve Bank. Also comments about introducing financial management curriculum into high schools.
- 2) Inform high school students about housing programs and availability of resources. Students could inform the adults they live with (about the process of applying for home loans, etc.) and even help them fill out the paperwork.
- 3) HBEI, Credit Counseling and post-purchase are all needed to help people avoid predatory lending, foreclosures, etc.

### Challenges/Barriers

- 1) The condition of LIHTC and other subsidized properties is deteriorating after 10-15 years – what to do about this? This could be a crisis in the next 10-20 years and cause a major “disruption of families”.
- 2) It’s difficult to put all the funding pieces together. Closing costs climb because of all the pieces you have to use. Plus, nobody wants to be the first piece in – everyone wants to be last. Could THDA make grants (be first) but make them contingent upon other funding/leveraging?
- 3) Group homes & emergency shelters aren’t accessible to persons with disabilities. More attention needs to be paid to this.

### Information provided/need to follow-up

- 1) Use of reverse mortgages – especially for (elderly) homeowner repair. Possible topic for Governor’s Summit.
- 2) Many people who qualify for various programs don’t know about them – we need more housing resource fairs, etc.
- 3) Develop a handbook for municipalities – strategic planning for affordable housing, needs assessments, best practices, and a resource directory. Specifically requested by Brian Harris, Martin Housing Authority, and James Fenton, Cheatham County JECD. \*Best practices would include examples of layering funding sources.
- 4) We need to frame the discussion of affordable housing to generate more universal appeal. Need to educate the business community as to the benefits of housing (economic development). Chris McCarthy – could frame it in terms of return on investment (to appeal to business people). Charles Strobel – cost of homelessness (public services such as treatment, law enforcement, healthcare, etc.) vs. rental assistance (public housing, Sec. 8).
- 5) Public Service Announcements – educate the public re: affordable housing and economic development.
- 6) We could develop a generic presentation from the housing coalition (coalition could have a “speakers bureau”) to present to civic groups, chambers of commerce, etc. Would include the state of housing, economic impact of housing investment, available resources, etc.