

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2343 - HB 2561

February 24, 2018

SUMMARY OF BILL: Revises how median household income is calculated for the purpose of defining “affordable housing” and “workforce housing” for use by counties in appropriating funds for such affordable or workforce housing.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The precise impact to local government expenditures cannot reasonably be determined; however any impact is considered permissive.

Assumptions:

- Pursuant to Tenn. Code Ann. § 5-9-113(a), the county legislative body is authorized to appropriate funds for affordable housing or workforce housing.
- Under current law, pursuant to Tenn. Code Ann. § 5-9-113(b)(1), affordable housing means housing that costs 30 percent less than the median household income for households earning 60 percent or less than the median household income as calculated utilizing the United States Census Bureau American Community Survey’s (USCBACS) calculation of median household income for each applicable county.
- Workforce housing means housing that costs 30 percent or less than the estimated median household income for households earning more than 60 percent and not to exceed 120 percent of the median income as calculated utilizing the USCBACS calculation of median household income for each applicable county.
- The proposed language will result in the statewide calculation of median household income being based on the median household income within the Nashville-Davidson County metropolitan statistical area, as determined by the USHUD, for determining what constitutes affordable or workforce housing within each specific county.
- For counties whose median household income is lower than the median household income in Davidson County, the number of properties which constitute “affordable housing” or “workforce housing”, and will ultimately be eligible to receive any appropriated county funds, will increase; however counties whose median household income is higher than the median household income in Davidson County, the number of properties eligible could potentially shrink.
- Due to multiple unknown factors such as, the number of properties currently eligible to receive funding from local governments, if the number of eligible properties will

increase or decrease as a result of this legislation, if the amount of funding appropriated by a county will increase or decrease as a direct result of this legislation, the precise impact to local government expenditures cannot reasonably be determined but is considered permissive.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh