

STATE OF TENNESSEE

FISCAL YEAR 2019-20

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



TENNESSEE HOUSING DEVELOPMENT AGENCY

TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

TENNESSEE DEPARTMENT OF HEALTH

## **CR-05 - Goals and Outcomes**

### **Progress the jurisdiction has made in carrying out its strategic plan and its action plan.**

*This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.*

#### 2019-2020 Program Overviews and Highlights:

Community Development Block Grant (CDBG) – A total of 67 contracts were awarded to city governments, county governments, and other subrecipients totaling expenditures of \$27,091,845 through the CDBG program, administered by Economic and Community Development (ECD). This amount included the FY 2019-20 award amount plus additional funds that were recaptured, unspent funds from completed projects from previous years, and CDBG loan repayment funds from the CDBG Economic Development Loan Program. A total of 414,770 persons, 272,231 of which are low- and moderate-income (LMI) persons will be assisted.

HOME Investment Partnership Program – In total, Tennessee Housing Development Agency (THDA) expended \$5,137,046 in program funds during FY 2019-20. A total of 135 housing units were assisted with HOME dollars, which were funded by previous allocations but completed during FY 2019-20. Out of the 135 households assisted during the reporting period, 51 were extremely low-income, 44 were considered very low-income, and 40 were considered low-income.

Emergency Solutions Grants (ESG) - A total of \$2,864,338 was expended through the ESG program (administered by THDA) for this reporting period. ESG contracts were awarded to 22 agencies and 4 cities (totaling 14 sub contracts) during this reporting period. Total ESG funding during the reporting period assisted more than 6,188 low-, very low-, and extremely low-income persons. Of the ESG beneficiaries that reported their status, 359 were veterans, 488 were chronically homeless, 1,429 were children, and 991 were fleeing domestic violence.

Housing Trust Fund (HTF) – As of June 30, 2020, THDA has provided awards totaling \$13,858,711 for the development of 269 units of rental housing for families or individuals whose income is at or below 30 percent of the area median income. As of the end of the program year, \$2,208,781 has been requested and 26 HTF units have been completed and put into service.

Housing Opportunities for Persons With AIDS (HOPWA) – The Tennessee Department of Health (DOH) expended \$1,394,078 to seven project sponsors across the state that directly administer the program and for State of Tennessee administrative activities. HOPWA funds are used to provide assistance in the following categories: Tenent Based Rental Assistance, short term rental assistance, mortgage and utility assistance, supportive services, permanent housing placement, and ongoing housing case management. The HOPWA program reported activity for 532 households in need of HOPWA services.

CARES Act funding:

HOPWA-CV –The HOPWA-CV allocation will be distributed through a formula process based on the reported HIV and AIDS case data provided by CDC and further adjusted base on the six State of TN HOPWA Regions listed below:

- East Tennessee & Upper Cumberland (Positively Living) - \$55,500
- North East Tennessee (Frontier Health – HOPE for TN) - \$25,100
- Mid Cumberland (Nashville CARES) - \$25,100
- South Central Tennessee (Columbia CARES) - \$25,100
- West Tennessee (WTLS) - \$25,100
- South East Tennessee (Chattanooga CARES) - \$50,000

The proposed distribution of funds address all of our priority need housing areas including but not limited to:

- assisting HOPWA eligible households in accessing essential services and supplies such as food, water, medications, medical care, and information;
- educating assisted households on ways to reduce the risk of getting sick or spreading infectious diseases such as COVID-19 to others;
- providing transportation services for eligible households, including costs for privately owned vehicle transportation when needed, to access medical care, supplies, and food or to commute to places of employment;
- providing nutrition services for eligible households in the form of food banks, groceries, and meal deliveries;
- providing lodging at hotels, motels, or other locations to quarantine HOPWA-eligible persons or their household members;
- providing short-term rent, mortgage, and utility (STRMU) assistance payments to prevent homelessness of a tenant or mortgagor of a dwelling for a period of up to 24 months; and
- implementing regulatory waivers to offer additional flexibility to program participants to prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by the virus (i.e. HOPWA Program: Self-Certification of Income and Credible Information on HIV Status, FMR Rent Standard, Property Standards for TBRA, Space and Security etc. ) to preserving affordable housing, provide suitable living environments, permanent housing placement (PHP), short term rent, mortgage and utility assistance STRMU, SS to the extent that it is driven by applicant demand of these activities and federal and State statutory or regulatory requirements for the use of these funds to prevent and or alleviate homelessness among people living with HIV/AIDS and in order to prevent, prepare for, and respond to coronavirus.

ESG-CV – Tennessee received two Nonentitlement ESG-CV allocations totalling \$33,586,727 through June 30, 2020. As of that date, no CV funds had been expended. The focus of the allocations is to provide support to previous and current grantees, CoC partners, HMIS Leads as well as other cities and

service providers based on CoC priorities. In June 2020, ESG assessed need throughout the state, and continues to do so on an ongoing basis.

CDBG-CV – As of June 30, 2020, CDBG received two entitlement allocations totaling \$34,921,822. Applications will be received and awarded in Spring 2021, so no funds had been expended by the end of the program year.

### Program Year Goals and Outcomes

\*Please note some of these goals may have been prioritized or accomplished in prior years. HTF projects are still in development. Funds may have been awarded but not yet expended.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Program Year Outcomes
Creation and preservation of affordable housing	Affordable Housing	HOME: \$5,137,045.70 CDBG: \$1,035,000 HTF: \$0 LIHC: \$9,708,434 S8CA: \$197,341,100 HCV: \$41,381,286 TN HTF: \$9,204,107 CITC: \$380,770,009	Rental units constructed	Household Housing Unit	LIHC: 454 TN HTF: 95 CITC: 1,811
			Rental units rehabilitated	Household Housing Unit	LIHC: 807 TN HTF: 278 CITC: 618
			Homeowner Housing Added	Household Housing Unit	HOME: 15 TN HTF: 65 CITC: 100
			Homeowner Housing Rehabilitated	Household Housing Unit	CDBG: 12 HOME: 117 TN HTF: 277 CITC: 1
			Tenant-based rental assistance / Rapid Rehousing	Households Assisted	HCV: 6,978 S8CA: 28,208
Fair housing	Affordable Housing Public Housing Homeless	Homebuyer Education: \$722,400	Other	Households Assisted	Homebuyer Education: 3,962

Physical infrastructure development	Non-Housing Community Development	CDBG: \$20,849,847	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households (Persons) Assisted	162,567
Preserve homeless facilities & supportive services	Homeless	ESG: \$2,864,338	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0
			Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	1,588
			Tenant-based rental assistance / Rapid Rehousing	Households Assisted	1,344
			Homeless Person Overnight Shelter	Persons Assisted	3,924
			Homelessness Prevention	Persons Assisted	455
Preserve housing for persons with AIDS/HIV	Affordable Housing Non-Homeless Special Needs	HOPWA: \$1,404,510 HOPWA-CV: \$205,500 Leveraged Funds Ryan White: \$518,879.91	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	401
			Tenant-based rental assistance / Rapid Rehousing	Households Assisted	38

Revitalize disinvested areas & improve livability	Non-Housing Community Development	CDBG: \$5,206,998	Other	Other (Persons Assisted)	252,159
TA, Job/Business Development, Administration	Non-Housing Community Development	CDBG: \$932,800 - Admin	Other	Other	0
Target economic distress	Non-Housing Community Development	CDBG: \$0	Businesses assisted	Businesses Assisted	0
			Other	Other	0

**Table 1 - Accomplishments – Program Year**

**Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

One of the State of Tennessee's highest housing priority areas focuses on the provision of affordable housing opportunities throughout the state, whether through preserving the affordable housing stock that already exists, by increasing the number of new affordable housing stock or by creating new homeownership opportunities. Each aspect of this priority area has been met during this reporting period.

In regards to preserving the affordable housing stock, in FY 2019-20, HOME grantees completed 112 housing rehabilitations projects and five acquisition and rehabilitation projects. As for increasing the number of new affordable housing units and new homeownership opportunities, 15 new construction units were completed during this reporting period through the HOME Program. Three acquisition only projects were also completed during this reporting period. Note that in addition to the Consolidated Planning programs, other THDA programs including the Community Investment Tax Credit (CITC) Program, the Low Income Housing Credit (LIHC) Program, Multifamily Bond Authority Program, and the Tennessee Housing Trust Fund also contribute to the state's goal of preserving and developing new housing opportunities for Tennesseans.

The primary usage of CDBG funds in Tennessee are for water and sewer public infrastructure and public facilities. This connects to the state's priority to provide for the viability of communities through ensuring infrastructure development, community livability, health and safety, and targeting economic distress. For FY 2019-20, approximately 77 percent of CDBG funds were used for infrastructure development, approximately 19 percent for community livability, health and safety, and two percent to target economic distress. The commercial façade program is no longer funded with CDBG dollars; it has been successfully transitioned to a state funded program. With FY 2019-20 awards the CDBG program expects to rehabilitate 12 low- to moderate-income (LMI) owned houses. For FY 2019-20, one activity was awarded under the urgent need National Objective totaling \$315,000.

## CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

	CDBG*	HOME	ESG*	HOPWA*	HTF	Total
<b>Race</b>						
White	375,651	100	4,182	339	0	380,272
Black/African American	29,723	35	1,573	187	0	31,518
Asian	1,059	0	24	0	0	1,083
American Indian or American Native	573	0	29	6	0	608
Native Hawaiian or Other Pacific Islander	118	0	8	0	0	126
Other/Multi-racial	5,006	0	221	0	0	5,227
<b>Total**</b>	<b>412,130</b>	<b>135</b>	<b>6,160</b>	<b>532</b>	<b>0</b>	<b>418,957</b>
<b>Ethnicity</b>						
Hispanic	7,009	1	252	40	0	7,302
Non Hispanic	405,130	134	5,762	492	0	411,518

\*CDBG, ESG, and HOPWA represent individual level demographic data, while HOME represents household level demographics. By the nature of the work, some programs have beneficiaries missing client data, which is why some totals may be off.

**Table 2 – Table of assistance to racial and ethnic populations by source of funds**

### Narrative

Of the total 418,957 beneficiaries of the CDBG, HOME, HOPWA, HTF, and ESG programs, 31,518 beneficiaries identified as Black or African American, while 380,272 beneficiaries identified as White. Table 2 shows that 1,083 beneficiaries were Asian, 608 were American Indian or American Native, and 126 were Native Hawaiian or Other Pacific Islander. In total, 7,302 of the beneficiaries were of Hispanic or Latino origin.

Note: The HTF program placed 26 units in service during the program year, but these units were not yet occupied.

## CR-15 - Resources and Investments

### Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	\$27,091,845	\$30,627,331.26
HOME	HOME	\$14,097,481.02	\$5,137,045.70
HOPWA	HOPWA	\$1,404,710.00	\$1,394,078.04
HOPWA-CV	HOPWA-CV	\$205,500	\$0
ESG	ESG	\$2,967,701.14	\$2,864,338
Housing Trust Fund	Housing Trust Fund	\$3,241,878	\$0
LIHC	LIHC	-	\$9,708,434
Section 8 Contract Administration	S8CA	-	\$197,341,100
Homebuyer Education	Homebuyer Education	-	\$722,400
TN Housing Trust Fund	TN HTF	-	\$9,204,107
CITC	CITC	-	\$380,770,009
Housing Choice Vouchers	HCV	-	\$41,381,286

**Table 3 - Resources Made Available**

CV, or CARES Act, funds were awarded late in the program year and therefore may not have been expended. Plans for these funds are included as amendments to the 2019-2020 Annual Action Plan. HOPWA-CV, ESG-CV, and CDBG-CV all plan to expend CV funds in the 2020-2021 program year.

LIHC amount expended represents a single year award amount. The Low-Income Housing Credit is a credit against federal income tax liability each year for 10 years.

### Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Non-Entitlement Statewide Grant Allocation Priority	100	100	State Funding Priority

**Table 4 – Identify the geographic distribution and location of investments**

### Narrative

Funds were directed to areas of the state with the greatest need and/or areas that have had disproportionately fewer funds made available to them. The HOME Program used the Not Proportionately Served measure to advantage counties that did not receive as many HOME funds per capita as other counties in the previous years. The HOME competition divides the resources between

urban and rural counties so as to ensure a mixture of urban and rural counties are served by the state's HOME program. All applicants of the CDBG program are considered and scored with respect to community need and the relationship between the county's unemployment rate and per capita income. All CDBG applicants (other than those considered under the slums and blight and urgent need national objectives) must serve at least 51 percent LMI households.

## Leveraging

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

HOME: THDA provides points in its scoring matrix associated with the award of HOME funding to encourage the leveraging of additional resources with the HOME program, including such resources as the Federal Home Loan Bank of Cincinnati, other federal funds (including the Self-Help Homeownership Opportunity Program), local agency resources, and homeowner contributions. Additionally, homes constructed by Community Housing Development Organizations will often use the THDA mortgage revenue bond financed first mortgage program as leverage to provide an affordable low interest, fixed rate loan for the home buyer. Leveraging will be much more strongly encouraged in future fiscal years.

ESG: The ESG program requires that grantees provide a dollar for dollar match for ESG funds. All grantees must supplement their ESG funds with equal amounts of funds or in-kind support from non-ESG sources. Matching funds or in-kind support must be provided after the date of the grant award to the recipient and within the period of the ESG contract with THDA.

HTF: Though match and leverage were encouraged in the development budget of the proposed projects, neither were required. Applicants were provided additional points in the competitive application scoring process for providing match and/or leverage to the projects. In most cases, leverage was included in the projects primarily from the Tennessee State Housing Trust Fund through competitive grants, Community Investment Tax Credits or through the sale of Low Income Housing Credits. In addition, some applicants who were Public Housing Authorities (PHAs) brought leverage and in some cases match by providing owner equity to the projects.

CDBG: HUD does not require that CDBG have match requirements; however, the TN CDBG program awards many projects each year that will be completed on publicly-owned property, particularly water and sewer system improvement projects where work is often done at water and wastewater treatment plants or other similar properties.

HOPWA: HUD does not require that HOPWA have match requirements, however in the State of Tennessee, the HOPWA program utilizes Ryan White funding as leveraging in the state administration of the program. Ryan White leveraging consisted of \$55,375.02 in housing subsidy and \$463,504.89 in supportive services to include case management, nutrition and transportation.

## HOME MATCH REPORT

The HOME match report is based on the federal fiscal year for the period October 1, 2019 through September 30, 2020. Since the Annual Performance Report is due at HUD prior to September 30, 2020 and the state's match liability is based on HOME expenditures through that date, THDA will submit the match report by the end of December, 2020.

The below Match information is from the federal fiscal year October 1, 2018 - September 30, 2019, which was submitted on January 7, 2020.

<b>Fiscal Year Summary – HOME Match</b>	
1. Excess match from prior Federal fiscal year	\$3,169,596.86
2. Match contributed during current Federal fiscal year	\$538,590.53
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$3,708,187.39
4. Match liability for current Federal fiscal year	\$1,678,247.81
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$2,029,939.58

**Table 5 – Fiscal Year Summary - HOME Match Report**

<b>Match Contribution for the Federal Fiscal Year</b>						
<b>Project No. or Other ID</b>	<b>Date of Contribution</b>	<b>Cash (non-Federal sources)</b>	<b>Required Infrastructure</b>	<b>Site Preparation, Construction Materials, Donated labor</b>	<b>Bond Financing</b>	<b>Total Match</b>
14730	4/22/2019	\$15,480.19				\$15,480.19
14460	7/1/2019	\$18,614.66				\$18,614.66
14551	7/26/2019	\$18,791.39				\$18,791.39
14735	8/15/2019	\$-				\$-
14267	8/22/2019	\$28,836.39				\$28,836.39
14433	4/16/2019	\$25,449.45				\$25,449.45
14437	8/30/2019	\$12,914.61				\$12,914.61
14436	11/14/2018	\$7,312.13				\$7,312.13
14456	12/18/2018	\$4,512.64				\$4,512.64
14541	3/29/2019	\$-				\$-
14525	7/2/2019	\$-				\$-
14526	7/19/2019	\$12,530.80				\$12,530.80
14556	11/16/2018	\$85,266.59				\$85,266.59
14583	12/21/2018	\$87,993.38				\$87,993.38

Match Contribution for the Federal Fiscal Year						
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
14745	4/26/2019	\$86,151.38				\$86,151.38
14748	4/26/2019	\$57,752.84				\$57,752.84
14858	9/20/2019	\$76,984.08				\$76,984.08

Table 6 – Match Contribution for the Federal Fiscal Year

**HOME MBE/WBE report**

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
\$330,140.59	\$164,841.81	\$447,977.47	\$0	\$47,004.93

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
<b>Contracts</b>						
Dollar Amount	\$463,744.97	0	0	\$463,744.97	0	
Number	10	0	0	10	0	
<b>Sub-Contracts</b>						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

	Total	Women Business Enterprises	Male
<b>Contracts</b>			
Dollar Amount	\$128,083	\$128,083	
Number	2	2	
<b>Sub-Contracts</b>			
Number	0	0	0
Dollar Amount	0	0	0

**Table 8 - Minority Business and Women Business Enterprises**

**Note: Totals for non-MBE and non-WBE were not calculated.**

## CR-20 - Affordable Housing

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

\*Note: The One Year Goals will be auto-populated from the 2019-20 Annual Action Plan.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units		ESG: 1,344 HOPWA: 99 TN HTF: 21 LIHC: 57,302 HCV: 23*
Number of Non-Homeless households to be provided affordable housing units		ESG: 455 HOPWA: 529 CITC: 2,629 TN HTF: 714 HOME: 78 HCV: 6,955
Number of Special-Needs households to be provided affordable housing units		TN HTF: 11 HCV: 3,128**
<b>Total</b>		

**Table 9 – Number of Households**

\*Households reporting homeless at admission on HUD Form 50058.

\*\*Households with at least one person reporting a disability.

	<b>One-Year Goal</b>	<b>Actual</b>
Number of households supported through Rental Assistance		HOPWA: 529 ESG: 1,795 LIHC: 23,947 S8CA: 28,208 HCV: 6,978
Number of households supported through The Production of New Units		HOME: 15 CITC: 1,935 TN HTF: 160 LIHC: 454
Number of households supported through Rehab of Existing Units		HOME: 117 CITC: 619 TN HTF: 562 LIHC: 807
Number of households supported through Acquisition of Existing Units		HOME: 3 CITC: 75 TN HTF: 13 LIHC: 807
<b>Total</b>		

**Table 10 – Number of Households Supported**

**Discuss how these outcomes will impact future annual action plans.**

Knowing how much of an impact all of our affordable housing programs have on housing preservation and production in the State, the Consolidated Planning Partners will adjust our annual housing goals to better reflect all of our programs and resources that contribute to affordable housing in Tennessee. Specifically, the State of Tennessee completed its 5 year Consolidated Plan in May 2020 and reviewed past CAPERs for a better understanding of goals and goal completion to help us set realistic goals in years moving forward.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

<b>Number of Households Served</b>	<b>CDBG Actual</b>	<b>HOME Actual</b>	<b>HTF Actual</b>
Extremely Low-income	23,484	51	0
Low-income	10,564	84	0
Moderate-income	44,988	0	0
<b>Total</b>	<b>79,036</b>	<b>135</b>	<b>0</b>

**Table 11 – Number of Households Served**

Low-income households are defined as those households whose annual income is up to 80 percent of the Area Median Income (AMI) for the county in which the household resides. Extremely low-income households earn 30 percent or less of AMI. HOME does not serve moderate-income households. For the HOME program, 44 of the 84 “low income” beneficiaries are considered very low-income households, or having an income between 30-50% of AMI. Over a third of all HOME households served were extremely low-income.

HTF only serves extremely low income households.

As previously mentioned, in addition to the data detailed above, THDA administers a number of other housing programs that also support these housing goals and help the state in providing affordable housing to lower income households.

The LIHC program is a large contributor to new and renovated affordable housing units in Tennessee. In the 2019 calendar year, \$651.1M of allocated LIHC funds (10 year total) were used to create or rehabilitate 6,340 units of affordable housing.

Lenders received Community Investment Tax Credits (CITC) on \$236.1M in below market loans or contributions made to eligible non-profit agencies and public housing authorities to assist 1,859 households through a range of housing services and to create or preserve units of affordable rental housing.

Many of the primary programs within THDA to address the worst case housing needs are funded through the state's Housing Trust Fund. During this reporting period, the Emergency Repair Program helped 198 elderly and/or disabled homeowners with critical home repairs; 70 homes were provide ramps and modifications based on disability needs; and 30 homes were bought by low income homebuyers through the state's Trust Fund support of Habitat for Humanity; 9 households were assisted that suffered weather related damage (Rebuild and Recover Program); and the Competitive Grants Program awarded \$3.5M to eight non-profit organizations to develop affordable rental housing across Tennessee (only seven non-profits accepted the awards, totaling \$3.4M), serving 306 households. Additionally, the Challenge Grant Program awarded \$500,000 to nonprofit organizations to improve housing conditions for 35 households. In October 2019, many THDA staff participated in the Jimmy and Rosalynn Carter Work Project with Habitat for Humanity Nashville. THDA was a sponsor of this event with 2018-2019 Challenge Grant Funds as noted in the prior year CAPER.

3,962 THDA homebuyers received homebuyer education during the program year as part of the Great Choice Home Loan Program. The HBEI program had \$633,520,733 in loan amounts and \$722,400 in payment amounts.

Each of these efforts are not only critical to our mission but also are responsive to overcoming impediments to fair housing choice. More information about any of the programs listed in this section

can be found at [THDA.org](http://THDA.org) and calendar year annual spending and outcomes for these and other THDA programs are detailed in the Investments and Impacts Report.

## **CR-25 - Homeless and Other Special Needs**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

For the ESG program, street outreach activities, which include essential services to eligible participants provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying are a key component for grantees. Eligible participants under this category/activity are unsheltered individuals and families who qualify as homeless under Category 1 of HUD's Definition of Homelessness.

Beyond engaging homeless persons through street outreach, grantees of the ESG program continue their support to this population through case management, which includes an assessment of housing and service needs, and coordinating the delivery of individualized services. To reach out to homeless persons and assess their individual needs, ESG grantees provided six main services:

- **Engagement:** The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs.
- **Case Management:** using the centralized or coordinated assessment system as required under § 576.400(d); conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.
- **Emergency health services:** outpatient treatment of urgent medical conditions by licensed medical professionals; and providing medication and follow-up services.
- **Emergency mental health services:** outpatient treatment of urgent mental health conditions by licensed professionals; medication costs and follow up services;
- **Transportation travel** by outreach workers or other service providers during the provision of eligible outreach activities and the transportation of clients to emergency shelters or other service providers.
- **Services to special populations** which are essential services that have been tailored to address the needs of homeless youth, victims of domestic violence, and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

## **Addressing the emergency shelter and transitional housing needs of homeless persons**

To address emergency shelter and transitional housing needs of homeless persons, ESG grantees rehabilitate existing shelter or convert buildings for the purposes of providing emergency shelter, essential services and operational expenses. Renovation means rehabilitation that involves costs of 75 percent or less of the value of the building before renovation. Major rehabilitation means rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation. Conversion means a change in the use of the building to an emergency shelter for the homeless, where the cost of conversion exceeds 75 percent of the value of the building after conversion. Grantees receiving ESG assistance for major rehabilitation or conversion must maintain the building as a shelter for homeless individuals and families for 10 years; grantees receiving ESG assistance for renovations must maintain the building as a shelter for homeless individuals and families for three years.

In addition to rehabilitation, ESG grantees provide essential services that are connected to emergency shelter and transitional housing that include services concerned with employment, health, drug abuse, education and staff salaries necessary to provide these services and may include, but are not limited to the following, assistance in obtaining permanent housing; medical and psychological counseling and supervision; employment counseling; nutritional counseling; substance abuse treatment and counseling; assistance in obtaining other Federal, State and local assistance including mental health benefits; employment counseling; medical assistance; veteran's benefits; and income support assistance such as Supplemental Security Income, food stamps and aid to families with dependent children; other services such as child care, legal services, life skills training, transportation, job placement and job training; and the staff salaries necessary to provide the above services.

Under this category, operating expenses related to the operation of emergency and transitional housing, including but not limited to, maintenance, operation, rent, repair, security, fuel, equipment, insurance, utilities, food and furnishings are also included and make the State of Tennessee's efforts under this category possible.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

For the ESG program, eligible activities include activities related to preventing persons from becoming homeless and to assist participants in regaining stability in their current or other permanent housing. Specifically, ESG grantees typically provide financial assistance in order to help prevent and rapidly re-house clients in the following ways: pay rental application fees (excludes pet deposit), moving costs, security deposit for rental or utility, payment of rental arrears up to six months, and short-term (up to

three months) or medium-term (up to nine months) rental and/or utility assistance.

Under this category, THDA defines these low-income individuals and families as extremely low-income individuals and families with household incomes of at or below 30% of Area Median Income who qualify as homeless under Categories 2, 3 and 4 of HUD's Definition of Homelessness or any category of HUD's Definition of "At Risk of Homelessness".

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

To help homeless persons make the transition to permanent housing and independent living, ESG grantees provide financial assistance for the following: moving costs, security deposit for rental or utility, payment of rental arrears up to six months, and short-term (up to 3 months) or medium-term (up to 9 months) rental and/or utility assistance. Under this category, in order to be eligible, individuals and families must meet the definition of "homeless" who live in an emergency shelter or other place described in the definition provided by HUD.

## **CR-30 - Public Housing**

### **Actions taken to address the needs of public housing**

During this reporting period, THDA met with Public Housing Authority (PHA) Executive Directors and conducted a survey related to seniors/65+ persons residing in public housing and services available on site to inform ongoing discussion surrounding the growing need for affordable housing with integrated services among seniors. The 2021 Draft Qualified Allocation Plan (QAP) for the Low Income Housing Credit (LIHC) program includes a set-aside of up to 20% of the state's annual competitive housing credit authority to assist the redevelopment of public housing units. Within the set-aside, THDA prioritizes applications involving public housing authorities (PHAs) which HUD has selected for the Rental Assistance Demonstration (RAD) program. The 2021 Draft QAP includes a preference for subsequent phases to previously funded RAD conversions. In this way, THDA ensures that local PHAs have the resources necessary to complete largescale multiphase RAD conversions. The 2021 Draft QAP sets aside an additional \$1.7M of Tennessee's annual competitive tax credit authority to assist PHAs awarded a Choice Neighborhoods Initiative (CNI) Implementation Grant from HUD. In this way THDA is confronting gentrification and helping serve Tennessee's low-income residents and communities. THDA also uses its discretionary basis boost authority under the Housing and Economic Recovery Act (HERA) to ensure that these transactions are financially viable. The 2021 Draft QAP has been approved by the THDA Board of Directors and is awaiting Gov. Lee's signature.

To bring awareness to the needs of public housing residents and other affordable housing recipients, the Research and Planning Division of THDA published a report which provided an in-depth look at the age and physical condition of existing affordable housing properties in the state, along with other risk factors for loss of affordable units, such as HUD rental subsidy contract expirations. The report also contains a county-by-county breakdown of the number of Section 8, public housing and USDA units that are greater than 15 years old. This report will help to guide THDA's efforts and resources to help fill this gap of aging affordable housing, including the aging of public housing options in the State of Tennessee.

Additionally, PHAs are eligible applicants for the Housing Trust Fund (HTF) and THDA has made a considerable effort to communicate with and encourage PHAs to apply for HTF funds to support their RAD conversions. Five of nine recent Housing Trust Fund awards went to PHAs.

### **Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

THDA created the New Start Loan Program, which is designed to promote the construction of new homes for homeownership opportunities for low- and very-low income Tennesseans, which is often the income range for public housing residents. The New Start Loan Program is a zero interest loan program delivered through non-profit organizations with established programs for the construction of single family housing for low- and very-low income households. The total number of New Start Loans funded during FY 2019-20 was 29, a decrease from 31 in the previous fiscal year.

THDA manages a Family Self Sufficiency (FSS) program for its Housing Choice Voucher (HCV) Program participants as an effort to enable participants to become self-sufficient or independent of welfare assistance.

The FSS program includes financial counseling and pre-purchase homeownership counseling for participants. FSS participants sign a five-year contract in which they agree to find employment and identify goals for achieving financial independence. Staff assists participants in identifying goals and provides referrals for resources in the community. Participants are eligible for the establishment of an escrow account, which is based on increased income as a result of employment. The funds in the escrow account may be accessed by the participant once the contract is fulfilled or the family requires an interim disbursement in pursuit of an established goal.

In 1998, the FSS program was mandated to have 181 participants. Since 1998, over 181 participants have graduated from the program, making the program voluntary. THDA has opted to have 225 slots available to Housing Choice Voucher participants. At the end of the reporting period, June 30, 2020, 99 home closings had occurred using this program.

THDA also offers a homeownership voucher option to participants of the FSS program. The THDA Homeownership Voucher Program offers a mortgage subsidy to low-income families who are not able to afford to purchase a home through traditional financing. With the Homeownership Voucher Program, families typically pay 30 percent of their monthly-adjusted income (or the family's Total Tenant Payment) towards homeownership expenses and THDA pays the difference between the family Total Tenant Payment and the actual monthly mortgage payment. The mortgage assistance payment is paid directly to the lender or loan servicing company and not to the family.

#### **Actions taken to provide assistance to troubled PHAs**

Not applicable.

## **CR-35 - Other Actions**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.**

The State of Tennessee implements a number of programs outside of the five Consolidated Planning programs that remove barriers to affordable housing and support our FY 2015-2019 Consolidated Plan. The following programs encourage the preservation and creation of affordable housing units.

Community Investment Tax Credit Program – in order to encourage the development of affordable housing units, this program enables financial institutions to obtain a credit against the sum total of taxes imposed by the Franchise and Excise Tax Laws when qualified loans, qualified investments, grants or contributions are extended to eligible housing entities for engaging in eligible low income housing activities. Eligible activities include creating or preserving affordable housing for low-income Tennesseans; activities that assist low-income Tennesseans in obtaining safe and affordable housing; activities that build the capacity of an eligible non-profit organization to provide housing opportunities for low-income Tennesseans; and any other low-income housing related activity approved by the THDA Executive Director and the Commissioner of Revenue.

Low Income Housing Credits – Another program that encourages the development and preservation of affordable housing is the Low-Income Housing Credit (LIHC) program. LIHC is a credit against federal income tax liability each year for 10 years for owners and investors in low-income rental housing. The amount of tax credits is based on the portion of the buildings' total depreciable cost basis dedicated to serving qualified low-income residents. THDA ensures that costs are reasonable and determined in compliance with Section 42 of the Internal Revenue Code.

Multifamily Tax-Exempt Bond Authority - The Bond Authority program, like the LIHC program, supports rehabilitation, acquisition and rehabilitation, and new construction of affordable rental units. Municipalities request an allocation of the state's bond authority and sell bonds in support of housing development. Proposed developments utilizing tax exempt bonds are eligible for non-competitive Low Income Housing Credits.

Tennessee Housing Trust Fund - Many of the primary programs within THDA to address the worst case housing needs are funded through the state's Housing Trust Fund. During this reporting period, the Emergency Repair Program helped 198 elderly and/or disabled homeowners with critical home repairs; 70 homes were provide ramps and modifications based on disability needs; and 30 homes were bought by low income homebuyers through the state's Trust Fund support of Habitat for Humanity; 9 households were assisted that suffered weather related damage (Rebuild and Recover Program); and the Competitive Grants Program awarded \$3.5M to eight non-profit organizations to develop affordable rental housing across Tennessee (only seven non-profits accepted the awards, totaling \$3.4M), serving

306 households. Additionally, the Challenge Grant Program awarded \$500,000 to nonprofit organizations to improve housing conditions for 35 households. In October 2019, many THDA staff participated in the Jimmy and Rosalynn Carter Work Project with Habitat for Humanity Nashville. THDA was a sponsor of this event with 2018-2019 Challenge Grant Funds as noted in the prior year CAPER.

### **Actions taken to address obstacles to meeting underserved needs.**

The State of Tennessee is committed to addressing the obstacles to meeting the needs of the underserved. Our 2015-2019 Consolidated Plan identified affordable housing, community development and infrastructure, and housing and services for persons experiencing homelessness and those with special needs as focus areas to better meeting the needs of those underserved.

Each program used the needs assessment data provided in the 2015-2019 Consolidated Plan to inform its program actions. Funds were directed to the areas of the state with greatest need and/or areas that have had disproportionately fewer funds made available to them. HOME used the Not Proportionally Served measure to advantage counties not receiving as many funds per capita than other counties. CDBG used the Ability to Pay measure that determines the level of local financial contribution that is required, allowing impoverished communities receiving grants to receive more funds. This ability to pay determination includes per capita income, the value of taxable property, and the value of taxable sales.

A new program was added recently to address an unmet need in special needs housing. The Creating Homes Initiatives-2 (CHI-2) provides funds for the development of permanent rental housing for individuals recovering from substance use disorders (SUD).

Another underserved need is supporting communities in Tennessee with disaster resilience. An accomplishment worth noting is that the TN Department of Economic and Community Development (ECD) was a winner of the National Disaster Resilience Competition (CDBG-NDR) from HUD and the Rockefeller Foundation during this reporting period. NDRC is funded through CDBG – Disaster Recovery appropriations provided by the Disaster Relief Appropriations Act of 2013. The initiative is a federal, state and local collaborative effort to create rural resilient communities along the Mississippi River in Tennessee. HUD funding will help with the restoration of two miles of degraded floodplain, the rehabilitation of a wastewater lagoon, and the creation of wetlands and recreation space.

### **Actions taken to reduce lead-based paint hazards.**

Title X of the federal Residential Lead Based Paint Hazard Reduction Act of 1992 became effective on December 6, 1996. On September 26, 2000, the Tennessee Department of Environment and Conservation (TDEC) implemented a certification program and compiled a registry of certified lead inspectors, risk assessors, contractors, and training facilitators.

In April 2001, HUD and the Environmental Protection Agency (EPA) issued a joint memorandum to clarify Title X requirements for rehabilitation of housing to clarify the definition of abatement under

regulations issues by EPA and HUD. It also asserted in the memorandum that HUD and EPA regulations were complementary. On May 2, 2011, THDA and TDEC issued a joint memorandum that allowed for the use of HUD regulations in rehabilitation projects. TDEC certified that lead-based paint professionals must be used. These joint efforts have enabled rehabilitation efforts to continue.

Each of the five Consolidated Planning grant programs have lead-based paint requirements. In regards to the CDBG and HOME programs, subrecipients must give participants of the program notice of possible lead hazards within the unit when the house is dated pre-1978 and must inform them of possible dangers. The Lead Chapter of the HOME Operations Manual, which provides further guidance for compliance with HUD regulations, is made available to all grantees and can be found on THDA's website. THDA monitors for compliance with lead-based paint regulations during project monitoring. Housing assisted with RSG funds are also subject to the Lead Based Paint Poisoning Prevention Act and based on the activity, must comply with various subparts of the Act.

The Housing Trust Fund follows the same requirements as the HOME program. Data on lead-based paint in Tennessee was recently updated in the 2020-2024 Consolidated Plan.

### **Actions taken to reduce the number of poverty-level families.**

In all the work done by the Consolidated Partners to address housing and community development needs, there is the core mission to reduce the number of poverty-level families in the State of Tennessee. Through the services provided by the five programs addressed in this plan and the other resources brought to bear on housing and community development needs across the state, the economic well-being of families is being addressed through safe, sound affordable housing and communities.

For several years, the CDBG program did not separate extremely low-, very low-, and low-income beneficiary data to show participants below 30 percent of the AMI. ECD is now collecting data on program participants below 30 percent of the AMI. Also, as a part of its scoring mechanism for housing rehabilitation, project need points are awarded based on the number of persons with higher poverty levels in the state, specifically persons 62 years of age or above, and/or female heads of household, and/or disabled individuals.

Very low-income households are defined as those households whose annual income is 50 percent or less of the AMI for the county in which the household resides. Low-income households are defined as those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides. The HOME Program serves low-income households. Over the reporting period, more than a third of households served by HOME (51 households) were extremely low-income, or had incomes at or below 30% of AMI. 44 households were considered very low-income, while 40 households were low-income. Over the last few years, HOME has committed to serving increased numbers of families who meet the extremely low-income definition.

As of June 30, 2020 in the HTF program, THDA has provided awards totaling \$13,858,711 for the development of 269 units of rental housing for families or individuals whose income is at or below 30 percent of AMI. As of the end of the program year, \$2,208,781 has been requested and 26 HTF units have been completed and put into service.

Additionally, the state coordinates resources so that services to households at or below 80 percent AMI are effectively administered. Continued coordination efforts include plans to further address the housing needs of those hard to serve. Specifically, youth transitioning out of foster care and ex-offenders, groups that are often experiencing or are at-risk of living at the poverty level, have become a focus for THDA and its grantees. We have enhanced a number of our housing programs to encourage the development of housing options for these populations. Specific program details will be addressed in next year's CAPER.

### **Actions taken to develop institutional structure.**

Please see below.

### **Actions taken to enhance coordination between public and private housing and social service agencies.**

To enhance coordination between public and private housing and social service agencies, as well as the development of the institutional structure, the Consolidated Planning partners and their programs complete the following activities and foster the following partnerships:

By using CHDOs, local and regional governments, and social service agencies, the state has invested in the existing structure to implement our programs while requiring and monitoring a level of quality that improves the housing affordability and quality of the units impacted by these funds.

Additionally, THDA remains a strong supporter of the state and regional Affordable Housing Coalitions. We remain committed to providing staffing support to the Coalitions as they continue their transition to full independence from THDA. The Coalition is made up of 262 members including non-profits, municipal entities (including PHAs), financial institutions (including CDFI's), state or Federal government officials, and other (including developers, realtors, consultants, property managers, etc.). This year THDA gave Development Districts extra technical assistance funding to attend these and other similar events.

THDA has a Lender/Realtor Advisory Board, as well as an advisory board for homebuyer educators, that assists us in ensuring that our programs are responsive to the needs of our consumers and our partners. THDA also hosts a peer session for our Homebuyer Education Initiative (which includes a section of fair housing education) and the Energy Efficiency/Weatherization Advisory Board.

Our grantees are local governments, regional Development Districts and not-for-profits. Each of these partnerships adds strength to the overall institutional structure as well as the strong public-private

partnerships that exist throughout the state.

Additionally, THDA promotes participation and the active involvement of HCV residents in all aspects of the Housing Choice Voucher program mission and operation. HCV participants are invited to serve on a Resident Advisory Board to represent their interests. THDA's Resident Advisory Board is composed of active HCV participants who provide supportive assistance to HCV personnel. The Resident Advisory Board consist of a maximum of 15 members. If more than 15 persons volunteer for the Board, THDA utilizes a random selection process to ensure proportionate representation from the East, West and Middle divisions of the state. In addition, as required by the federal regulations, the THDA Board of Directors includes one eligible resident board member who is eligible to vote on Housing Choice Voucher program issues. The goal of the Resident Advisory Board is to positively impact the overall quality and delivery of HCV services and improve the overall quality of life for HCV participants.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice.**

Appendix A provides a detailed assessment of fair housing activites undertaken by CDBG, HOME, HTF, ESG, HOPWA, and other relevant programs, including updates on fair housing planning for 2020-2021. The fair housing plan included in the 2019-2020 Annual Action Plan was updated with achievements and follows the discussion in the appendix.

## **CR-40 - Monitoring**

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The State of Tennessee has established standards and procedures to monitor the use of federal grant funds. Each state department that manages a Consolidated Planning grant program allocates grant resources received in accordance with the preapproved uses of the funds. Contracts, agreements, and other documentation with program participants incorporate the services and activities to be completed, the compliance requirements, and the specific conditions under which funds may be released.

Further, designated staff are responsible for monitoring compliance with applicable federal and state regulations for programs. Each department conducts monitoring activities regularly or as required by HUD regulations to ensure compliance. Some examples of monitoring activities for funded programs include program site visits, regular review of participant-level data via web-based tracking systems, reviews of deliverables reported in monthly and quarterly reports, environmental reviews, on-site construction inspections, and other activities that ensure program compliance.

Specific to minority business outreach and Section 3, within the program documents that grantees receive, there are policies and procedures detailed regarding the affirmative steps that must be taken to ensure that women and minority businesses are afforded opportunities to bid on service, material, and construction contracts. Grantees also receive a statewide Diversity Business Enterprise Directory to help connect grantees to women and minority owned business options in the state. They are also given the Disadvantaged Business Enterprise Directory to help grantees be in compliance with Section 3 and the required HUD forms for both of these areas so that they are even more aware of their obligation to affirmatively market and connect with minority owned businesses and provide economic opportunities for low- and very low-income persons.

### **Citizen Participation Plan 91.105(d); 91.115(d)**

**Description of the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

For the FY 2019-2020 CAPER, the State of Tennessee provided an Executive Summary (in English and Spanish) and a draft of the CAPER on the THDA website. Public notices and links were published on Tennessee Department of Economic and Community Development website, Tennessee Department of Health website, on each of the nine Development District websites, as well as 13 major newspapers across the State. The State of Tennessee also sent an email blast promoting the draft and public comment period to advocacy and social service groups serving protected classes in Tennessee. Social media was also used to engage public participation. Citizens could submit their public comment on

THDA's website via a SurkeyMonkey form. This year, the public notice was published in ten English newspapers and three in Spanish:

- Memphis Commercial Appeal
- The Tennessean (Nashville)
- The Herald – Citizen (Cookeville)
- The State Gazette (Dyersburg)
- Chattanooga Times Free Press (Chattanooga)
- The Leaf Chronicle (Clarksville)
- Johnson City Press (Johnson City)
- The Knoxville News Sentinel (Knoxville)
- The Daily Herald (Columbia)
- The Jackson Sun (Jackson)
- La Prensa Latina (Memphis)
- El Crucero de Tennessee (Nashville)
- La Campana (Franklin)

In addition to Spanish, public notices were translated into Arabic, Badini, Chinese, Korean, Laotian, Somali, Sorani, and Vietnamese, and available on the THDA website and the feedback form. The Executive Summary and public comment form were made available on THDA's website from October 28 through November 13, 2020, which meets the requirements set forth in the State of Tennessee's Citizen Participation Plan. This CAPER was produced and put out for comment later than usual per a HUD waiver granting additional time to allow focus on CARES Act funding. The appendix contains copies of the translations, posted notices, and other outreach efforts. Due to COVID-19 restrictions and guidance, promoting the CAPER was limited to online resources.

One public comment was received during the comment period and is included in the appendix.

## **CR-45 - CDBG**

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

This year, a public meeting was held in Nashville and was broadcast via webinar for those unable to attend in person. Few comments were received, but the majority related to the proposed changes in a portion of the water and sewer system scoring. These changes featured in the inclusion of bonus points for water and sewer systems that were positively and actively engaged in planning and management of the system. The program objectives remained unchanged for FY 2019-20.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI)**

**grants?**

No

## **CR-50 - HOME**

**Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations**

*Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.*

All of these projects were inspected.

1. Chattanooga CHDO – No issues detected
2. Blount County Habitat for Humanity – No issues detected
3. Bradley County – No issues detected
4. Caryville – No issues detected
5. Clinch Powell RC & D – No issues detected
6. Coffee County – No issues detected
7. Columbia – Drug free workplace working agreement wording not included; Housing Rehabilitation Policies and Procedures were not adopted
8. Cowan – Homeowners income was not re-certified
9. Creative Compassion, Inc. – No issues detected
10. Eastern Eight CDC – No issues detected
11. Erwin – No issues detected
12. Fentress County – No issues detected
13. Friendsville – No issues detected
14. Huntsville – No issues detected
15. Jamestown – No issues detected
16. LaFollette – No issues detected
17. Lexington – No issues detected
18. Loretto – Homeowners income was not re-certified
19. Loudon – No issues detected
20. Manchester – Homeowners income was not re-certified
21. Maury County – No issues detected
22. McMinn County - No issues detected
23. McNairy County – Did not complete Environmental Review Tier 2 for assisted units
24. Neighborhood Housing, Inc. – No issues detected
25. Paris – Work write ups were not initialed or signed by the homeowners
26. Roane County – No issues detected
27. Scott County – No issues detected
28. Selmer – Did not complete Environmental Review Tier 2 for assisted units
29. Spring Hill – No issues detected

30. Surgoinsville – No issues detected
31. Unicoi County – No issues detected

These are the HOME projects that were scheduled to be inspected.

1. Cumberland Regional Development Corporation – scheduling issues due to COVID
2. City of Dyersburg - scheduling issues due to COVID
3. Genesis House - scheduling issues due to COVID
4. Hilltoppers, Inc. - scheduling issues due to COVID-
5. Paladin, Inc. - scheduling issues due to COVID
6. Southwest Tennessee CDC – scheduling issues due to COVID
7. Volunteer Behavioral Health Care System – scheduling issues due to COVID

Since its implementation of the 2013 HOME funds in calendar year 2014, THDA has not funded rental housing activities under its HOME program. Beginning with Program Year 2013, THDA moved all rental production from HOME to the THDA-funded Tennessee Housing Trust Fund Competitive Grants program. HOME is exploring utilizing funds for rental projects in future grant cycles.

For FY2013 and prior year HOME funding, THDA required that the units meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion and prior to making the final payment on rehabilitation or construction of rental units. In the absence of a local code, HOME-assisted rental new construction of apartments of three or more units must have met the State-adopted International Building Code; HOME-assisted new construction or reconstruction of single-family rental units or duplexes must have met the State-adopted International Residential Code for One- and Two-Family Dwellings; and HOME-assisted rental rehabilitation must have met the State-adopted International Existing Building Code. Rental new construction must also have met the International Energy Conservation Code. In addition, all new construction must have met Energy Star standards as certified by an independent Home Energy Rating System (HERS) rater. All other HOME-assisted rental housing (e.g., acquisition) must met all applicable state and local housing quality standards and code requirements, and if there were no such standards or code requirements, the housing must have met the Uniform Physical Condition Standards (UPCS).

The 2013 HOME Rule made significant revisions to the Property Standards at §92.251, which were to be effective January 24, 2014. However, the effective date was delayed pending additional guidance from HUD. THDA moved forward with the requirements of the new regulations and adopted written design standards for all HOME-assisted rehabilitation activities. In addition, new construction of rental units must also have met accessibility requirements and mitigated disaster impact, as applicable per state and local codes, ordinances, etc. THDA reviewed and approved written cost estimates and determined cost reasonableness prior to the grantee putting the project out to bid. These changes were implemented with the 2012 HOME projects funded under Supported Housing Development and 2012 CHDO rental

projects in advance of a new effective date.

THDA staff checks a sample of the units when conducting monitoring visits to insure that the work was completed as contracted. After closeout, projects are scheduled for continued monitoring by Community Programs staff throughout the period of affordability.

**Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units.  
92.351(b)**

Prior to beginning a HOME project, grant recipients must adopt affirmative marketing procedures and requirements for all HOME funded home buyer projects with five or more units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. These must be approved by THDA prior to any HOME funds being committed to a project. Requirements and procedures must include:

- Methods for informing the public, owners and potential tenants about fair housing laws and the local program's policies;
- A description of what owners and/or the program administrator will do to affirmatively market housing assisted with HOME funds;
- A description of what owners and/or the program administrator will do to inform persons not likely to apply for housing without special outreach;
- Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness; and
- Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

THDA encourages its grantees to identify those populations who are least likely to apply for assistance and to make outreach to those populations. To accomplish this, THDA recommends that the grantee advertise for assistance availability at churches, convenience stores, libraries, senior centers, and local offices of the TN Department of Human Services.

Additionally, THDA requires that each grantee have policies and procedures to assist non-English speaking applicants. Each grantee must also have a process that notifies LEP persons of language assistance availability (i.e. notices, signs) and that is accessible to individuals seeking assistance. Grantee staff should be knowledgeable of all procedures and processes.

THDA also requires all grantees to use the Fair Housing logo on all program materials.

**Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics**

During this reporting period, THDA received \$164,841.81 in HOME program income that will be

allocated to awards made under the 2020 program year. In FY 2019-20, there were 135 HOME units completed that assisted 51 extremely low-income households, 44 very low-income households, and 40 low-income households.

All 135 HOME units completed during 2019-20 were owner-occupied. 112 were rehabilitation only projects and 15 were new construction only. There were three acquisition only projects, and five acquisition and rehabilitation projects.

In terms of demographics, 100 of the HOME program beneficiaries were White and 35 were Black/African American. One beneficiary of Hispanic origin identified as “white”. HOME assisted 41 single, non-elderly residents, 60 elderly residents, 14 single parent households, 10 two parent households, and 10 households of other compositions. Forty-five percent (61 households) of beneficiaries lived alone, while 66 households contained 2-4 people, and eight households contained 5 or more people.

**Describe other actions taken to foster and maintain affordable housing, including the coordination of LIHTC with the development of affordable housing.**

The State of Tennessee will continue to invest HOME and CDBG funds to promote the production, preservation, and rehabilitation of affordable housing for individuals and families of low- and very low-income. The state will also invest in community infrastructure to support communities that are home to low-income households. ESG and HOPWA also provide both permanent and short term affordable housing to special needs populations to support their affordable housing needs. The state also maintains relationships with local organizations, which provide alternative housing services to fill the gaps between government-funded programs. This has been an important part to both fostering and maintaining affordable housing throughout the state.

Additional efforts are being made, both through regulatory and development avenues, to find new ways of providing quality, affordable housing. Energy efficiency improvements to the existing housing stock, emergency repair programs, and low-income housing tax credits are just some of the housing considerations being made to foster more housing that is affordable and in close proximity to resources and services. Further, THDA launched the Tennessee Housing Trust Fund, which targets assistance to persons of very low-income, those earning 50 percent or less of the area median income. Within the Housing Trust Fund, competitive grants support the chronically homeless, persons with disabilities, single mothers recovering from substance addiction or physical abuse, veterans with multiple needs and ex-offenders, and youth transitioning out of foster care. In 2006, the Housing Trust Fund was established with \$12 million of THDA funds, over a two-year period. Currently, the Housing Trust Fund is \$7.5 million per year. This allows for complimentary housing activities in addition to those funding with CDBG and HOME funds, providing or maintaining critical affordable housing throughout Tennessee.

THDA’s Low Income Housing Credit (LIHC) Qualified Allocation Plan (QAP) prioritizes the preservation of affordable housing. The 2021 Draft QAP sets-aside up to 25% of the state’s annual competitive housing

credits to existing multifamily housing or adaptive reuse of existing buildings. Through this set-aside THDA is creating new affordable housing opportunities while respecting historical character of existing communities. THDA's Qualified Contract Guide assists in the preservation of affordable housing. LIHC properties eligible to exit from the program are marketed for sale on THDA's website. As potential purchasers contact THDA about these exiting properties, other THDA financing options can be discussed, which can assist the preservation of this housing. THDA is proud to be one of few states nationwide to allocate a substantial share of competitive credits to public housing authorities participating in RAD in order to serve the very lowest income residents in Tennessee. The 2021 Draft QAP has been approved by the THDA Board of Directors and is awaiting Gov. Lee's signature.

## CR-55 - HOPWA

### Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

<b>Number of Households Served Through:</b>	<b>One-year Goal</b>	<b>Actual</b>
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	406	401
Tenant-based rental assistance	37	38
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	86	102
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	74	99
Total	603	640

**Table 12 – HOPWA Number of Households Served**

### Narrative

During the reporting period, the HOPWA program served 532 households, with some households receiving multiple services. A comprehensive assessment of HOPWA and its beneficiaries can be found in the HOPWA CAPER attached in the appendix of this document.

## CR-56 - HTF

**Describe the extent to which the grantee complied with its approved HTF allocation plan and the requirements of 24 CFR part 93.**

HTF – As of June 30, 2020, THDA has provided awards totaling \$13,858,711 for the development of 269 units of rental housing for families or individuals whose income is at or below 30 percent of AMI. As of the end of the program year, \$2,208,781 has been requested and 26 HTF units have been completed and put into service.

Tenure Type	0 – 30% AMI	0% of 30+ to poverty line (when poverty line is higher than 30% AMI)	% of the higher of 30+ AMI or poverty line to 50% AMI	Total Occupied Units	Units Completed, Not Occupied	Total Completed Units
Rental	0	0	0	0	0	0
Homebuyer	0	0	0	0	0	0

**Table 15 - CR-56 HTF Units in HTF activities completed during the period**

## CR-70 – ESG - Assistance Provided and Outcomes

### 10. Shelter Utilization

Number of New Units - Rehabbed	0
Number of New Units - Conversion	0
Total Number of bed-nights available	1,810
Total Number of bed-nights provided	1,222
Capacity Utilization	68.00%

Table 24 – Shelter Capacity

### 11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

The Tennessee ESG Policies and Procedures Manual instructs grantees to adopt performance standards consistent with HUD and THDA program requirements.

Performance Standards/Measures: THDA must ensure that programs and activities funded through the ESG program meet certain Performance Standards as set by the local Continuum of Care, THDA, and HUD. The following is an example of the types of Standards that THDA and its sub-recipients will be required to meet in order to demonstrate success of the ESG program:

- Reducing the average length of time a person is homeless
- Reducing returns to homelessness
- Improving program coverage
- Reducing the number of homeless individuals and families
- Reducing the number of chronically homeless individuals and families
- Improving employment rate and income amounts of program participants
- Reducing first time homelessness
- Preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs

Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources that will ensure the ongoing housing stability of program participants.

## CR-75 – Expenditures

### 11. Expenditures

#### 11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2017	2018	2019
Expenditures for Rental Assistance	\$0	\$0	\$0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	\$9,355	\$67,782	\$35,968.52
Expenditures for Housing Relocation & Stabilization Services - Services	\$8,435	\$40,998	\$8,992.13
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	\$0	\$0	\$0
<b>Subtotal Homelessness Prevention</b>	<b>\$17,790</b>	<b>\$108,780</b>	<b>\$44,960.65</b>

Table 25 – ESG Expenditures for Homelessness Prevention

#### 11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2017	2018	2019
Expenditures for Rental Assistance	\$0	\$0	\$0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	\$791,916	\$733,253	\$676,467.15
Expenditures for Housing Relocation & Stabilization Services - Services	\$533,889	\$568,381	\$553,473.13
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	\$0	\$0	\$0
<b>Subtotal Rapid Re-Housing</b>	<b>\$1,325,805</b>	<b>\$1,301,634</b>	<b>\$1,229,940.28</b>

Table 26 – ESG Expenditures for Rapid Re-Housing

#### 11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2017	2018	2019
Essential Services	\$0	\$748,206	\$706,245.23
Operations	\$1,300,434	\$493,059	\$470,830.16
Renovation	\$0	\$0	\$0

Major Rehab	\$0	\$0	\$0
Conversion	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,300,434</b>	<b>\$1,241,265</b>	<b>\$1,177,075.39</b>

Table 27 – ESG Expenditures for Emergency Shelter

**11d. Other Grant Expenditures**

	Dollar Amount of Expenditures in Program Year		
	2017	2018	2019
Street Outreach	\$58,641	\$86,544	\$99,671.55
HMIS	\$218,473	\$286,579	\$272,004.08
Administration	\$25,427	\$33,650	\$40,686.03

Table 28 - Other Grant Expenditures

**11e. Total ESG Grant Funds**

Total ESG Funds Expended	2017	2018	2019
	\$2,946,570	\$3,058,452	\$2,864,337.98

Table 29 - Total ESG Funds Expended

**11f. Match Source**

	2017	2018	2019
Other Non-ESG HUD Funds	\$168,691	\$128,779	\$265,001.88
Other Federal Funds	\$174,362	\$190,072	\$449,474.11
State Government	\$23,769	\$49,607	\$0
Local Government	\$40,715	\$24,154	\$314,078.14
Private Funds	\$166,625	\$418,863	\$112,000.00
Other	\$657,384	\$439,735	\$1,860,398.38
Fees	\$0	\$0	\$0
Program Income	\$0	\$0	\$0
<b>Total Match Amount</b>	<b>\$1,231,546</b>	<b>\$1,251,210</b>	<b>\$3,000,952.51</b>

Table 30 - Other Funds Expended on Eligible ESG Activities

**11g. Total**

<b>Total Amount of Funds Expended on ESG Activities</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>\$4,178,116</b>	<b>\$4,309,662</b>	<b>\$5,865,290</b>

**Table 31 - Total Amount of Funds Expended on ESG Activities**