



SB 2343 – HB 2561

March 5, 2018

SUMMARY OF ORIGINAL 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.

FISCAL IMPACT OF ORIGINAL BILL:

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

SUMMARY OF AMENDMENT (013796): Deletes and rewrites all language after the enacting clause such that the substantive changes (1) remove the ability for counties statewide to appropriate funds for affordable or workforce housing, and (2) authorize Davidson County to appropriate funds for affordable or workforce housing utilizing the same calculations provided for in the original language.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – A precise impact to expenditures for Davidson County cannot be reasonably determined, but is considered permissive. Any net impact on local government expenditures for counties other than Davidson County is estimated to be not significant.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 5-9-113(a), the county legislative body is authorized to appropriate funds for affordable housing or workforce housing.
- The proposed language would authorize only Davidson County to make such appropriations to affordable and 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 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 Davidson County.
- Removing the ability of counties other than Davidson County to appropriate funds to affordable and workforce housing will result in a net fiscal impact of not significant to local government as such appropriated funds, if any, will be utilized for other projects within the local government which are statutorily approved.
- Altering the formula for calculating the extent of funding which can be appropriated by Davidson County may result in increased or decreased appropriations to affordable or workforce housing; however any impact to local government expenditures for Davidson County is considered permissive.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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