



GLOSSARY FOR AFFORDABLE HOUSING

SO WHAT IS AFFORDABLE HOUSING?

- **AMI / MHI** – Two different income figures are often used to measure affordability:
 1. The “Area Median Income” (AMI) is determined by the census for the Nashville-Davidson-Murfreesboro-Franklin-Metropolitan Statistical Area. This means that Davidson County is combined with other counties, including wealthy Williamson County. Therefore, the income figure for the AREA is higher than just for Davidson County
 2. The “Median Household Income” (MHI) of Davidson County alone more accurately describes our county, and focuses housing programs on those in most need. AMI for Davidson County is \$68,500 for family of 4, while MHI is \$48,368 (2015).
- **Affordable Housing** – Federal definition is housing that is affordable to people whose income is **30% to 80%** of the “Area Median Income (AMI)” – \$20,500 to \$54,800 for a family of 4 (2015). Local definition is housing affordable to people whose income is **30% to 60%** of Davidson County Median Household Income (MHI) (\$14,510 to \$29,021). Affordable housing is needed by low-wage workers, service workers, and those on a fixed income.
- **Workforce Housing** – Federal definition is housing that is affordable to people whose income is **80% to 120%** of the “Area Median Income (AMI)” – between \$54,800 and \$82,200. Local definition is **60% to 120%** of the “Median Household Income (MHI)” - \$29,021 to \$58,042. Workforce housing is often used by teachers, police, etc.
- **Percentage of Income on Housing** – Housing is considered affordable when the homeowner or tenant spends no more than 30% of his/her income on housing. Spending more than 30% makes someone “cost-burdened.” 52% of renters in Nashville are “rent-burdened.”
- **Public Housing** – Housing owned by the government -- by MDHA (Metropolitan Development and Housing Agency), where tenants pay only 30% of their income for rent and utilities.
- **Section 8 Housing** – Rent assistance vouchers issued to low-income households by MDHA to assist them in paying rent to private landlords. Many landlords in Nashville will not rent under Section 8, since they can get higher rents at market rate.
- **Displacement** – Lower-income families being “displaced” either by government action (such as Urban Renewal) or by market forces. Homeowners and renters can both be displaced.
- **Gentrification** – “The process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of that neighborhood.” (Brookings Institution) Gentrification is not the same as revitalization, which does not lead to displacement.
- **NIMBY (Not In My Back Yard)** – The attitude by some residents and neighborhood groups that affordable housing is fine somewhere else, but “not in my back yard.” Neighborhood feelings are often aggravated by previous government action or private developers who did not engage the neighborhood in decision-making. Some neighborhoods feel that they are regularly being “dumped on” or ignored by the city.

VARIOUS TERMS

- **TIF – TAX INCREMENT FINANCING** – A way that the city helps developers. While vacant or underused land generates little property tax, it would bring much more if developed. TIF financing allows the city to divert these future property tax increases in specific areas to help the developer pay off all or part of a loan taken out for construction. TIF can also be used for sidewalks, sewer lines, etc needed in those redevelopment areas. TIF can be used for affordable housing, but this has not been done much in Nashville.
- **PILOT – Payment In Lieu Of Taxes** – A property tax freeze or reduction for businesses promising numbers of jobs or other benefits to the city.
- **Inclusionary Zoning** – A local law requiring that developers include a portion of affordable housing in their developments. One local version of this requires this only of developers who want a zoning change and who receive a subsidy from Metro government.
- **Developer Subsidy** – A Metro program that subsidizes developers who agree to build workforce housing.
- **State Pre-emption** – The state legislature has “pre-empted” many things done by our city government, essentially over-ruling our Metro Council. These include inclusionary zoning, local hire, protections against discrimination.
- **Short Term Rental Properties (STRPs)** – Residential dwelling units, with no more than 4 sleeping rooms, advertised through online marketplaces for rent for less than 30 days. “Type 1” STRPs are owner-occupied. “Type 2” are investor-owned in single-family and two-family residential zoning districts. “Type 3” are investor-owned multi-family or condos. Metro Council wants to phase out Type 2 and 3, but the state legislature has threatened to pre-empt any legislation. STRPs may decrease available affordable housing.
- **Community Development Block Grant (CDBG)** – Federal dollars that come to MDHA for the benefit of low-income neighborhoods, for use in improving housing, physical improvements, etc.
- **Low Income Housing Tax Credits (LIHTC)** – A way for non-profits to generate money to use in affordable housing by “selling” tax credits to businesses or investors, reducing their tax liability. Administered by THDA (Tennessee Housing and Development Agency).
- **General Obligation Bonds** – Bonds sold by the city to raise money for special building projects. Backed by the credit and taxes raised by the city. Essentially like taking out a mortgage that must be repaid. Bonds are tax-exempt, so investors avoid income taxes.
- **VITA – Volunteer Income Tax Assistance Program** – a nation-wide IRS program designed to help low and moderate-income taxpayers complete their annual tax returns at no cost. Coordinated in Middle Tennessee by United Way.
- **Promise Zone** – A federally designated area in the core of Nashville that has 38% poverty and 14% unemployment. Promise Zones receive higher priority in applying for various federal grants. MDHA is the lead organization, and six non-profits are partners in different areas of the zone.
- **Metro Assessor of Property** – Metro elected official in charge of re-assessment of property values county-wide. Re-assessment is done every 4 years by state law.
- **Metro Trustee** – The tax collection agency for Davidson County, which administers property tax assistance programs.
- **Property Tax Assistance Programs** – Tax relief is available for senior and disabled homeowners. Those under \$29,180 income can receive a rebate on their property taxes. Tax freeze allows senior

and disabled homeowners under \$41,660 income to freeze their taxes at the previous year's level, which is helpful in years of higher re-assessments. Managed by Metro Trustee's Office.

- **HUD (US Department of Housing and Urban Development)** – Federal agency in charge of public housing, Community Development Block Grants (CDBG), Section 8, and other federal funds for housing. Funding has been declining for HUD since 1981. MDHA (see below) is the local agency that receives federal housing funds from HUD.
- **RAD (Rental Assistance Demonstration Program)** – Converts public housing from joint ownership by HUD and MDHA to ownership by MDHA alone, allowing loans to be taken out on the property for the redevelopment of that property. Stated goal is to keep units permanently affordable at 30% of residents' income. NOAH has concerns about permanent affordability, residents' ability to return to redeveloped units, and residents' engagement in planning the redevelopment. Cayce Apartments is to be the first RAD conversion, followed by Napier Homes and Edgehill Apartments.
- **Community Development Corporation (CDC)** - Not-for-profit organizations created to provide services to a specific area, usually focusing on affordable housing, but can include economic development, education, community organizing, and real estate development.

PLAYERS IN AFFORDABLE HOUSING

MAYOR (elected)

- Executive – Head of all departments; <http://www.nashville.gov/Mayors-Office.aspx>
- Proposes Metro budget; Council may alter, but must adopt a budget by June 30.
- Hires staff to initiate projects / lobby Council
- Now has:
 - a) Office of Resilience – for emergency crises as well as longer-term crises like poverty, etc. Erik Cole, Director. Includes “Economic Inclusion Advisory Council” and “Financial Empowerment Center” (John Murphy). <http://www.nashville.gov/Mayors-Office/Resilience.aspx>
 - b) Office of Housing – Adriane Harris, Director, and Morgan Mansa, Director of Barnes Housing Trust Fund. <http://www.nashville.gov/Mayors-Office/Housing.aspx>
 - c) Office of Economic and Community Development – Matt Wiltshire (deals with incentives for development, new businesses coming in, etc); Ashford Hughes – workforce development, relates to Nashville Career Advancement Center and “Nashville Construction Readiness Partnership.” <http://www.nashville.gov/Mayors-Office/Economic-and-Community-Development.aspx>
 - d) Office of Neighborhoods and Community Engagement – To build a “more informed, active and involved citizenry and enhanced governmental response to community needs.” <http://www.nashville.gov/Mayors-Office/Neighborhoods.aspx>

METROPOLITAN HOUSING TRUST FUND COMMISSION (Barnes Housing Trust Fund)

(appointed by Mayor, confirmed by Council – 7 members) <http://bit.ly/2qjPzK6>

- Develops plans for the fund (type of housing to be developed, etc)
- Presently funds non-profits only
- Developing specifics for money allocated by Mayor and Council - \$10 million /yr
- Staffed by people in Mayor's Office

METRO COUNCIL

(elected – 40 members) <http://www.nashville.gov/Metro-Council.aspx>

- Adopts operating budget by June 30 each year (or Mayor's proposed budget becomes law)
- Adopts Capital Improvements Budget (wish list for buildings, sidewalks, other)
- Changes local laws and policy; Zoning changes
- Meets twice a month, first one is zoning public hearing (1st and 3rd Tuesdays)
- Meetings televised on Comcast 3 and AT&T 99 or at <http://bit.ly/2oBKOUA>
- David Briley – Vice-mayor (Chair of Council) – appoints committees, very interested in housing
- Ad-Hoc Affordable Housing Committee (Fabian Bedne, Chair)
- Planning & Zoning Com (Burkley Allen, Chair; Also serves on Metro Planning Com.)

METRO PLANNING COMMISSION

(appointed by Mayor, confirmed by Council – 10 members: developers, architects, “regular” people)
<http://bit.ly/2qr8x0x>

- Recommends approval, disapproval of zoning changes by Council
- Public hearings on zoning changes
- Adopts Community Plans to guide zoning & development
- Meetings televised on Comcast 3 and AT&T 99 or at <http://bit.ly/2oBKOUA>
- Recommends policy changes
- Hires Exec Director of Planning Dept

METRO PLANNING DEPARTMENT (hired) <http://www.nashville.gov/Planning-Department.aspx>

- Works with developers on their proposals
- Maintains zoning maps, other data
- Recommends actions to Commission, based on planning principles and existing Community Plans
- Executive Director – Doug Sloan
- Key Planner on housing – Carrie Logan

METROPOLITAN DEVELOPMENT & HOUSING AGENCY (MDHA)

(MDHA Board of Directors is appointed by the Mayor, approved by Council – 7 members: from business, real estate, government, and law, as well as one affordable housing expert, 2 public housing residents)
<http://www.nashville-mdha.org/>

- Public Housing. Downtown Dev, Neighborhood Dev, Housing
- Conduit for federal housing funds, answers to US Dept of HUD
- Planning the redevelopment of public housing
- Has been very separate (“Quasi-governmental”)
- Mayor now exerting some control – “Memorandum of Understanding” with MDHA Board
- Executive Director – Jim Harbison

NON-PROFIT DEVELOPERS

- **Urban Housing Solutions** – Rusty Lawrence, Director – owns and manages over 1000 units of housing, some for special needs. <http://urbanhousingsolutions.org/>
- **Affordable Housing Resources** – Ed Latimer, Director – mortgage lending, foreclosure prevention, homebuyer education <http://www.ahrhousing.org/>
- **Woodbine Community Organization** – Tony Woodham, Director – homebuyer education, single-family & multi-family rental units, ESL, others <http://www.woodbinecommunity.org/>
- **New Level Community Development Corporation** – Kay Bowers, Director; Brian Sexton, Housing Specialist – homebuyer & renter education, financial education, rental housing <http://www.newlevelcdc.org/>
- **Be A Helping Hand Foundation** – Mark Wright, Director – new construction and rehabilitation for rental and homeownership <http://www.bahelpinghand.org/>
- **Fifteenth Avenue Baptist Church Community Development Corporation** – Built and managed senior housing and commercial/residential complex, as well as single-family homes. Financial management and homebuyer education. <http://www.fabcfdc.org/>
- **Rebuilding Together Nashville** – Uses volunteers to rehabilitate housing for low-income homeowners, free of charge. <http://rebuildingtogethernashville.org/>
- **Habitat for Humanity** – Constructs new homes for lower-income families, using volunteers from congregations and other groups, as well as the labor of the future homeowners. <https://www.habitatnashville.org/>
- **Residential Resources, Inc** – Homebuyer education and housing counseling. <http://www.rrihousing.org/>

OTHER ALLIES

- **A VOICE** – Group of advocates from various agencies, who came together to push for ways to reduce poverty in Nashville. NOAH and A VOICE have cooperated on affordable housing issues. Leaders include Avi Poster and Floyd Shechter. <http://www.nashvillevoice.net/>
- **Metro Social Services** – Provides needs assessment of Nashville each year, using census and other data on specific needs of the county. <http://www.nashville.gov/Social-Services.aspx>
- **Tennessee Immigrant and Refugee Rights Coalition (TIRRC)** – State-wide organization working for immigrants and refugees, including residents in several apartment complexes being evicted for renovation of units and increase in rent. <http://www.tnimmigrant.org/>
- **Open Table Nashville** – Non-profit helping homeless people find housing; Advocates for more resources; Proposing “tiny house village” for homeless people coming out of hospital and in extreme situations. <http://opentablenashville.org/>
- **Dr. Jim Fraser, Vanderbilt University** – Expert on affordable housing, has done studies for Metro Planning; has helped NOAH with data, studies, ideas. <http://www.jamescfraser.com/>
- **Homes4All** – Local chapter of a national group, helping to organize tenants to fight displacement. Austin Sauerbrei is the organizer. <https://www.facebook.com/h4anashville/>