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**APPENDIX C:**  
**FAIR HOUSING PLAN**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN

## Private Sector Impediments

Impediments, Suggested Actions and Objectives	Action(s)	Measurement(s)	Responsible Agencies	Timeline	Cost
<b>1. Discriminatory terms, conditions, privileges or services and facilities in the rental market</b>  <i>Action 1.1</i> – Continue to educate landlords and property management companies about fair housing law. <i>Objective 1.1</i> – Increase number of outreach and education activities conducted.  <i>Action 1.2</i> – Continue to educate housing consumers in fair housing rights. <i>Objective 1.2</i> – Increase number of outreach and education activities conducted.  <i>Action 1.3</i> – Enhance audit and testing activities and document the outcomes of tests <i>Objective 1.3</i> – Increase number of testing activities conducted  Priority: High	1.1a – Support the Fair Housing Council in providing fair housing training for developers, property managers and the apartment association.	1.1a – Fair housing training for non-profit and for profit developers and apartment managers completed. Sponsorship for training in FY2016 includes Fair Housing for Persons with Disabilities.	THDA	On going	\$500
	1.1b – Continue to educate THDA staff who work with rental programs and landlords (Section 8 HCV staff) on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at THDA, which lasts approximately four hours and focuses on fair housing in the rental market.	1.1b – THDA staff continues training in fair housing issues in the rental market. Developing a contract with Tennessee Fair Housing Council to provide program division training in FY 2016. This contract will include fair housing at THDA sponsored training for sub-recipients, developers and property management companies.	THDA	On-going	\$2,300
	1.1c – Continue to educate staff on Fair Housing through attendance at Fair Housing Matters Conference, West Tennessee Fair Housing Celebration and the ECHO Spring Fair Housing Workshop. Provide support and sponsorship to both events and encourage attendance among sub-recipients and partners.	1.1c – Attendance at fair housing events continues, number of staff trained increases. Sponsorship of fair housing meetings continues. Marketing fair housing conferences on Facebook, Twitter and via bulk email mailing lists to enhance attendance among sub-recipients and partners. Increasing attendance at regional (West Tennessee Fair Housing Celebration and ECHO Spring Fair Housing Workshop) meetings with increased THDA staff attendances.	THDA, ECD	Annually in April	THDA: \$3,365 ECD: \$1,700
	1.1d – Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide On-going education on fair housing including: detailed information regarding discrimination in the rental market,	1.1d – THDA works with Social Serve (website vendor) to disseminate fair housing information to landlords during April 2016. This information will be sent via bulk email mailing list to LIHC participants and grantees and sub-recipients.	THDA	FY 2016-17	\$500

	examples of prohibited or unlawful conduct and examples of activities that AFFH.				
	1.1e Increase training of elected officials and landlords in CDBG grantee communities of fair housing responsibilities.	1.1e – Host training sessions in at least two development districts for CDBG grantees.	ECD	On-going	\$500
	1.2a – Continue to give “Fair Housing Equal Opportunity for All” brochure to program beneficiaries and monitor sub-recipients to ensure compliance.	1.2a – Brochure is given to program beneficiaries, ensured through monitoring.	THDA, DOH, ECD	On-going	THDA: \$316 ECD: \$250
	1.2b – Make improvements to fair housing webpage, make AI available for review, add fair housing brochures and educational pieces provided by HUD.	1.2b – Brochure added, improvements made to website, link is more prominent on THDA’s website.	THDA, DOH, ECD	On-going	THDA: \$253 ECD: \$200 DOH: \$125
	1.3a – The State will communicate reasonable accommodation testing as a priority to partners engaged in testing which include: the Fair Housing Council, West Tennessee Legal Services, and the Tennessee Human Rights Commission.	1.3a – Priority is communicated to testing organizations, testing increases.	THDA, ECD, DOH	On-going	THDA: \$25
	1.3a – Continue to monitor sub-recipients for compliance with Fair Housing and Equal Opportunity, utilizing Fair Housing and Equal Opportunity checklists.	1.3a – Sub-recipients are monitored for Fair Housing and Equal Opportunity, using checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
<b>2. Discriminatory acts under Section 818 (coercion, etc.)</b>  <i>Action 2.1</i> – Continue to educate landlords and property management companies about fair housing law <i>Objective 2.1</i> – Increase number of outreach and education activities  <i>Action 2.2</i> – Continue to educate housing consumers in fair housing rights	2.1a – Support the Fair Housing Council in providing fair housing training for developers, property managers and the apartment association members..	2.1a – Fair housing training for non-profit and for profit developers and apartment managers completed. Sponsorship for training in FY2016 includes Fair Housing for Persons with Disabilities.	THDA	On-going	\$500
	2.1b – Continue to educate THDA staff who work with rental programs and landlords (Section 8 HCV staff) on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at THDA, which lasts approximately four hours and focuses on fair housing in the rental market.	2.1b – THDA staff continues training in fair housing issues in the rental market. Developing a contract with Tennessee Fair Housing Council to provide program division training in FY 2016. This contract will include fair housing at THDA sponsored training for sub-recipients, developers and property management companies.	THDA	On-going	\$2,300

<p><i>Objective 2.2 – Increase the number of outreach and education activities conducted</i></p> <p><i>Action 2.3 – Enhance audit and testing activities and document the outcomes of tests</i></p> <p><i>Objective 2.3 – Increase number of testing activities conducted</i></p> <p><i>Priority: Low</i></p>	<p>2.1c – Continue to educate staff on Fair Housing through attendance at Fair Housing Matters Conference and West Tennessee Fair Housing Celebration. Provide support and sponsorship to both events and encourage attendance among sub-recipients and partners.</p>	<p>2.1c – Attendance at fair housing events continues, number of staff trained increases. Sponsorship of fair housing meetings continues. Marketing fair housing conferences on Facebook, Twitter and via bulk email mailing lists to enhance attendance among sub-recipients and partners. Increasing attendance at regional (West Tennessee Fair Housing Celebration and ECHO Spring Fair Housing Workshop) meetings with increased THDA staff attendances.</p>	THDA, ECD	Annually in April	THDA: \$3,365 ECD: \$1,700
	<p>2.1d – Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide On-going education on fair housing including: detailed information regarding discrimination in the rental market, examples of prohibited or unlawful conduct and examples of activities that AFFH.</p>	<p>2.1d – THDA works with Social Serve (website vendor) to disseminate fair housing information to landlords during April 2016. This information will be sent via bulk email mailing list to LIHC participants and grantees and sub-recipients.</p>	THDA	FY 2016-17	\$500
	<p>2.2a – Continue to give “Fair Housing Equal Opportunity for All” brochure to program beneficiaries and monitor sub-recipients to ensure compliance.</p>	<p>2.2a – Brochure is given to program beneficiaries, ensured through monitoring.</p>	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
	<p>2.2b – Make improvements to fair housing webpage, make AI available for review, add fair housing brochures and educational pieces provided by HUD.</p>	<p>2.2a – Brochure added, improvements made to website, link is more prominent on THDA website.</p>	THDA, ECD, DOH	On-going	THDA: \$253 ECD: \$200
	<p>2.3a – The State will communicate reasonable accommodation testing as a priority to partners engaged in testing which include: the Fair Housing Council, West Tennessee Legal Services, and the Tennessee Human Rights Commission.</p>	<p>3.1a – Priority is communicated to testing organizations, testing increases.</p>	THDA, ECD, DOH	On-going	THDA: \$25
	<p>2.3a – Continue to monitor sub-recipients for compliance with Fair Housing and Equal</p>	<p>2.3a – Sub-recipients are monitored for Fair Housing and Equal Opportunity, using checklists.</p>	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125

	Opportunity, utilizing Fair Housing and Equal Opportunity checklists.				
<b>3. Failure to make reasonable accommodation and modification</b>  <i>Action 3.1 – Enhance audit and testing activities and document the outcomes of tests</i> <i>Objective 3.1 – Increase number of testing activities conducted</i>  <i>Action 3.2 – Educate housing providers about requirements for reasonable accommodation or modification</i> <i>Objective 3.2 – Increase number of training sessions conducted</i>  Priority: Medium	3.1a – The State will communicate reasonable accommodation testing as a priority to partners engaged in testing which include: the Fair Housing Council, West Tennessee Legal Services, and the Tennessee Human Rights Commission.	3.1a – Priority is communicated to testing organizations, testing increases.	THDA, ECD, DOH	On-going	THDA: \$25
	3.1a – Continue to monitor sub-recipients for compliance with Fair Housing and Equal Opportunity, utilizing Fair Housing and Equal Opportunity checklists.	3.1a – Sub-recipients are monitored for Fair Housing and Equal Opportunity, using checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
	3.2a – Continue to educate staff on Fair Housing through attendance at Fair Housing Matters Conference, West Tennessee Fair Housing Celebration and the ECHO Spring Fair Housing Workshop. Provide support and sponsorship to both events and encourage attendance among sub-recipients and partners.	3.2a – Attendance at fair housing events continues, number of staff trained increases. Sponsorship of fair housing meetings continues. Marketing fair housing conferences on Facebook, Twitter and via bulk email mailing lists to enhance attendance among sub-recipients and partners. Increasing attendance at regional (West Tennessee Fair Housing Celebration and ECHO Spring Fair Housing Workshop) meetings with increased THDA staff attendances.	THDA, ECD	Annually in April	THDA:\$3,365 ECD: \$1,700
	3.2b – Support the Fair Housing Council in providing fair housing training for developers, property managers and the apartment association.	3.2b –Fair housing training for non-profit and for profit developers and apartment managers completed. Sponsorship for training in FY2016 includes Fair Housing for Persons with Disabilities.	THDA	FY 2014-15	\$300
	3.2c – Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide On-going education on fair housing including: detailed information regarding discrimination in the rental market,	3.2c – THDA develops educational piece and works with Social Serve (website vendor) to disseminate the information to landlords during April 2016.	THDA	FY 2016-17	\$500

	examples of prohibited or unlawful conduct and examples of activities that AFFH.				
	3.2d – Continue to educate THDA program staff that work with housing providers and landlords on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at THDA, which will contain components addressing reasonable modification.	3.2d – Number of THDA staff trained on reasonable accommodation increases. Developing a contract with Tennessee Fair Housing Council to provide program division training in FY 2016. This contract will include annual fair housing training for all THDA employees as part of the Foundations for the Future program at THDA.	THDA	On-going	\$3,500
	3.2e – Increase training of elected officials and landlords in CDBG grantee communities of fair housing responsibilities.	3.2e – Host training sessions in at least two development districts for CDBG grantees.	ECD	FY 2014-15	\$500
<b>4. Discriminatory patterns in home purchase loan denials</b>  <i>Action 4.1 – Educate buyers through credit counseling and home purchase training</i> <i>Objective 4.1 – Increase number of outreach and education activities conducted</i>  <i>Action 4.2 – Educate lenders and make developers aware of the counseling and training</i> <i>Objective 4.2 – Increase number of outreach and education activities conducted</i>  <i>Priority: Low</i>	4.1a – Continue homebuyer education courses (with fair housing components in the curriculum) for THDA loan programs (required for Great Choice Plus; Homeownership for the Brave and HOME). Continue to support the Homebuyer Education Initiative (HBEI) across the state for homebuyers not utilizing a THDA loan product.	4.1a – Homebuyer education classes are conducted, program continued and marketed serving THDA borrowers and non-THDA borrowers (depending on demand).	THDA	On-going	TBD
	4.1b – Continue to support and train HBEI agencies through provision of NeighborWorks America course curriculum materials and training.	4.1b – Deliver NeighborWorks American materials to HBEI agencies annually in March.	THDA	On-going	TBD
	4.1c – Continue “Training the Trainer” to certify new Homebuyer Education Trainers throughout the state and continuing education sessions (Peer Sessions) for certified Homebuyer Education Trainers.	4.1c – “Training the Trainer” and Peer Sessions conducted annually in July.	THDA	On-going	TBD
	4.1d – Continue marketing and outreach on Homebuyer Education Initiative on THDA website. Explore new ways to market homebuyer education and credit counseling.	4.1d – Website updated, new outreach activities identified including development of an on-line Homebuyer Education portal.	THDA	On-going	TBD
	4.1e – Explore analyzing counseling agency data that is collected to provide agencies feedback to improve program performance.	4.1e – Decision to analyze data is made, analysis completed and reported to agencies. Formal reporting will be made in FY-2016.	THDA	FY 2016-17	\$536

	4.1f – Continue to find new and improved ways to educate buyers and improve financial literacy through the operation of the Housing Education Advisory Board.	4.1f – Quarterly meetings of the advisory boards continue.	THDA	On-going	\$253
	4.2 – Invite lenders and developers to the Governor’s Housing Summit, which includes fair housing training and education.	4.2 – Include annual fair housing training and invite lenders and developers to the Governor’s Housing Summit.	THDA	On-going	\$1,000
<b>5. Discriminatory patterns in predatory lending</b>  <i>Action 5.1 – Educate buyers through credit counseling and home purchase training</i> <i>Objective 5.1 – Increase number of outreach and education activities conducted</i>  <i>Action 5.2 – Educate lenders and developers’ counseling and training</i> <i>Objective 5.2 – Increase number of outreach and education activities conducted</i>  <i>Priority: Low</i>	5.1a – Continue homebuyer education courses (with fair housing components in the curriculum) for THDA loan programs (required for Great Choice Plus; Homeownership for the Brave and HOME). Continue to support the Homebuyer Education Initiative (HBEI) across the state for homebuyers not utilizing a THDA loan product.	5.1a – Homebuyer education classes are conducted, program continued and marketed serving THDA borrowers and non-THDA borrowers (depending on demand).	THDA	On-going	TBD
	5.1b – Continue to support and train HBEI agencies through provision of NeighborWorks America course curriculum materials and training.	5.1b – Deliver NeighborWorks American materials to HBEI agencies, annually in March.	THDA	On-going	TBD
	5.1c – Continue “Training the Trainer” to certify new Homebuyer Education Trainers throughout the state and continuing education sessions (Peer Sessions) for certified Homebuyer Education Trainers	5.1c – “Training the Trainer” and Peer Sessions conducted annually in July.	THDA	On-going	TBD
	5.1d – Continue marketing and outreach on Homebuyer Education Initiative on THDA website. Explore new ways to market homebuyer education and credit counseling.	5.1d – Website updated, new outreach activities identified including development of a new on-line Homebuyer Education portal.	THDA	On-going	TBD
	5.1e – Explore analyzing counseling agency data that is collected to provide agencies feedback to improve program performance.	5.1e– Decision to analyze data is made, analysis completed and reported to agencies. Formal reporting will be made in FY-2016.	THDA	FY 2016-17	\$536
	5.2 – Invite lenders and developers to the Governor’s Housing Summit, which includes fair housing training and education.	5.2 – Include annual fair housing training and invite lenders and developers to the Governor’s Housing Summit.	THDA	On-going	\$1,000
<b>6. Lack of sufficient education about fair housing law</b>	6.1 – Discuss with the Tennessee Human Rights Commission opportunities to develop an outreach and education curriculum on fair housing with other	6.1 – Discuss this opportunity with Tennessee Human Rights Commission.	THDA	Ongoing	No cost



<p><i>Action 6.1</i> – Have the THRC develop a core outreach and education curriculum, with the assistance of other organizations that provide fair housing services, in Tennessee</p> <p><i>Objective 6.1</i> – Track the consistency in fair housing messaging throughout the State of Tennessee.</p> <p><i>Action 6.2</i> – Educate the public and housing stakeholders about fair housing law and rights of housing consumers</p> <p><i>Objective 6.2</i> – Increase number of outreach and education activities conducted</p> <p><i>Action 6.3</i> – Enhance documentation of fair housing activities conducted throughout the State</p> <p><i>Objective 6.3</i> – Request that the THRC provide such documentation for all activities conducted under the auspices of the core curriculum</p> <p><i>Priority: High</i></p>	organizations in the state that provide fair housing services.				
	6.2a – Contract with the Tennessee Fair Housing Council or other fair housing education provider to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, ramifications of failure to make reasonable accommodation, codes, zoning and other priority areas.	6.2a – Training will be completed at grantee workshops.	THDA, ECD	On-going	THDA: No cost ECD: \$1,000
	6.2b – Research existing tools and resources for sub-recipients to assist in providing fair housing training on the local level for citizens (videos, websites, public meetings) with the intent of utilizing in public outreach.	6.2b – Research conducted, tools identified and decision made to proceed or modify use of tools. As outreach opportunities occur, information is shared.	THDA, ECD	On-going	THDA: \$506 ECD: \$500
	6.2c – Implement training for elected officials as part of grant requirements for FY 2014-15 CDBG grantees.	6.2c – Training for elected officials through the development district or ECD/THDA materials for an elected official in each CDBG community.	THDA, ECD	FY 2014-15	THDA: \$253 ECD: \$1,500
	6.2d – Make improvements to fair housing webpage, improve resources available to consumers, make AI available for review, add fair housing brochures and educational pieces provided by HUD.	6.2d – Brochure added, improvements made to website, link is more prominent on THDA website.	THDA, ECD, DOH	On-going	THDA: \$253 ECD: \$200
	6.2e – Explore working with THDA Advisory Boards (Housing Industry, Housing Education, and Energy Efficiency and Weatherization) to seek input and identify ways to increase educational opportunities for housing stakeholders and the public on fair housing issues in the private sector.	6.2e – Attend Advisory Board meetings, describe need for educational opportunities and seek input.	THDA	On-going	\$253
	6.2f – Explore opportunities for THDA's Connect Team to educate housing stakeholders of their duty to AFFH, fair housing law and rights of housing consumers.	6.2f – Discuss opportunities and ideas with Outreach Team and conduct annual meeting to revisit efforts.	THDA	On-going	\$1,012
	6.2g – Continue training for HOPWA Program Sponsors at annual network meeting and monitor for compliance during monitoring interviews.	6.2g – Training and monitoring continues.	DOH	On-going	\$1,698

	6.3 – Discuss with Tennessee Human Rights Commission opportunities to enhance the documentation of fair housing activities.	6.3 – Contact THRC to discuss documentation opportunities.	THDA	Ongoing	No cost
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**Public Sector Impediments**

Impediment/Suggested Action/Objective	Action(s)	Measurement(s)	Responsible Agencies	Timeline	Cost
<b>1. Lack of local fair housing ordinances or policies</b>  <i>Action 1.1</i> – Create template fair housing ordinance, resolution, policy or other commitment to AFFH <i>Objective 1.1</i> – Present policy to all prospective grantees  <i>Action 1.2</i> – Educate local government staff about fair housing regulations and the statewide commitment to AFFH <i>Objective 1.2</i> – Increase number of education activities  <i>Action 1.3</i> – Increase monitoring and enforcement policies that affirmatively further fair housing choice <i>Objective 1.3</i> – Increase number of monitoring and enforcement activities  <i>Priority: High</i>	1.1a – Explore opportunities to work with fair housing partners and local/county government associations, including West Tennessee Legal Services and the Fair Housing Council, to develop sample ordinances, resolutions and policies to provide to local governments and sub-recipients.	1.1a – Partnership established and templates completed.	ECD, THDA	FY 2013-14	THDA: \$1,012 ECD: \$800
	1.1b – Explore partnerships with the University of Tennessee’s Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee’s Development Districts to determine best way to reach local governments and present templates.	1.1b – Establish partnership and determine best method for information delivery. Assess training programs being implemented by Development Districts for local elected officials and how program successes can be expanded upon.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$1,000
	1.1c – After development of templates and assessment of current training programs, present to grantees and local governments within jurisdiction.	1.1c – Deliver materials to grantees, as well as local governments within the state’s jurisdictions.	ECD, THDA	FY 2016-17	THDA: \$506 ECD: \$400
	1.1d – Explore making the existence of fair housing ordinances, resolutions or policies a threshold requirement or a point incentive for the HOME Program grant competition and a bonus item for CDBG applications.	1.1 d – New requirement explored and decision to move forward is made. The CDBG program will discuss the potential change at the CDBG public meeting held in the fall of 2014 for a change to the FY 2015-16 round of applications.	THDA, ECD	FY 2016-17	THDA: \$253 ECD: \$200
	1.2a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, the ramifications of a failure to make reasonable accommodation, codes, zoning	1.2a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	THDA, ECD	On-going	THDA: No cost ECD: \$4,000

	and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.				
	1.2b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	1.2b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Fair Housing Conference.	ECD, THDA, DOH	On-going	ECD: \$400
	1.2c - Present AI findings and fair housing activities at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	1.2c – Findings are presented at Governor's Housing Summit.	ECD, THDA	Completed	THDA: \$1,000 ECD: No cost
	1.3a – Continue to monitor grant programs for compliance with fair housing and equal opportunity, utilizing fair housing and equal opportunity checklists.	1.3a – Programs are monitored for activity and compliance consistent with information required in checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
<b>2. Insufficient establishment and enforcement of building codes regarding special needs housing</b>  <i>Action 2.1 – Create examples of building code policies that sufficiently provide for special needs housing such as group homes and accessible housing</i> <b>Objective 2.1 – Present examples to all prospective grantees</b>  <i>Action 2.2 – Educate local government staff about fair</i>	2.1a – Explore opportunities to work with fair housing partners, including West Tennessee Legal Services and the Fair Housing Council, and local/county government associations, to develop examples of building codes that sufficiently provide for special needs housing to provide to local governments and sub-recipients.	2.1a – Partnership established and examples of codes completed.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800
	2.1b – Explore partnerships with The University of Tennessee's Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee's Development Districts to determine best way to reach local governments and present examples of codes.	2.1b – Establish partnership and determine best method for information delivery.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800

<p>housing regulations and the statewide commitment to AFFH</p> <p><i>Objective 2.2 – Increase number of education activities conducted</i></p> <p><i>Action 2.3 – Increase monitoring and enforcement of building codes of jurisdictions across the state</i></p> <p><i>Objective 2.3 – Increase number of monitoring and enforcement activities</i></p> <p><i>Priority: Medium</i></p>	2.1c – After development of building code examples, present to grantees and local governments within the jurisdiction.	2.1c – Deliver materials to grantees, as well as local governments within the state's jurisdictions.	ECD, THDA	FY 2014-15	THDA: \$506 ECD: \$400
	2.2a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.	2.2a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	THDA, ECD	On-going	THDA: No cost ECD: \$4,000
	2.2b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	2.2b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Fair Housing Conference.	ECD, THDA	On-going	ECD: \$400
	2.2c – Present AI findings at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	2.2c – Findings are presented.	ECD, THDA	Completed	THDA: \$1,000 ECD: No cost
	2.2d – Encourage and promote THDA's accessibility and visitability program, which is a voluntary certification program created by the TN Council on Developmental Disabilities that encourages builders (single family and multi-family) to voluntarily implement design features that make homes accessible, visitable and convenient for everyone.	2.2d – Knowledge of visitability increases through education, builders voluntarily implement features.	THDA	On-going	THDA: \$24,678
	2.3a – Continue to monitor grant programs for compliance with fair housing and equal	2.3a – Programs are monitored for activity and compliance consistent with information required in checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD:

	opportunity, utilizing fair housing and equal opportunity checklists.				\$250 DOH: \$125
<b>3. Lack of local government understanding of duties of AFFH</b>  <i>Action 3.1 – Educate local government staff about fair housing law and federal formula grant funding requirements to affirmatively further fair housing</i>  <i>Objective 3.1 – Increase number of educational activities conducted</i>  <i>Priority: High</i>	3.1a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, ramifications of a failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.	3.1a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	ECD, THDA	On-going	THDA: No cost ECD: \$4,000
	3.1b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	3.1b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Housing Conference.	ECD, THDA, DOH	On-going	ECD: \$400
	3.1c - Present AI findings at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	3.1c – Findings are presented.	ECD, THDA	Completed October 2013	THDA: \$1,000 ECD: No cost
	3.1d – Explore partnership with the University of Tennessee's Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee's Development Districts to determine best way to reach local governments and present fair housing training.	3.1d – Partnerships established and plan for training developed.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800
	3.1e – Develop a list of recommended Fair Housing activities for CDBG and HOME sub-	3.1e – List of activities distributed to sub-recipients and changes made to	ECD, THDA	FY 2016-17	THDA: \$536

	recipients that encourages increased understanding of role in AFFH for local government and other stakeholders in the community. Continue compliance monitoring and increase reporting on fair housing activities, including amount spent on the activities in local communities.	monitoring checklist that ensure data is captured.			ECD: \$800
	3.1f – Encourage training of local elected officials as a CDBG Fair Housing Activity.	3.1f – Training conducted by at least two development districts for local elected officials who are CDBG grantees. Provide training materials for the workshops.	ECD	FY 2016-17	\$1,000
<b>4. Lack of uniformity of codes and land use policies</b>  <i>Action 4.1 – Create examples of codes and land use policies that are in the spirit of AFFH</i> <i>Objective 4.1 – Present examples to all prospective grantees</i>  <i>Action 4.2 – Educate local government staff about fair housing regulations and the statewide commitment to AFFH</i> <i>Objective 4.2 – Increase number of education activities conducted</i>  <i>Action 4.3 – Increase monitoring and enforcement of policies that affirmatively further fair housing choice</i> <i>Objective 4.3 – Increase number of monitoring and enforcement activities conducted</i>  <i>Priority: Medium</i>	4.1a – Explore opportunities to work with fair housing partners, including West Tennessee Legal Services and the Tennessee Fair Housing Council, and local/county government associations to develop examples of codes and land use policies to provide to local governments and sub-recipients.	4.1a – Partnership established and examples of codes and land use policies created.	ECD, THDA	On-going	THDA: \$1,012 ECD: \$800
	4.1b – Explore partnership with the University of Tennessee’s Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee’s Development Districts to determine best way to reach local governments and present examples of codes and land use policies.	4.1b – Establish partnership and determine best method for information delivery.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800
	4.1c – After development of templates, present to grantees and local governments within jurisdiction.	4.1c – Deliver materials to grantees, as well as local governments within the state’s jurisdictions.	ECD, THDA	FY 2016-17	THDA: \$536 ECD: \$400
	4.2a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental,	4.2a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	ECD, THDA	On-going	THDA: No cost ECD: \$4,000

	ramifications of a failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.				
	4.2b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	4.2b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Fair Housing Conference.	ECD, THDA	On-going	ECD: \$400
	4.2c - Present AI findings at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	4.2c – Findings are presented.	ECD, THDA	Completed October 2013	THDA: \$1,000 ECD: No cost
	4.3a – Continue to monitor grant programs for compliance with fair housing and equal opportunity, utilizing fair housing and equal opportunity checklists.	4.3a – Programs are monitored for activity and compliance consistent with information required in checklists.	ECD, THDA	On-going	THDA: \$316 ECD: \$250 DOH: \$125



**APPENDIX D:**  
**HOME PROGRAM DESCRIPTION**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN



**HOUSING GRANT APPLICATION**  
**HOME PROGRAM FOR FISCAL YEARS 2015 and 2016**  
**Program Description and Application Package**  
**Tennessee Housing Development Agency**

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME program to promote the production, preservation and rehabilitation of single family housing for low-income households. The purpose of this Program Description is to explain the requirements and the application process of the HOME program.

HOME funds are awarded through a competitive application process to cities, counties and non-profit organizations outside local participating jurisdictions. Local participating jurisdictions (Local PJs) are those local governments in Tennessee that receive HOME funds directly from the Department of Housing and Urban Development (HUD). The Local PJs are Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville-Davidson County, Knox County, Shelby County and the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Kingsport, Johnson City, Bluff City, Sullivan County, and Washington County, excluding the Town of Jonesborough). Non-profit organizations located in a local participating jurisdiction may apply for projects located outside the local participating jurisdictions. *For the 2015-2016 application cycle, Community Housing Development Organizations (CHDOs) located in a local participating jurisdiction may apply for projects located within the local participating jurisdictions.* An applicant must apply for at least \$100,000 and may apply for a maximum HOME grant of \$500,000. There is a \$750,000 limit on the amount of HOME funds that can be awarded in any one county.

Applications for the HOME program must be received by THDA on or before 4:30 PM CST on Friday, March 4, 2016. THDA anticipates notifying successful applicants by the end of May, 2016. HOME contracts will begin July 1, 2016 and will end June 30, 2019.

The program description is followed by the application package. The program description and application is also available at [www.thda.org](http://www.thda.org). Once at the THDA website, click on BUSINESS PARTNERS and then Grant Administrators for the links to the HOME program. Click on HOME for the link to the 2015-2016 HOME Program Description, Application and the application attachments. If you have questions please call (615) 815-2030.

## **The HOME Program**

This program is governed by Title 24 Code of Federal Regulations, Part 92, as amended. Those regulations are incorporated by reference in this Program Description. In cases of conflicting requirements, the more stringent requirement will apply.

### **A. ELIGIBLE APPLICANTS**

The State of Tennessee, through THDA, will accept applications for the HOME program from cities, counties, and private, non-profit organizations. Non-profit applicants must submit Part I of **Attachment One: Non-Profit/CHDO Checklist** with supporting documentation.

To be eligible the non-profit organization must:

1. Be organized under Tennessee law, as evidenced by a Certificate of Existence from the Tennessee Secretary of State dated within six months of the application due date;
2. Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
3. Have among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of housing to low income households;
4. Have standards of financial accountability that conform to 2 CFR Part 200, *Uniform Administrative Requirements, Audit Requirements and Cost Principles*; and
5. Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.

THDA will also accept HOME applications from community housing development organizations (CHDOs). A CHDO is a private, non-profit organization that meets all the requirements for a non-profit listed above, plus the following additional requirements:

1. Not be controlled by, or under the direction of, individuals or entities seeking to derive profit or gain from the CHDO. If a CHDO is sponsored or created by a for-profit entity, all of the following shall apply:
  - a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer or real estate management firm;
  - b. The for-profit entity may not have the right to appoint more than one-third of the membership of the CHDO's governing body. CHDO board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
  - c. The CHDO must be free to contract for goods and services from vendors of its own choosing;
  - d. The officers, directors, owners (stockholders, managers, members, etc.) or employees of the for-profit entity cannot be officers, directors, owners (stockholders, managers, members, etc.) or employees of the CHDO.
2. Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a CHDO; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of recipient governmental entity. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a CHDO

3. Maintains accountability to low income community residents by:
  - a. Including residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations in at least one-third of the CHDO's governing board's membership. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
  - b. Providing a formal process for low-income program beneficiaries to advise the CHDO in its decisions regarding the design, site selection, development, and management of affordable housing.
4. Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A CHDO undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a CHDO, a CHDO may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key CHDO staff. A CHDO that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of 24 CFR 92.300(a)(2). A CHDO does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated or cost allocated by another organization, or by hiring a consultant.
5. Has a history of serving the community within which the housing to be assisted with HOME funds is to be located. In general, a CHDO must be able to show at least one year of serving the community through housing activities benefiting low income persons or families before HOME funds may be awarded to that CHDO. However, a newly created CHDO formed by local churches, service organizations, or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least one year of serving the community through housing activities benefiting low income persons or families.

CHDOs may only apply for HOME funding for projects in which the CHDO is the owner and developer. CHDO applicants must submit **Part I and Part II of Attachment One: Non-Profit Checklist/CHDO Designation** with supporting documentation and signed by the applicant's counsel.

All applicants with prior HOME grants from THDA must meet both of the following requirements:

1. *Requested* (submitted an official Request for Payment Form with supporting documentation) the following percentages of their grants by February 29, 2016 to be eligible for the 2015-2016 HOME program:

HOME GRANT YEAR	SPEND DOWN REQUIREMENT
1992 – 2011	100%
2012 CHDOs	100%
2012 – 2013 Regular Rounds	75%
2013 CHDOs	50%
2014 Regular and CHDOs	25%

These spending requirements also apply to applications from CHDOs. In addition, CHDOs that were funded for homeownership programs that generate CHDO proceeds will have to demonstrate a need for additional HOME funds and documentation that neighborhood market conditions demonstrate a need for the project to be eligible for the 2015-2016 HOME program.

To be eligible, all applicants for the 2015-2016 HOME application cycle must be in compliance with all other THDA programs in which they participate.

## **B. ALLOCATION OF FUNDS**

HOME funds committed to the State of Tennessee, through THDA, will be allocated as provided in the State of Tennessee's Consolidated Plan, as amended. THDA will spend up to ten percent (10%) of its HOME allocation for administrative and planning expenses. THDA will use four percent (4%) of these funds for its own administrative expenses. The remaining six percent (6%) is available to pay the administrative costs of local governments and non-profit grant recipients. THDA will also set-aside up to 5% of its HOME allocation for CHDO operating expenses. Any funding remaining in the set-aside for CHDO operating expenses after all eligible CHDOs have been funded will be transferred to the Urban/Rural allocation. The balance of THDA's FY 2015-2016 HOME allocation, not including the 10% for administration CHDO set-aside and the 5% for CHDO operating expenses, will be divided as follows:

The 2015 HOME allocation is \$8,984,790. The amount of the 2016 HOME allocation is unknown until there is an approved federal budget. THDA will first award the 2015 HOME funding and, if there is a 2016 allocation, continue down the matrices to award the 2016 HOME funding. If the 2016 HOME allocation is \$1 million or less, all of the 2016 HOME funding would be allocated to the CHDO set-aside, less CHDO operating expenses and administration.

**CHDO Set-aside.** Fifteen percent (15%) of the total 2015 HOME allocation and 2016 HOME allocation will be reserved for eligible applications from CHDOs, including CHDOs located in Local PJs. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the \$500,000 maximum grant.

Beginning with the 2015 HOME allocation, HUD will no longer consider a PJ as meeting its 24-month CHDO commitment through a cumulative total of CHDO commitments since 1992, , and each grant year must meet its own 24-month commitment deadline. This means that a successful CHDO that receives an allocation of 2015 CHDO funds, must commit those funds to specific units no later than July 31, 2017 and a successful CHDO that receives an allocation of 2016 CHDO funds, must commit those funds to specific units no later than July 31, 2018. In addition, the execution of a HOME Working Agreement and the establishment of a CHDO sub-grant in IDIS is insufficient to meet this requirement. ***HUD will recapture any 2015 CHDO funds not committed to specific CHDO activities by July 31, 2017 and will recapture any 2016 CHDO funds not committed to specific CHDO activities by July 31, 2018.*** CHDO applicants need to be aware of these dates and have a pipeline of eligible home buyers so they can begin their projects as soon as the environmental reviews are completed.

If in the opinion of THDA, the applications submitted do not contain viable proposals or are from a CHDO that lacks the organizational potential to comply with all HOME affordability requirements, THDA may choose not to award all of the FY 2015 or 2016 CHDO funds in the current application round.

**Urban/Rural Allocation.** Seventy percent (70%) of the 2015 and 2016 HOME funds will be allocated for eligible projects in Urban and Rural areas of the State. The urban areas include the following counties: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen, Haywood, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties are considered Rural. The urban allocation is 44% of the remaining 70% of the funding, and the rural allocation is 56%. The percentages are based on the low-income population in the designated urban and rural counties. However, the urban areas do not include the low income populations of the local participating jurisdictions of Chattanooga, Clarksville, Jackson, Knox County, Memphis, Metropolitan Nashville-Davidson County, Shelby County, Sullivan County, and Washington County, excluding the Town of Jonesborough. There will be an urban and a rural matrix and the applicants will be scored, ranked and funded until all the funds are awarded. There is a \$750,000 maximum grant per county. Grants to successful applicants in the same county will be reduced proportionately should there be multiple successful applicants from the same county with a minimum grant of \$250,000, however, the THDA Board of Directors may award less than \$250,000 should there be more than three successful applicants from the same county.

HOME awards will be in the form of a grant. Grantees will be required to repay any HOME funds expended on projects that are not completed and ready for occupancy within 3 years of the date the Written Agreement is executed between the Grantee and THDA. Grantees may also be required to repay HOME funds as described in the Working Agreement.

## **C. ELIGIBLE ACTIVITIES**

There are specific eligible activities under the HOME Program that must address the housing needs of low-income households. Manufactured housing and manufactured housing lots are not eligible for HOME assistance. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, dormitories, including those for farm workers or housing for students, and units that require reconstruction. Eligible housing activities include:

### **1. Homeowner rehabilitation programs.**

*Housing Rehabilitation:* The use of HOME funds will be limited to the rehabilitation of existing housing units. A maximum of \$40,000 per house for rehabilitation costs (excluding building inspections, LBP inspections, energy related inspections, administration) will be allowed. Dilapidated structures that require reconstruction are not eligible and should not be scored. Priority should be given to the Uniform Property Condition Standards (UPCS) Checklist deficiencies identified during the initial inspection. Level 3, 2, and 1, respectively, rate the severity of the item needing the repair, including, but not limited to: roofs, HVAC systems, electrical systems, plumbing systems, foundation problems, water supply issues, exterior painting to maintain the structure, limited interior painting. The structure must exhibit at least one code violation as revealed by the initial code inspection.

HOME regulations require that after the work is complete, the entire structure must meet the UPCS and the adopted building code in effect for the jurisdiction in which the housing unit is located, or in the absence of a local building code, the State-adopted International code. Units assisted with HOME funds must require at least \$1,000 of rehabilitation work to bring the unit into compliance with the applicable codes. Housing units that cannot be brought up to the applicable code using the maximum grant funds are ineligible.

*Housing Rehabilitation Costs and Lead-based Paint.* If a unit to be rehabilitated was built after 1978, the rehabilitation costs are capped by the \$40,000 limit. *All units built prior to 1978 will require a risk assessment by a qualified lead inspector.* If the risk assessment of a pre-1978 unit discloses no lead, then the cap for rehabilitation costs will be \$40,000. If the risk assessment for a pre-1978 unit reveals the presence of lead-based paint and the estimated rehabilitation costs are less than \$25,000, then standard treatments will apply and the HOME subsidy for rehabilitation is limited to \$25,000. If the risk assessment reveals the presence of lead-based paint and the estimated rehabilitation costs exceed \$25,000, then abatement will be required by a qualified abatement contractor to provide rehabilitation assistance up to \$40,000.

## **2. Homeownership Programs.**

*CHDO.* CHDOs must use HOME funds to develop units for homeownership, including new construction or acquisition and substantial rehabilitation of substandard single-family dwellings. HOME funds must be the primary method of financing (without interest cost) for the development of affordable single-family units. The CHDO must be the owner and developer of all units at the time the units are constructed or rehabilitated. When units are sold to eligible home buyers, the HOME funds must be repaid to the CHDO as CHDO proceeds and must be used to develop additional single-family units for homeownership. A CHDO must allow an amount up to \$14,999 of HOME funds to remain with the unit as a soft second mortgage as necessary to qualify the household for permanent financing, but not less than \$1,000. THDA requires that a subsidy remain in the financing when the unit is sold so affordability is based on the less restrictive recapture provision of the HOME regulations. Any homeownership unit developed by a CHDO that cannot be sold to an eligible homebuyer within nine months of the Certificate of Occupancy must be converted to rental housing and rented to an income eligible tenant.

Before construction or acquisition and rehabilitation can begin under homeownership, all units must have eligible buyers pre-approved for a permanent loan. No speculative construction or acquisition is allowed. However, lease purchase is permitted if necessary and if the CHDO has an existing lease-purchase program.

*Cities, counties and non-profit organizations (non-CHDO).* Homeownership programs are restricted to a soft second mortgage necessary to qualify the household for permanent financing.

*Soft second mortgages.* Any HOME funds used for a soft second mortgage in homeownership programs are limited to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify the household for permanent financing, but not less than \$1,000. All grant recipients using HOME for soft second mortgages must use the THDA single-family underwriting template to determine the amount of HOME assistance, and must submit the determination to THDA for review and final approval. If the underwriting template indicates that the home buyer does not have an unmet need for the soft second mortgage, the grant recipient may not provide direct HOME assistance to that home buyer. The amount of the soft second mortgage is the “direct HOME subsidy” provided to the home buyer and subject to recapture.

The soft second mortgage will have an affordability period of five years which is forgiven at the end of the fifth year if the unit remains in compliance, i.e., the unit remains the permanent residence of the initial buyer and is not leased or vacated. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be

reduced by twenty percent (20%) per year of occupancy by the initial home buyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid.

*Sales Price Limits.* The sales price limit for homeownership programs are the Property Value Limits. See **Attachment Two: Property Value Limits Existing Homes HOME Purchase Price and New Homes HOME Purchase Price.**

*Underwriting.* Front and back end ratios may not exceed twenty-nine (29%) and forty-one percent (41%), respectively. Lower ratios are encouraged.

*Permanent Financing.* Under homeownership programs, THDA expects the use of THDA mortgage loans whenever suitable. Other financing may be used if it is comparable to a THDA mortgage loan. Permanent financing is considered comparable if the interest rate does not exceed the prevailing THDA Great Choice interest rate by more than one percentage point and when it is demonstrated that the home buyer represents a commensurate underwriting risk to the lender. All loans must have a fixed interest rate fully amortizing over the 30 year term of the loan. There can be no pre-payment penalty for early payoffs.

*Home Buyer Contribution.* The home buyer must make a contribution from their own funds equal to one percent (1%) of the purchase price of the property.

*Home Buyer Education.* All home buyers must complete a home buyer education program from a THDA qualified home buyer education trainer prior to purchase.

*Neighborhood market conditions.* Applicants proposing homeownership projects must document that neighborhood market conditions demonstrate a need for the project and must complete a market study as part of the 2015-2016 application cycle for homeownership programs.

*Deadline for Sale.* Homeownership units must be sold to an eligible home buyer within nine (9) months of project completion. If a homeownership unit is not sold to an eligible home buyer within nine months of the Certificate of Occupancy, the unit must be converted to rental housing for the appropriate rental affordability period or the HOME funds must be repaid by the grant recipient to THDA.

It is expected that the grant recipient will not only shepherd the home buyer through the home buying process, but also work toward fostering an on-going relationship with the home buyer. This includes facilitating additional homeowner counseling, verifying homeowner occupancy requirements on an annual basis, and monitoring mortgage loan default issues.

### **3. CHDO Operating Expenses, Developer's Fees and CHDO Proceeds.**

- a. *CHDO Operating Expenses.* A CHDO may request up to 7% of its grant as CHDO operating expenses to help with the administrative costs of operating a housing program. Operating expenses are separate from project funds and are funded from the 5% set-aside for CHDO operating expenses from the annual allocation.
- b. *Developers Fees.* A CHDO may also request an 8% developer's fee if the CHDO is acting as a developer of housing. The developer's fee is 8% of the HOME funds used to construct or acquire and rehabilitate the unit. The developer's fee is a project soft cost and counts against the maximum per unit subsidy limit.



- c. *CHDO Proceeds.* CHDO proceeds are the HOME funds returned to a CHDO upon the sale of a unit developed by the CHDO from the buyer's permanent financing. The CHDO must use its CHDO proceeds to develop more housing for homeownership. A CHDO may use 15% of the CHDO proceeds for operating expenses, divided as follows: Maximum of 7% for administration and Maximum of 8% for developer's fees. Once the CHDO proceeds are used a second time to develop more housing for homeownership, the HOME restrictions on the use of proceeds are eliminated. The 25% cap on the amount of CHDO proceeds that can be used for operating or administrative expenses has been eliminated. This policy applies retroactively to current, active CHDO grants.

#### **4. Project Soft Costs.**

In planning their programs, applicants may include the costs for inspections and work write-ups as a project-related soft cost. The costs for inspections and work write-ups are capped at \$2,500. In addition to the costs for inspections and work write-ups, the costs for lead-based paint inspections, risk assessments and clearance testing, and architectural and engineering fees are also paid as project soft costs. Costs associated with HUD-mandated THDA inspections are also a project soft cost, but do not count against the \$2,500 cap. All project soft costs count toward the HUD maximum per unit subsidy limit.

#### **D. PROHIBITED ACTIVITIES**

1. Provide project reserve accounts, or operating subsidies;
2. Provide tenant-based rental assistance for the special purposes of the existing Section 8 program, in accordance with Section 212(d) of the Act;
3. Provide non-federal matching contributions required under any other Federal program;
4. Provide assistance authorized under Section 9 of the 1937 Act (annual contributions for operation of public housing);
5. Carry out activities authorized under 24 CFR Part 968 (Public Housing Modernization);
6. Provide assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low Income Housing Mortgages);
7. Provide assistance (other than assistance to a home buyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by HUD and THDA in the written agreement. However, additional HOME funds may be committed to a project up to one year after project completion, but the amount of HOME funds in the project may not exceed the HUD maximum per-unit subsidy amount;
8. Pay for any cost that is not eligible under 24 CFR 92.206 through 92.209;
9. Use HOME funds for rental housing projects;
10. Provide assistance for a homeowner rehabilitation project by a CHDO from the 15% CHDO set-aside. A CHDO funded through the 15% CHDO Set-aside can only participate in the HOME program if they are the owner and developer of a project.

## E. LAYERING

Layering is the combining of other federal resources on a HOME-assisted project that results in an excessive amount of subsidy for the project. Such activity is prohibited. Grantees must analyze each project to insure that only the minimum amount of assistance is allocated to the project. In no case may the amount of HOME funds exceed the HUD Maximum Per Unit Subsidy Limit.

## F. MATCH AND LEVERAGE

For the FY 2015 and 2016 HOME programs, THDA will continue to provide the required federal match. Although no local match is required from applicants, THDA will count toward its matching requirement any non-federal project funds that qualify as match under the HOME rule.

In the scoring matrix, any project that has leveraged funds will receive additional points. Leveraged funds are funds provided by the local governments, grants from other sources and cash from program beneficiaries. Loan proceeds from a lending institution do not count as leverage. However, the savings generated from a below market interest rate will count as leverage. Administrative funds, *anticipated* fund-raising revenues, other THDA funds, and construction loans do not count toward leverage. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years.

The value of donated labor, materials and land will count toward leverage. The value of unskilled labor is set at the current minimum wage, and the value of skilled labor is set at twice the current minimum wage. The value of land and/or a building donated or acquired for a project prior to the application will count as leverage, but there must be an appraisal or tax assessment included in the application to document its value. In order to count donated supplies or materials, only the documented value of the actual goods or materials will be considered and they must be legitimately required by the program. The donor must provide a letter to confirm the amount of the supplies or materials. Proposed discounts will not count as leverage.

## G. HOME PROGRAM REQUIREMENTS

### 1. INCOME LIMITS

HOME funds may be used to benefit only low-income or very low-income households. "Low income households" means an individual or household whose income does not exceed 80% of the area median income, adjusted for household size. "Very low income household" means an individual or household whose income does not exceed 50% of the area median income, adjusted for household size.

The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other household member residing in the home. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

Current limits are in **Attachment Three: Income Limits for the HOME Program**. Median income for an area or the state shall be that median income estimate made by HUD. Median incomes change when HUD makes revised estimates.

### 2. FORMS OF ASSISTANCE

*Homeowner rehabilitation.* Assistance from grant recipients to program beneficiaries will be limited to forgivable grants that are completely forgiven after a specified period of time as long as the beneficiary adheres to the conditions of the grant.

*Homeownership programs.* Assistance from grant recipients to program beneficiaries as soft second mortgages will be limited to loans equal to the lesser of \$14,999 or the amount necessary to qualify the household for permanent financing which are forgiven at the end of 5 years.

### 3. COMPLIANCE PERIOD

*Homeowner rehabilitation.* Grants for homeowner rehabilitation projects shall have a compliance period of at least five years with a forgiveness feature of 20% annually. In order to enforce the compliance period, THDA will require that grant recipients obtain a grant note and a recorded deed of trust executed by the homeowners.

If the homeowner of a property that has been rehabilitated dies during the compliance period and the property is inherited by heirs, the property may be rented without repaying the unforgiven portion of the HOME subsidy to THDA. However, if the house is sold by the heirs during the affordability period, the remaining unforgiven portion must be repaid to THDA. This policy may be applied retroactively to prior HOME projects as needed.

### 4. AFFORDABILITY PERIOD

*Down Payment Programs by Local Governments or Non-CHDO Non-Profit Organizations.* A grant recipient that is a local government, or a non-CHDO non-profit agency may provide down payment and closing cost assistance as a soft second mortgage loan in an amount equal to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five years, secured by a Note and Deed of Trust between the grant recipient and the home buyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial home buyer and is not leased or vacated; and if the property is sold or transferred at the end of the affordability period, the home buyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial home buyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid to THDA by the Grantee.

*CHDOS.* At the time of the sale of the unit to an eligible home buyer, the CHDO must leave HOME funds in the unit as a soft second mortgage loan in an amount equal to the lesser of \$14,999 or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five years secured by a Note and Deed of Trust between the CHDO and the home buyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial home buyer and is not leased or vacated; and if the property is sold or transferred at the end of the affordability period, the home buyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial home buyer. If the unit is

leased or vacated during the affordability period, the entire HOME subsidy must be repaid to THDA.

*Sale or Transfer of the Property.* The HOME-assisted home buyer may sell or otherwise transfer the unit on or before the end of the affordability period to any willing buyer at any price, and the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial home buyer. The amount subject to recapture is limited by the availability of net proceeds. The net proceeds are the sales price minus superior non-HOME loan repayments minus closing costs. If the net proceeds are not sufficient to recapture the remaining outstanding principal balance of the HOME Note plus the amount of the down payment made by the homeowner, if any, plus the amount of any capital improvement investment made by the homeowner, then the grant recipient shall recapture a pro rata share of the net proceeds of the sale in lieu of the full remaining outstanding principal balance of the HOME Note. "Capital improvement investment" means the improvements to the property made at the home buyer's expense (and not through some other form of subsidy), as evidenced by receipts or cancelled checks detailing the capital improvements made. Capital improvements do not include items of maintenance, deferred maintenance or cosmetic improvements. The pro rata amount to be recaptured shall be calculated in accordance with the HOME Program Regulations at 24 CFR 92.254(a)(5)(ii)(A)(3) as follows:

If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the home owner since purchase, the grant recipient shall share the net proceeds according to the following formula:

$$\frac{\text{HOME Subsidy}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Amount to Recapture}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Amount to Recapture}$$

The new proceeds may be divided proportionately as set forth in these steps:

- a. *Application of Forgiveness Feature.* Once the net proceeds are determined from the sale of the property, the grant recipient shall reduce the amount due based on the length of time the home buyer has occupied the home in relation to the affordability period. Soft second mortgages up to \$14,999 have a five year affordability period and a forgiveness feature of 20% per year.
- b. *Amount subject to recapture.* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the home buyer to buy the housing unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- c. After the full HOME investment has been repaid, any excess profits will belong to the homeowner.

*Construction Financing.* For CHDOs using HOME for construction financing to develop homeownership units, the initial affordability period will be based on the amount of HOME funding invested in the development of the unit under the resale provisions of the HOME regulations. In order to enforce the provisions of the Working Agreement with the CHDO, THDA will require that a Restrictive Covenant and Deed of Trust be recorded against the property prior to drawing down HOME funds for construction. When the unit is sold to an eligible home buyer, THDA will provide the closing agent a copy of the release for Restrictive Covenant and Deed of Trust. The CHDO must provide the closing agent with a Grant Note and Deed of Trust between the CHDO and the home buyer for the soft second mortgage loan under the recapture provisions. Upon receipt by THDA of a copy of the Grant Note, the recorded Deed of Trust between the home buyer and the CHDO, the recorded deed from the seller to the home buyer, and the fully executed final TILA-RESPA Integrated Disclosure (TRID) Settlement Statement, the original Release of Lien is forwarded to the closing agent for recording.

#### 4. LEVEL OF SUBSIDY

MINIMUM HOME DOLLARS	\$ 1,000	PER UNIT
MAXIMUM HOME DOLLARS	\$57,234	0-BEDROOM (EFFICIENCY) LIMIT
	\$65,611	1-BEDROOM LIMIT
	\$79,782	2-BEDROOM LIMIT
	\$103,212	3-BEDROOM LIMIT
	\$113,295	4-BEDROOM OR MORE LIMIT

#### 5. PROPERTY STANDARDS

Property standards must be met when HOME funds are used for a project. Any housing constructed or rehabilitated with THDA HOME funds must meet all applicable local, county and state codes, rehabilitation standards, Uniform Property Condition Standards (UPCS), and zoning ordinances at the time of project completion.

In the absence of a local code, new construction of single-family units or duplexes must meet the current, State-adopted edition of the International Residential Code for One- and Two-Family Dwellings. The newly constructed units must also meet accessibility requirements and mitigate disaster impact as applicable per State and local codes, ordinances, etc. Rehabilitation of existing homeowner units must meet the current, State-adopted edition of the International Existing Building Code.

HOME funded units must also conform to the THDA Minimum Design Standards for New Construction and Rehabilitation of Single Family and Multi-family Housing Units. THDA must review and approve plans, work write-ups and written cost estimates and determine cost reasonableness for both new construction and rehabilitation prior to putting the project out to bid.

The International Code books are available from:

**Eastern Regional Office (BIR)** 900 Montclair Road  
Birmingham, AL 35213  
[P] 888-ICC-SAFE (888-422-7233) and press 0  
[F] (205) 599-9871  
Open 8 a.m. to 4 p.m., Central, Monday-Friday

**Central Regional Office (CH)** 4051 Flossmoor Road  
Country Club Hills, IL 60478  
[P] 888-ICC-SAFE (888-422-7233) and press 0  
[F] (708) 799-4981 or 1-800-214-7167  
Open 8 a.m. to 4 p.m., Central, Monday-Friday

**Western Regional Office (LA)** 5360 Workman Mill Road  
Whittier, CA 90601  
[P] 888-ICC-SAFE (888-422-7233) and press 0  
[F] (562) 908-5524  
Open 8 a.m. to 4 p.m., Pacific, Monday-Friday

**Website:** [www.iccsafe.org](http://www.iccsafe.org)

*Energy Code.* New construction projects must also meet the State-adopted edition of the International Energy Conservation Code. Copies of the Energy Code may also be obtained from the International Code Council at the address listed above.

*Energy Conservation.* In addition to meeting the State-adopted edition of the International Energy Conservation Code, new construction projects must be Energy Star qualified as certified by an independent Home Energy Rating System (HERS) rater or achieve a HERS index of 85 or less when tested by a certified rater.

*Section 504.* Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in federally assisted activities and programs on the basis of disability, and imposes requirements to ensure accessibility for qualified individuals with disabilities to these programs and activities.

## **6. AFTER REHABILITATION PROPERTY VALUE**

*For homeowner rehabilitation projects,* the maximum after rehabilitation value permitted for the type of single-family housing (1-4 family residence, condominium, cooperative unit,) shall not exceed 95% of the median purchase price for the area as established by HUD. The after rehabilitation value is determined by adding the appraised value of the land and improvements from the county assessor's office and the cost of the rehabilitation (construction hard costs plus project soft costs). See **Attachment Two: Property Value Limits – Existing Homes HOME Purchase Price.**

## 7. SALES PRICE LIMITS

The sales price limit for homeownership programs are the same as the Property Value Limits for homeowner rehabilitation programs. **See Attachment Two: Property Value Limits Existing Homes HOME Purchase Price and New Homes HOME Purchase Price.**

## H. UNIVERSAL DESIGN/VISITABILITY

THDA encourages the inclusion of features that allow individuals with physical disabilities to reside and/or visit the housing that is constructed or rehabilitated with federal HOME funds.

Universal design is a building concept that incorporates products, general design layouts and other characteristics to a housing unit in order to:

- Make the unit usable by the greatest number of people;
- Respond to the changing needs of the resident; and
- Improve the marketability of the unit

The goal of universal design seeks to build housing that meets the needs of the greatest number of residents within a community. Universal design differs from accessible design, which is primarily intended to meet the needs of persons with disabilities. However, universal design is inclusive of adaptable design as universal design incorporates structural features that will allow a housing unit to be adapted to an individual's current or future needs. Universal design features include, but are not limited to:

- Stepless entrances.
- Minimum 5' x 5' level clear space inside and outside entry door.
- Broad blocking in walls around toilet, tub and shower for future placement of grab bars.
- Full-extension, pull-out drawers, shelves and racks in base cabinets in kitchen.
- Front mounted controls on all appliances.
- Lever door handles.
- Loop handle pulls on drawers and cabinet doors.

More information on Universal Design may be found at The Center for Universal Design at North Carolina State University: <http://www.ncsu.edu/ncsu/design/cud/index.htm>.

Visitability refers to homes that are designed and built in a manner that allows individuals who have trouble with steps or use wheelchairs or walkers to live in or visit the unit. These features include:

- One zero-step entrance.
- Doors with 32 inches of clear passage space.
- One bathroom on the main floor that is accessible to a person using a wheelchair.

More information on Visitability can be found at: <http://www.visitability.org>.

## **I. HOME RELOCATION REQUIREMENTS**

### ***THDA DISCOURAGES PROJECTS INVOLVING DISPLACEMENT OR RELOCATION OF HOUSEHOLDS. PRIOR TO APPLICATION, CONTACT THDA IF YOU ARE PLANNING ANY PROJECT THAT MAY INVOLVE DISPLACEMENT OR RELOCATION.***

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), and its implementing regulations, 49 CFR Part 24 requires relocation assistance where acquisition has occurred under the Uniform Act. In addition, the Uniform Act coverage was expanded in 1987 amendments to cover displacement of individuals resulting from rehabilitation, demolition or private acquisition carried out under a federally assisted project or program.

Section 104(d) of the Housing and Community Development Act ("The Barney Frank Amendments") and HUD's Residential Anti-Displacement and Relocation Assistance Plan include additional relocation requirements. This extra level of relocation protection may be triggered for low-income households when units are converted or demolished with Community Development Block Grant (CDBG) or HOME funds. In addition, when Section 104(d) is triggered, jurisdictions may need to replace any low/moderate income dwelling units that are lost due to the conversion or demolition. This section refers only to residential relocation. If non-residential (commercial/industrial) relocation is involved, contact THDA.

Understanding how relocation requirements are triggered, alternate ways of meeting them, and the costs of the alternatives is essential in making HOME program decisions. Concerns about relocation may cause an administrator to consider establishing a preference for vacant buildings. However, administrators should also consider that vacant buildings are often very deteriorated. Rehabilitating an occupied building even with the cost of assisting tenants to remain or relocate, may be less costly than rehabilitating a vacant building. In occupied buildings, program administrators must consider whether occupants will be able to return after rehabilitation and whether Housing Choice Voucher (Section 8) assistance is available to help meet relocation costs. Selecting vacant projects does not relieve all relocation concerns. Vacant buildings in good condition may have been recently occupied. If so, the program administrator must consider whether the owner removed the tenants in order to apply for HOME assistance for a vacant building. If so, these tenants are displaced persons.

Skilled staff can save the local program money and build goodwill with owners and tenants. Failure to understand and follow relocation requirements can result in unnecessary costs for the local program. It is possible for uninformed owners and staff to take steps that would obligate the local program to provide significant relocation benefits and services. Early briefings for owners and program staff on relocation rules are essential. Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition consolidates relocation requirements for HOME and other HUD programs in one document. It is available from HUD Field Offices or by contacting THDA. HUD informational booklets for persons who are displaced or whose property is to be acquired are also available from HUD Field Offices or from THDA.

Uniform Relocation Act (URA) requirements are triggered at the time the application is being prepared, and additional requirements are triggered at the time the working agreement is signed between the owner and the grantee and when rehabilitation is completed. Treatment of displaced persons depends upon whether the displaced person is (1) a tenant or owner; (2) a business or household; (3) has income above or below the Section 8 Lower Income Limit.

**WHO IS A DISPLACED PERSON?** - Any person (household, individual, business, farm, or non-profit organization) that moves from the real property, permanently, as a direct result of rehabilitation, demolition, or



acquisition for a project assisted with HOME funds. Relocation requirements apply to all occupants of a project/site for which HOME assistance is sought even if less than 100% of the units are HOME assisted.

**WHO IS NOT A DISPLACED PERSON?** - A tenant evicted for cause, assuming the eviction was not undertaken to evade URA obligations. A person with no legal right to occupy the property under State or local law (e.g., squatter). A tenant who moved in after the application was submitted but before signing a lease and commencing occupancy, was provided written notice of the planned project, it's possible impact on the person (e.g., the person may be displaced, temporarily relocated, or experience a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under URA) as a result of the project. A person, after being fully informed of their rights, waives them by signing a Waiver Form.

### **HOW IS DISPLACEMENT TRIGGERED?**

*Before Application.* A tenant moves permanently from the property before the owner submits an application for HOME assistance **if** THDA or HUD determines that the displacement was a direct result of the rehabilitation, demolition, or acquisition for the HOME project. (e.g., THDA determines that the owner displaced tenants in order to propose a vacant building for HOME assistance.)

*After Application.* A tenant moves permanently from the property after submission of the application, or, if the applicant does not have site control, the date THDA or the local program administrator approves the site because: (1) the owner requires the tenant to move permanently; or (2) the owner fails to provide timely required notices to the tenant; or (3) the tenant is required to move temporarily and the owner does not pay all actual, reasonable out-of-pocket expenses or because the conditions of the move are unreasonable.

*After Execution of Agreement.* A tenant moves permanently from the project after execution of the agreement covering the acquisition, rehabilitation or demolition because the tenant is not provided the opportunity to lease a suitable, affordable unit in the project.

## **J. HOME RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

THDA will require grant recipients to replace all occupied and vacant habitable lower income housing demolished or converted to a use other than as lower income housing in connection with a project assisted with funds provided under the HOME Investment Partnership Act

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a working agreement committing THDA to provide funds for a project that will directly result in the demolition or conversion, THDA will make public by and submit to the HUD/Knoxville HOME coordinator certain information. Each applicant proposing demolition or any reduction in lower income housing units must submit the following information to THDA:

1. A description of the proposed assisted project;
2. The address, number of bedrooms, and location on a map of lower income housing that will be demolished or converted to a use other than as lower income housing as a result of an assisted project;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided;
5. The source of funding and a time schedule for the provision of the replacement housing;

6. The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy; and
7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved Consolidated Plan.

## **K. EQUAL OPPORTUNITY AND FAIR HOUSING**

No person in the United States shall on the grounds of race, color, religion, sex, familial status, national origin, or disability be excluded from participation, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds. The following Federal requirements as set forth in 24 CFR 5.105(a), Nondiscrimination and equal opportunity, are applicable to HOME projects:

Fair Housing Act	24 CFR Part 100
Executive Order 11063, as amended (Equal Opportunity in Housing)	24 CFR Part 107
Title VI of the Civil Rights Act of 1964 (Nondiscrimination in Federal programs)	24 CFR Part 1
Age Discrimination Act of 1975	24 CFR Part 146
Section 504 of the Rehabilitation Act of 1973	24 CFR Part 8
Section 109 of Title I of the Housing and Community Development Act of 1974	24 CFR Part 6
Title II of the Americans with Disabilities Act	42 U.S.C. §12101 <i>et seq.</i>
Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity	24 CFR Parts 5, 200, 203, 236, 400, 570, 574, 882, 891 and 982
Section 3 of the Housing & Urban Development Act of 1968	24 CFR 135
Section 3 requires that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low-income persons, particularly those who are recipients of government assistance for housing.	
Executive Order 11246, as amended (Equal Employment Opportunity Programs)	41 CFR 60
Executive Order 11625, as amended (Minority Business Enterprises)	
Executive Order 12432, as amended (Minority Business Enterprise Development)	
Executive Order 12138, as amended (Women's Business Enterprise)	

Executive Orders 11625, 12432, and 12138 (Minority/Women's Business Enterprise) require that PJs and local programs must prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women in all contracts. Local programs must also develop acceptable policies and procedures if their application is approved by THDA.

The HUD Office of Fair Housing also includes the following fair housing laws and Presidential Executive Orders which are not included in 24 CFR 5.105(a) but which are applicable to federally-assisted programs:

Architectural Barriers Act of 1968

42 U.S.C. §4151 *et seq.*

Executive Order 12892, as amended  
(Affirmatively Furthering Fair Housing)

Executive Order 12898

Executive Order 13166  
(Limited English Proficiency)

Executive Order 13217  
(Community-based living arrangements for persons with disabilities)

In addition to the above requirements, the PJ and local programs must assure that its Equal Opportunity and Fair Housing policies in the HOME Program are consistent with its current Consolidated Plan.

## **L. SITE AND NEIGHBORHOOD STANDARDS**

Housing provided through the HOME program must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, and HUD regulations issued pursuant thereto; and must promote greater choice of housing opportunities. Grantees must ensure that the proposed activity does not allow or promote segregation on the basis of race, disability or income.

## **M. AFFIRMATIVE MARKETING**

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:

1. Methods for informing the public, owners and potential tenants about fair housing laws and the local program's policies;
2. A description of what owners and/or the program administrator will do to affirmatively market housing assisted with HOME funds;
3. A description of what owners and/or the program administrator will do to inform persons not likely to apply for housing without special outreach;

4. Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness; and
5. Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

#### **N. ENVIRONMENTAL REVIEW**

In implementing the HOME program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environment Policy Act of 1969 (NEPA) and the related authorities listed in HUD's regulations at 24 CFR Parts 50 and 58.

THDA, as the Participating Jurisdiction, and the units of local government receiving HOME funds from THDA will be responsible for carrying out environmental reviews. THDA will approve the release of funds for local governments and must request the release of funds from HUD for any projects of non-profit organizations. The non-profit organizations will be responsible for gathering the information required for the environmental reviews. HOME funds cannot be committed until the environmental review process has been completed and funds have been released. The Environmental Review covers the entire project, not just the portion funded by HOME. Therefore, except under very limited circumstances, *no funds, including both HOME and non-HOME resources, may be expended on a project prior to the release of funds under the Environmental Review process. Any such expenditure will make the entire project ineligible for funding under the HOME program.*

#### **O. LEAD-BASED PAINT**

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.) and 24 CFR Part 35, Subparts C through M. The lead-based paint provisions of 982.401(j) also apply, irrespective of the applicable property standard under 24 CFR 92.251. The Lead-Based Paint regulations are available at [www.hud.gov/lea](http://www.hud.gov/lea) or by contacting 1-800-424-LEAD (5323).

#### **P. LABOR STANDARDS**

Davis-Bacon wage compliance and other Federal laws and regulations pertaining to labor standards apply to all contracts for rehabilitating or constructing 12 or more units assisted with HOME funds. The contract for construction must contain the applicable wage provisions and labor standards. Davis-Bacon does not apply to projects using volunteer labor or to sweat equity projects.

#### **Q. DEBARMENT AND SUSPENSION**

Local programs must require participants in lower-tier transactions covered by 24 CFR 24 to certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from the covered transaction.

#### **R. FLOOD PLAINS**

*HOME funds may not be used to construct housing in an area identified by the Federal Emergency Management Agency as having special flood hazards. In addition, THDA discourages the rehabilitation of*

units located in special flood hazard areas, but in a few instances and with written permission from THDA, houses located in a floodplain may be assisted. The community must be participating in the National Flood Insurance Program and flood insurance must be obtained on the units.

## **S. CONFLICT OF INTEREST**

In the procurement of property and services, the conflict of interest provisions at 2 CFR 200.112, apply. In all cases not governed by 2 CFR 200.112, the conflict of interest provisions of the HOME Rule as stated below apply:

The HOME conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of THDA, a State recipient or subrecipient receiving HOME funds. No person listed above who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a CHDO when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in 92.252(e) or 92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

Grant recipients should avoid conflicts of interest in administering their HOME programs as THDA does not routinely consider requesting exceptions to the conflict of interest provisions from HUD.

## **T. PROCUREMENT**

It is important to keep the solicitation of bids for goods and services as well as professional services contracts open and competitive. Cities, counties and non-profit organizations must follow their procurement policies and meet state and federal requirements. At a minimum, applicants must comply with 2 CFR 200.318 - General Procurement Standards.

Applicants should obtain 3 to 5 bids using formal advertising or requests for proposals for the procurement of professional services such as grant administration, inspections and work write-ups. There must be an established selection procedure and a written rationale for selecting the successful bid or proposal.

## **U. APPLICATION AND EVALUATION PROCEDURE**

THDA will evaluate each application to determine if the proposal meets threshold criteria. Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that in the opinion of THDA is physically, financially and administratively feasible; and the proposal of a project that meets the requirements of 24 CFR Part 92, as amended.

Additional requirements for non-profit organizations, including CHDOs, are listed on **Attachment One: Non-Profit/CHDO Checklist**. Documentation must be submitted along with the completed Checklist to demonstrate that the organization meets threshold requirements and has the capacity to provide affordable housing for low income households, including the administration of the proposed project.

Applications meeting the threshold criteria will be scored and ranked in descending numerical order within the “urban” matrix, the “rural” matrix or the CHDO matrix, based on the following categories:

## URBAN AND RURAL MATRICES

Up to 195Points

### 1. PROGRAM DESIGN

Up to 50 points

The proposed program demonstrates exceptional planning, readiness and administrative capability. All necessary components to accomplish the project have been identified in the application.

- Program administrators with the following characteristics have been identified:
  - Has personnel who are knowledgeable in HOME grant administration;
  - Has relevant experience in the administration of housing grants; and/or has otherwise shown the capability to administer the project;
  - Has the ability to follow the timeframe of Attachment B: Implementation Plan of the Working Agreement;
  - Is able to draw down funds in a timely manner;
  - Has a lack of monitoring findings;
  - Has not left HOME funds in excess of \$75,000 in a prior grant at closeout; and
  - Responds appropriately to client concerns or complaints, contractor’s concerns or complaints, and information requests from THDA staff.
  - THDA will also consider the number and locations of current grants an administrator is administering and other factors THDA, in its sole discretion, deems relevant, in evaluating an application.
- Individuals/firms providing architectural, construction management and/or inspection services have been identified and are qualified to perform the services.

- THDA will consider the number and locations of current grants for which an individual/firm is providing inspection services in any given program year, and other factors, THDA, in its sole discretion, deems relevant in evaluating an application.
- If applicable, the lead inspector and/or risk assessors have been identified and are qualified to perform the services.
- If the applicant is a local community, the local government is involved in the administration of the project.

## 2. NEED

Up to 50 points

THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. For homeowner projects, the need factors used are the percentage of owner households that are low income; the percentage of owner households with cost burden; the percentage of affordable owner units built before 1960; the percentage of food stamp recipient households in the county; percent of owner households greater than one and one-half times overcrowded; percent of county average homeowner delinquency rate (2014); percent of county poverty rate for all households (2013); and county unemployment rate (2014). Scores to be used in the evaluations are shown in **Attachment Four: 2015-2016 HOME Need Scores for Homeowner Projects**.

For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county.

## 3. NOT PROPORTIONALLY SERVED

Up to 50 points

THDA shall award up to 50 points to applications submitted from areas where the amount of prior HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1992 - 2014 HOME dollars awarded in each county. These calculations are shown in **Attachment Five: HOME Program Not Proportionally Served**. For multi-county projects, this score is calculated proportionately according to the number of units in each county.

## 4. DISASTER AREAS

10 points

THDA shall award 10 points to applications for projects located in counties that have been declared a presidential disaster area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date. See **Attachment Six: Disaster Counties** for the current disaster areas.

## 5. LEVERAGE.

Up to 10 points

THDA shall award up to 10 points to applications that include the use of funds from other sources. THDA will award points in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. In order to receive points, there must be written documentation of the leveraged funds in the application.

## 6. ENERGY CONSERVATION

Up to 10 points

THDA shall award up to 5 points to applications for rehabilitation that include an independent energy audit and, to the extent feasible, incorporate the recommendations of the audit report in the rehabilitation work write-up.

7. **TENNESSEE GROWTH POLICY ACT**

**10 Points**

TCA Section 6-58-109(c) requires THDA to award 5 points on a 100 point scale or a comparable percentage on a different point scale to municipalities or counties with approved growth plans when the local communities apply for HOME funds. Applications from counties not subject to the Tennessee Growth Policy Act will also receive these points. See **Attachment Seven: Growth Plan Approvals**.



## CHDO MATRIX

Up to 180 Points

### 1. CAPABILITY

Up to 50 points

The proposed project demonstrates exceptional planning and readiness.

Up to 25 points

- The program design is complete and all necessary components to accomplish the project are identified in the application.
- Sites have been identified and CHDO has site control. NOTE: THDA will not be able to issue a Working Agreement unless there are specific addresses or a legal description for the property.
- CHDO has a pipeline of potential home buyers ready to purchase or working toward readiness to purchase. NOTE: Commitment of CHDO funds must be to a specific address and home buyer to meet HUD's definition of CHDO commitment by the 24-month deadline.
- CHDO has completed an examination of neighborhood market conditions demonstrating a need for the proposed housing and the anticipated housing types, as well at the target locations or neighborhoods for which the housing is intended.
- CHDO has the capacity to secure other funding for the project. Commitment letters are included in the application.

The CHDO demonstrates sufficient capacity beyond threshold.

Up to 25 points

- The CHDO has produced successful affordable housing projects of similar size, scope and complexity.
- The CHDO has a demonstrated capacity to manage homeownership programs.
- The CHDO has paid staff with demonstrated housing development experience as documented by W-2 forms.
- The organization's budget reflects multiple sources of funding.
- If previous experience under HOME:
  - Has the ability to conform to the timeframe of Attachment B: Implementation Plan of the HOME Working Agreement;
  - Has the ability to draw down funds in a timely manner;
  - Has the ability to complete a project within the contract term;

- Has a lack of monitoring findings; and
- Appropriately responds to client concerns or complaints.

## 2. **NEED**

**Up to 50 points**

THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. For homeowner projects, the need factors used are percentage of owner households that are low income; the percentage of low income owner households with cost burden; and the percent of affordable owner units built before 1960; the percentage of food stamp recipient households in the county; percent of owner households greater than one and one-half times overcrowded; percent of county average homeowner delinquency rate (2014); percent of county poverty rate for all households (2013); and county unemployment rate (2014). . Scores to be used in the evaluations are shown in **Attachment Four: 2015-2016 HOME Need Scores for Homeowner Projects**.

For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county.

## 3. **NOT PROPORTIONALLY SERVED**

**Up to 50 points**

THDA shall award up to 50 points to applications submitted from areas where the amount of THDA and HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1992-2014 HOME dollars awarded in each county. These calculations are shown in **Attachment Five: HOME Program Not Proportionally Served**. For multi-county projects, this score is calculated proportionately according to the number of units in each county.

## 4. **DISASTER AREAS**

**10 points**

THDA shall award 10 points to applications for projects located in counties that have been declared a presidential disaster area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date. See **Attachment Six: Disaster Counties** for the current disaster areas.

## 5. **LEVERAGE.**

**Up to 10 points**

THDA shall award up to 10 points to applications that include the use of funds from other sources. THDA will award point in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. In order to receive points, there must be written documentation for the leveraged funds in the application.

## 6. **ENERGY CONSERVATION/UNIVERSAL DESIGN**

**Up to 10 points**

- a. For acquisition/rehabilitation and sale type homeownership projects, THDA shall award up to 10 points to applications that, to the extent feasible, include energy conservation measures in the rehabilitation of each unit.
- b. For new construction homeownership projects, THDA shall award 10 points to applications that agree to construct each single family unit in accordance with the following standards to enable the unit to be visitable to individuals with physical disabilities:
  - (1) At least one entrance door, whether located at the front, side, or back of the building, or through an interior garage;

- (A) Is on an accessible route served by a ramp or no-step entrance; and
  - (B) Has at least a standard 36 inch door;
- (2) On the first floor of the building:
- (A) Each interior door is at least a standard 32 inch door, unless the door provides access only to a closet of less than 15 square feet in area;
  - (B) Each hallway has a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold;
  - (C) Each bathroom wall is reinforced for potential installation of grab bars;
  - (D) Each electrical panel or breaker box, light switch, or thermostat is not higher than 48 inches above the floor; and
  - (E) Each electrical plug or other receptacle is at least 15 inches above the floor; and
- (3) The main breaker box is located inside the building on the first floor.

**APPENDIX E:**  
**ESG PROGRAM DESCRIPTION**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN



## HOUSING GRANT APPLICATION 2016 EMERGENCY SOLUTIONS GRANT PROGRAM

### Program Description and Application Package Tennessee Housing Development Agency

The Emergency Shelter Grants Program was established by the Homeless Housing Act of 1986 in response to the growing issue of homelessness in the United States. In 1987, the program was incorporated into Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. Sec. 11371-11378), now known as the McKinney-Vento Homeless Assistance Act. The U.S. Department of Housing and Urban Development awards these funds to the State of Tennessee. The Governor of Tennessee has designated the Tennessee Housing Development Agency (THDA) to administer ESG funds on behalf of the State.

The Emergency Solutions Grants (ESG) Program was created to replace the Emergency Shelter Grants program when the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) was signed into law on May 20, 2009. The HEARTH Act amended and reauthorized the McKinney-Vento Homeless Assistance Act, and included major revisions to the Emergency Shelter Grant Program.

The new ESG Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The change in program name reflects the change in focus from addressing the needs of the homeless in emergency or transitional shelters to assisting people to regain stability in permanent housing. THDA anticipates an ESG allocation in 2016 of approximately \$3 million. THDA will combine the 2016 resources with approximately \$1.2 million remaining in 2015 ESG funds.

As required under the HEARTH regulations, the State is required to consult with each Continuum of Care that serves its jurisdiction to determine how to allocate ESG funds. Thus, THDA identified needs within the State as indicated by the 2014 Continuum of Care (CoC) Point in Time (PIT) counts:

Continuum of Care	Number Homeless	Percent of Total Homeless	Continuum of Care	Number Homeless	Percent of Total Homeless
Appalachian Regional	598	6%	Memphis Shelby County	1,675	17%
Central TN	286	3%	Morristown/Blount, Sevier, Campbell, & Cocke Counties	933	9%
Chattanooga/Southeast TN	627	6%	Murfreesboro/Rutherford County	258	2%
Jackson/West TN	1,601	17%	Nashville/Davidson County	2,234	23%
Knoxville/Knox County	861	9%	Upper Cumberland	342	3%
<b>Total Homeless in All CoCs: 9,415</b>					

THDA's rating scale described in this program description will include input from THDA's consultation with each CoC.

The purpose of this Program Description is to explain the requirements and the application process for the ESG Program. Agencies applying for 2016 ESG funding must include in their application documentation that is supported by data showing: 1) need for the program; 2) evidence of homelessness or at-risk of homelessness population within the community; 3) a plan that summarizes how funds will be used to address the unmet needs of their community; and 4) evidence that the applicant has collaborated with the local Continuum of Care (CoC) and that activities selected will help the CoC to meet its goals to address and end homelessness. Preference is given to applicants whose programs will help to meet priorities identified by HUD, the State of Tennessee, and the local Continuum of Care. Programs that will provide access to permanent rapid re-housing are preferred.

ESG funds are awarded on a formula basis to the Small City Entitlement Communities and, on a competitive basis, to 501(c)(3) or 501(c)(4) non-profit organizations, with appropriate documentation. THDA will accept applications from eligible non-profit organizations within all 95 counties for the 2016 ESG application round.

Applications for the ESG program must be received by THDA on or before 4:30 PM CST on Thursday, March 17, 2016. Contingent upon an announcement of a 2016 ESG allocation, THDA anticipates notifying successful applicants by May 31, 2016 and issuing 2016 ESG contracts effective July 1, 2016 for the period July 1, 2016 through June 30, 2017. An applicant must apply for at least \$35,000 and may apply for a maximum of \$150,000 in ESG funding.

The program description is followed by the application package. The program description and application is also available at [www.thda.org](http://www.thda.org). Once at the THDA website, click on Grant Administrators/ESG Program. There will be a link for the program description, the application and the application attachments. If you have questions, contact the Community Programs Division of THDA at (615) 815-2030.

## **THE ESG PROGRAM**

The ESG program is governed by Title 24 Code of Federal Regulations, Parts 91 and 576. Those regulations are incorporated by reference in this Program Description. In cases of conflicting requirements, the more stringent requirement will apply.

The objectives of the ESG program are:

1. To help improve the quality of emergency shelters for the homeless;
2. To help meet the costs of operating and maintaining emergency shelters;
3. To provide essential services so that homeless individuals have access to the assistance they need to improve their situation;
4. To provide street outreach services to the homeless; and
5. To provide emergency intervention assistance and rapid-rehousing services to prevent homelessness and to obtain permanent housing.

Based on the activity, all ESG resources must be used to benefit individuals who are defined by HUD as “homeless” in 24 CFR Part 91 and 576.

HUD defines “homeless” as:

- (1) *Category 1:* An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground;
  - (ii) An individual or family living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - (iii) An individual who is exiting an institution where he or she resided for 90 day or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) *Category 2:* An individual or family who will imminently lose their primary nighttime residence, provided that:
  - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - (ii) No subsequent residence has been identified; and
  - (iii) The individual or family lacks the resources or support networks, e.g., family friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) *Category 3:* Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), SECTION 17(b) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434A);
  - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing the 60 days immediately preceding the date of application for assistance;
  - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

- (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) *Category 4: Any individual or family who:*

- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- (ii) Has no other residence; and
- (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

HUD defines an "at risk" individual or family as follows:

(1) *Category 1*

- a. Has family income below 30 percent of median income for the geographic area;
- b. Has insufficient resources immediately available to attain housing stability; and
- c. Meets one or more of the following criteria:
  - i. Has moved frequently because of economic reasons
  - ii. Is living in the home of another because of economic hardship
  - iii. Has been notified that their right to occupy their current housing or living situation will be terminated
  - iv. Is living in a hotel or motel
  - v. Lives in severely overcrowded housing
  - vi. Is exiting an institution; or
  - vii. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness (as defined in the Consolidated Plan for the jurisdiction).

(2) *Category 2*

- a. Such term includes all families with children and youth defined as homeless under other Federal statutes. Note that there are limits on expenses within this category in CoCs where homelessness (sheltered and unsheltered) is 1/10 or more of 1% of the total population (See CPD-12-001).



(3) *Category 3*

- a. This category includes children/youth who qualify as homeless under the Education for Children and Youth project (Section 725\*(2) of the McKinney-Vento Act) and the parents or guardians of that child/youth if living with him/her.

**A. CONSISTENCY WITH THE CONSOLIDATED PLAN**

All applicants serving a county located within a local HUD Consolidated Plan jurisdiction must obtain a “certificate of consistency” with the local HUD Consolidated Plan. Local HUD Consolidated Plan jurisdictions include:

- City of Bristol
- City of Chattanooga
- City of Clarkesville
- City of Cleveland
- City of Franklin
- City of Jackson
- City of Johnson City
- City of Kingsport
- City of Knoxville
- City of Memphis
- City of Morristown
- City of Murfreesboro
- Metropolitan Government of Nashville-Davidson County
- City of Oak Ridge
- County of Knox
- County of Shelby

Organizations serving communities located outside of those noted above are covered by the State’s Consolidated Plan. THDA will provide a certification of consistency with the State’s Consolidated Plan during the application review process.

**B. ALLOCATION OF FUNDS**

ESG funds committed to the State of Tennessee, through THDA, will be allocated as provided in the State of Tennessee’s Consolidated Plan, as amended. THDA will spend up to 7.5% of its ESG allocation for administrative and planning expenses. THDA will share the amount available for administration with the small city entitlement communities that do not receive their own ESG allocation from HUD. **Non-profit agencies are not eligible to receive funds for administration.**

The remaining ESG funds will be allocated as follows:

Small Cities Set-Aside. THDA will allocate 38% of the ESG funds on a formula basis to the twelve CDBG entitlement cities that do not receive ESG grants, but are expected to address homelessness through the “Continuum of Care” described in their Consolidated Plans. These cities are: Bristol, Clarksville, Cleveland, Franklin, Hendersonville, Jackson, Johnson City, Kingsport, Knoxville, Morristown, Murfreesboro, and Oak Ridge.

Competitive Allocation. The remaining 62% of the ESG funds will be allocated to eligible applicants in a competitive grant application process.

### C. ELIGIBLE APPLICANTS

The State of Tennessee, through THDA, will accept applications for the ESG program from non-profit organizations and local units of governments. Non-profit applicants must submit **PART V: Non-Profit Checklist** with supporting documentation, and **PART VI: Non-Profit Board Composition**.

To be eligible for ESG funding, the non-profit organization must:

1. Be organized and existing as a non-profit agency under Tennessee law, as evidenced by a Certificate of Existence from the Tennessee Secretary of State dated within six months of the application due date;
2. Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
3. Be established for charitable purposes and whose activities include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of shelter and services to the homeless;
4. Have standards of financial accountability that conform to 24 CFR 84.21, Standards of Financial Management Systems; and
5. Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.
6. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
7. Submit certification of participation in local Continuum of Care activities and HMIS reporting.

In accordance with 24 C.F.R. Section 576.202(a)(2), non-profit organizations are eligible to receive funding for emergency shelter activities only if such funding for emergency shelter activities is approved by the local government jurisdiction where the emergency shelter activities are physically located. Each application from a nonprofit must contain **PART VII: Certification of Local Government Approval** specific to the emergency shelter housing and service locations that it controls within each jurisdiction. This Attachment must be submitted to THDA at the time of application. If the organization intends to provide emergency shelter assistance in a number of jurisdictions, a certification of approval must be submitted by each unit of local government in which the emergency shelter activities are to be located.

### D. ELIGIBLE ACTIVITIES

1. **Street Outreach:** 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. Staff salaries related to carrying out street outreach are also eligible.

***Eligible Program Participants:*** Unsheltered individuals and families who qualify as homeless under Category 1 of HUD's Definition of "Homeless".

***Allowable Activities:***

- a. *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. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.
- b. *Case Management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: 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 participants progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.
- c. *Emergency Health Services.*
  - (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.
  - (ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
  - (iii) Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.
- d. *Emergency Mental Health Services.*
  - (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.

- (ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the area.
  - (iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolutions of the problem or improved individual or family functioning or circumstances.
  - (iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.
- e. *Transportation.* The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following:
- (i) The cost of a program participant's travel on public transportation;
  - (ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
  - (iii) The cost of purchasing or leasing a vehicle for the Grantee in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and
  - (iv) The travel costs of Grantee staff to accompany or assist program participants to use public transportation.
- f. *Services to Special Populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a) through (e) of this section. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, and sexual assault, or stalking.

2. ***Emergency Shelter:*** Funds may be used to cover the costs of providing essential services to homeless families and individuals in emergency shelters and operational expenses of emergency shelters.

***Eligible Participants:*** Individuals and families who qualify as homeless under Categories 1, 2, 3 and 4 of HUD's Definition of "Homeless".

***Allowable Activities:***

- a. *Essential Services.* This includes services concerned with employment, health, drug abuse, education and staff salaries necessary to provide these services and may include, but are not limited to:

- (i) *Case Management.* The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of:
  - (A) Using the centralized or coordinated assessment system as required under §576.400(d);
  - (B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility;
  - (C) Counseling;
  - (D) Developing, securing, and coordinating services and obtaining Federal, State and local benefits;
  - (E) Monitoring and evaluating program participant progress;
  - (F) Providing information and referrals to other providers;
  - (G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
  - (H) Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- (ii) *Child Care.* The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Children with disabilities must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
- (iii) *Education Services.* When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component service or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- (iv) *Employment Assistance and Job Training.* The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

- (v) *Outpatient Health Services.* Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services; including providing medication and follow-up services; and providing preventive and noncosmetic dental care.
- (vi) *Legal Services.*
  - (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.
  - (B) ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.
  - (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
  - (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.
  - (E) Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the Grantee is a legal services provider and performs the services itself, the eligible costs are the Grantee's employees' salaries and other costs necessary to perform the services.
  - (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
- (vii) *Life Skills Training.* The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

(viii) *Mental Health Services.*

- (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions.
- (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.
- (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
- (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

(ix) *Substance Abuse Treatment Services.*

- (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals.
- (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.
- (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

(x) *Transportation.* Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care or other eligible essential services facilities. These costs include the following:

- (A) The cost of a program participant's travel on public transportation;
- (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
- (C) The cost of purchasing or leasing a vehicle for the Grantee in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and
- (D) The travel costs of Grantee staff to accompany or assist program participants to use public transportation.

(xi) *Services for Special Populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term victim services means

services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

- b. ***Operations.*** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

Prohibition against involuntary family separation. The age of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses ESG funding or services and provides shelter to families.

**Expenditures limits of combined Street Outreach and Emergency Shelter services cannot exceed 60% of the entire ESG allocation. THDA reserves the right to adjust applicants' budgets if needed to remain within this requirement.**

3. ***Prevention Activities:*** Activities related to preventing persons from becoming homeless and to assist participants in regaining stability in their current or other permanent housing.

***Eligible Participants:*** 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".

4. ***Rapid Re-Housing Activities:*** Activities related to help a homeless individual or family to move into permanent housing.

***Eligible Participants:*** Individuals and families who meet HUD's definition of "Homeless" under Categories 1 and 4.

***Allowable Activities for Prevention and Rapid Re-Housing:***

- a. ***Financial Assistance*** – ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:
  - (i) Rental application fees. ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
  - (ii) Security deposits. ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
  - (iii) Last month's rent. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.



- (iv) Utility deposits. ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.
  - (v) Utility payments. ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
  - (vi) Moving costs. ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
- b. Service Costs. ESG funds may be used to pay the costs of providing the following services:
- (i) *Housing search and placement.* Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
    - (A) Assessment of housing barriers, needs and preferences;
    - (B) Development of an action plan for locating housing;
    - (C) Housing search;
    - (D) Outreach to and negotiation with owners;
    - (E) Assistance with submitting rental applications and understanding leases;
    - (F) Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
    - (G) Assistance with obtaining utilities and making moving arrangements; and
    - (H) Tenant counseling.
  - (ii) *Housing stability case management.* ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtain housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:

- A. Using the centralized or coordinated assessment system as required under §576.400(d) to evaluate individuals and families applying for or receiving homeless prevention or rapid re-housing assistance;
  - (B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance.
  - (C) Counseling
  - (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
  - (E) Monitoring and evaluating program participant progress;
  - (F) Providing information and referrals to other providers;
  - (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
  - (H) Conducting re-evaluations required under §576.401(b).
- (3) *Mediation.* ESG funds may pay for mediation between the program participant and the owner of person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
  - (4) *Legal Services.* ESG funds may pay for legal services, as set forth in §576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
  - (5) *Credit Repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

**The Grantee may set a maximum dollar amount that a program participant may receive for each type of financial assistance. The Grantee may also set a maximum period for which a program participant may receive any of the types of assistance or services.**

**Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources.**

c. *Short and Medium Term Rental Assistance Requirements and Restrictions*

- (i) Compliance with FMR (Fair Market Rents) and Rent Reasonableness;
- (ii) For purposes of calculating rent, the rent must equal the sum of the total rent, any fees required for rental (excluding late fees and pet deposits), and, if the tenant pays separately for utilities (excluding telephone) the monthly allowance for

utilities as established by the public housing authority for the area in which the housing is located;

- (iii) Compliance with minimum habitability standards;
- (iv) Tenant based rental assistance means that participants select a housing unit in which to live and receive rental assistance. Project based rental assistance means that grantees identify permanent housing units that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize it so that eligible program participants have access to the unit;
- (v) A standard and legal lease must be in place;
- (vi) No rental assistance can be provided to a household receiving assistance from another public source for the same time period (with the exception of rental arrears); and
- (vii) Participants must meet with a case manager at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting would increase the risk of danger to client).
- (viii) The Grantee must develop an individualized plan to help the program participant remain in permanent housing after the ESG assistance ends.
- (ix) The Grantee must make timely payments to each owner in accordance with the rental agreement. The Grantee is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

5. ***Homeless Management Information System (HMIS):*** Eligible costs include hardware; software; equipment costs; staffing for operating HMIS data collection, monitoring and analysis; reporting to the HMIS Lead Agency; training on HMIS use; and obtaining technical support. Domestic violence agencies may use HMIS funds may also pay for costs in obtaining and operating a comparable data collection program to HMIS, including user fees, software, equipment, training, and maintenance.

Local government recipients may distribute all or a part of their ESG funds to eligible, private 501(c)(3) or 501(c)(4) non-profit organizations for allowable ESG activities.

**For each of the eligible activities, THDA reserves the right to adjust funding requests to remain within the required percentages.**

## **E. INELIGIBLE ACTIVITIES**

1. *Under Street Outreach Services*, ESG funds may not be used for the following:
- a. Emergency medical and/or mental health services accessible or available within the area under an existing program; and
  - b. Maintenance of existing services already being provided within the past 12 months prior to funding.

2. *Under Emergency Shelter Services*, ESG may not be used for the following:
  - a. Acquisition of real property;
  - b. New construction or rehabilitation of an emergency shelter for the homeless;
  - c. Property clearance or demolition;
  - d. Staff training or fund raising activities;
  - e. Salary of case management supervisor when not working directly on participant issues;
  - f. Advocacy, planning, and organizational capacity building;
  - g. Staff recruitment and/or training
  - h. Transportation costs not directly associated with service delivery.
  - i. Recruitment or on-going training of staff;
  - j. Depreciation;
  - k. Costs associated with the organization rather than the supportive housing project (advertisements, pamphlets about the agency, surveys, etc.)
  - l. Staff training, entertainment, conferences or retreats;
  - m. Public relations or fund raising;
  - n. Bad debts or bank fees; and
  - o. Mortgage payments.
3. *Under Prevention and Rapid-Rehousing Activities*, ESG funds may not be used for the following:
  - a. Mortgage loan payments;
  - b. Pet deposits;
  - c. Late fees incurred if grantee does not pay agreed rental subsidy by agreed date;
  - d. Payment of temporary storage fees in arrears;
  - e. Payment of past debt not related to rent or utility; and
  - f. Financial assistance to program participants who are receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under URA during the same time period.
4. *Under HMIS*: Grantees that are not compliant with HUD's standards on participation, data collection, and reporting under a local HMIS will not be eligible for reimbursement for HMIS activities.

#### **F. MATCHING FUNDS**

The ESG program requires a dollar for dollar match for the ESG funds. Each application must contain **PART VIII: Certification of Matching Funds**. All Grantees must supplement their ESG funds with equal amounts of funds or in-kind support from non-ESG sources. Certain other federal grants contain language that may prohibit their being used as a match. Matching funds or in-kind support must be

provided after the date of the grant award to the Grantee and within the period of the ESG contract with THDA. The Grantee may not include funds used to match any previous ESG grant.

## **G. OTHER FEDERAL REQUIREMENTS**

1. NON-DISCRIMINATION AND EQUAL OPPORTUNITY. – Grantees must make facilities and services available to all on a nondiscriminatory basis, and publicize the facilities and services. The procedures a Grantee uses to convey the availability of such facilities and services should be designed to reach persons with disabilities or persons of any particular race, color, religion, sex, age, familial status, or national origin within their service area who may qualify for them. If not, the Grantee must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Grantees must adopt procedures to disseminate information to anyone who is interested regarding the existence and location of services or facilities that are accessible to individuals with disabilities.

Grantees must also comply with the requirements of 24 CFR Parts 5, 200, 203, et al Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity. The regulation is available at <http://www.gpo.gov/fdsys/pkg/FR-2012-02-03/pdf/2012-2343.pdf>. Grantees should include in their ESG standards a written policy for Fair Housing to all persons and/or families regardless of sexual orientation, gender identity or family identification.

2. LEAD BASED PAINT. - Housing assisted with ESG funds is subject to the Lead-Based Paint Poisoning Prevention Act and the Act's implementing regulations at 24 CFR Part 35, Subparts C through M for any building constructed prior to 1978. Grantees using ESG funds only for essential services and operating expenses must comply with Subpart K to eliminate as far as practical lead-based paint hazards in a residential property that receives federal assistance for acquisition, leasing, support services or operation activities.
3. PROPERTY MANAGEMENT STANDARDS. – Grantees are required to follow uniform standards for using and disposing of capital improvements and equipment. Equipment is defined as having a useful life of one year and a per unit value of \$5,000 or more.
4. RELOCATION AND DISPLACEMENT. – Grantees are required to take reasonable steps to minimize the displacement of persons, families, individuals, businesses, non-profit organizations or farms as a result of administering projects funded through ESG. Any persons displaced by the acquisition of property must be provided with relocation assistance (24 CFR 576.59).
5. ENVIRONMENTAL REVIEW. - In implementing the ESG program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environment Policy Act of 1969 (NEPA) and the related authorities listed in HUD's regulations at 24 CFR Part 58. THDA as the Responsible Entity and the units of local government funded by THDA will be responsible for carrying out environmental reviews.

THDA will review the release of funds for local governments and must request the release of funds from HUD for any projects of non-profit organizations. The non-profit organizations will be responsible for gathering the information required for the environmental reviews. ESG funds cannot be committed until the environmental review process has been completed. Commitments for expenditures made prior to the approval of the environmental review cannot be reimbursed with ESG funds.

6. CONFLICT OF INTEREST. - Each ESG Grantee must adopt a conflict of interest policy which prohibits any employee, persons with decision making positions or having information about decisions made by an organization, from obtaining a personal or financial interest or benefit from the organization's activity, including through contracts, subcontracts, or agreements. (24 CFR 576.57).
7. ASBESTOS. - Prior to renovation, Tennessee State law requires an asbestos inspection for any structure that is not a residential building having four or fewer dwelling units. The costs of asbestos removal may be included in the grant request.
8. CONTRACTUAL AGREEMENT. - All Grantees must enter into a contractual agreement with THDA. This Working Agreement includes all requirements contained in the ESG Interim Rule (24 CFR Part 576 and 91) in addition to all other applicable rules and regulations. The Working Agreement will include, but is not limited to the following:
  - a. BUILDING STANDARDS. - Grantees must ensure that any building for which ESG funds are used for meets the local government standards for safety and sanitation.
  - b. CERTIFICATION OF ASSISTANCE. - Grantees must certify that on-going assistance will be provided to homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision and other services essential for achieving independent living and other federal, state local and private assistance available for such persons.
  - c. CONFIDENTIALITY. - Grantees must develop procedures to ensure the confidentiality of victims of domestic violence.
  - d. DRUG AND ALCOHOL-FREE FACILITIES. - Grantees must administer a policy designed to ensure that each assisted homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries.
  - e. CLIENT PARTICIPATION. - Grantees must involve the homeless individuals and families in the maintenance and operation of facilities, and in the provision of services to residents of these facilities to the maximum extent possible. The involvement of homeless persons is required through the Housing and Community Development Act of 1992.
  - f. PROCUREMENT PROCEDURES. - Each ESG Grantee must have an appropriate procurement procedure in place. At a minimum, three telephone bids must be obtained for any equipment or furniture purchases to be charged totally or in part to ESG.
  - g. FAIR HOUSING. - All ESG Grantees must perform and document action in the area of enforcement and/or promotion to affirmatively further fair housing. During the grant year Grantees must carry out a minimum of one activity to promote fair housing. Non-discrimination and equal opportunity are applicable to ESG programs (24 CFR 5.105(a) as amended).
  - h. TERMINATING ASSISTANCE. - All ESG Grantees must have a formal process for terminating assistance to an individual or family. At a minimum, there must be an appeals

procedure with one level of administrative review for clients who are evicted or refused service from the facility for any reason.

- i. REPORTING REQUIREMENTS. - Each ESG Grantee must complete periodic reporting forms as required by THDA.
- j. HMIS PARTICIPATION. – All ESG Grantees must certify that they will fully utilize the Homelessness Management Information System (HMIS) for the Continuum of Care in which the assistance is delivered. While Grantees must work with their local HMIS administrator, please note that different areas within the state may use different systems and/or system administrators. The Grantee should work with their local CoC to coordinate HMIS access and technical assistance. The ESG Grantee assumes full responsibility for all reporting to THDA. Please check the following website for local CoC contact information and for information on the geographic areas covered by each CoC: <http://thda.org/business-partners/esg>. Please note that domestic violence programs are exempt from the HMIS requirement; however they will be required to provide aggregate data for ESG reporting purposes.
- k. COORDINATED ENTRY. – All Grantees must participate in the Coordinated Entry process of the Continuum of Care in which services are delivered. Grantees serving multiple Continuums of Care must participate in each Coordinated Entry process established by each CoC.
- l. SERVING FAMILIES WITH CHILDREN. – Organizations that use ESG funds for emergency shelter to families with children under the age of 18 shall not deny admission to any family based on the age of any child under age 18. Providing these families with stays in a hotel/motel or other off-site facility does not suffice. If the Grantee's facility serves families, provisions must be made for the facility to accommodate all families.

## **H. APPLICATION AND EVALUATION PROCEDURE**

THDA will evaluate each application to determine if the proposal meets threshold criteria. Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that meets the requirements of the ESG Interim Rule (24 CFR Part 576 and 91); Written ESG Standards, Habitability Standards, Confidentiality and Privacy Policies; and compliance and participation with the applicable Continuum of Care. Additional requirements for non-profit organizations are included in the application at **Part V: Non-Profit Checklist** and **Part VI: Non-Profit Board Composition**. Documentation must be submitted along with the completed Checklist to demonstrate that the organization meets threshold requirements and has the capacity to provide shelter, essential services and/or operations for programs serving the homeless. Applications meeting the threshold criteria will be scored and ranked in descending numerical order.

### **Key Applicant Eligibility Factors**

- Eligible non-profit agency or unit of general local government
- No outstanding findings or other issues from any program operated by THDA.
- Experienced homeless services/prevention provider

- Must be able to meet recordkeeping and reporting requirements, including HMIS utilization
- Must be able to meet HMIS requirements or, if a domestic violence program provider, a comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.
- Must be certified by local Continuum of Care Lead Agency as a participating member
- Must receive a Certification of Consistency with the Consolidated Plan if seeking funding for an emergency shelter and serving a community in which a Consolidated Plan is prepared locally
- Must receive local government approval if a nonprofit entity seeking funding to provide emergency shelter using ESG resources
- Must submit ESG Written Standards



## **ESG COMPETITIVE ALLOCATON RATING SCALE**

**100 POINTS**

### **1. PROGRAM DESIGN**

**UP TO 25 POINTS**

The proposed program design demonstrates exceptional planning, readiness and administrative capability. All necessary components to accomplish the project have been identified in the application. Program administrators and qualified staff have been identified. Project is reasonable and expenses are allowable by category funded. Project meets objectives of the local Continuum of Care. Program does not include excessive barriers to serving individuals who are homeless.

### **2. APPLICANT CAPACITY**

**UP TO 25 POINTS**

Documentation of applicant's administrative capacity to administer the ESG program and experience with grant funding; documentation of applicant's experience in serving the homeless in their community and assisting clients in maintaining permanent housing; Documentation of adequate knowledgeable staff and/or volunteers; documentation of board members' involvement; and documentation of applicant's knowledge and use of community resources.

### **3. FISCAL INFORMATION**

**UP TO 25 POINTS**

Completeness of budget. Clear and specific documentation of match, source(s) and level of committed cash match. Letters of support, documentation of real value of buildings or donations intended for match.

### **4. PERFORMANCE**

**UP TO 15 POINTS**

THDA will award 10 points to applications for projects focused on Rapid Re-Housing activities by applicants who have experience in providing these activities in accordance with HUD's guidelines. Consideration will be given to lack of other resources for rapid re-housing services in target areas.

THDA will award up to 15 points based on the applicant's past performance with grant administration and policy compliance, including: submission of accurate monthly draws, timely response to requests for information or documentation, percentage of drawdown of previous THDA funds, past monitoring and compliance in ESG requirements. THDA will evaluate current ESG grantees based on the total funds drawn as of February 29, 2016. New applicants will be given the average score of all applicants with existing ESG grants.

### **5. COORDINATION WITH COC PRIORITIES**

**UP TO 10 POINTS**

THDA will award up to 10 points for an application that meets the priorities established by the applicable Continuum of Care. This includes prioritizing activities and subpopulations that have been identified by the CoC as the greatest need.

**APPENDIX F:**  
**SOCIAL MEDIA MARKETING**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN



## Tennessee Housing Development Agency

Agency

This is your chance to speak up and give your input on the State of Tennessee's Annual Action Plan, which serves as the State's application for four federal housing programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons Living with AIDS (HOPWA)

THDA uses your public comments to modify and improve the Annual Action Plan before submitting it to the U.S. Department of Housing and Urban Development (HUD). You have until May 1, 2016, to share your thoughts and recommendations with us here:



### Public Notice and Comment

Review the FYE 2017 State of Tennessee Annual Action Plan and make your comments here

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2,106

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451

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1,001

LIKES

32

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4

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Apr 4

Tennessee's annual application for four federal housing programs is now up for public comment. Review & comment at [thda.org/about-thda/pub](http://thda.org/about-thda/pub)

THDA Retweeted

Ralph Perrey

@RalphPerrey

Mar 31

Thanks Franklin Rotary for the chance to talk about affordable housing and THDA's work in Williamson County

THDA Retweeted

REALTOR® Magazine

@realtormag

Mar 29

The majority of buyers want a home with about 9% more space than they currently have: [bit.ly/1UAbJDR](http://bit.ly/1UAbJDR)

Home Size

(Median Sq. Ft.)

■ Current Home Size

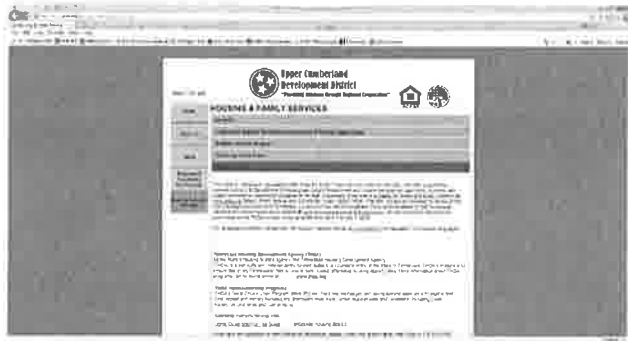
■ Desired Home Size

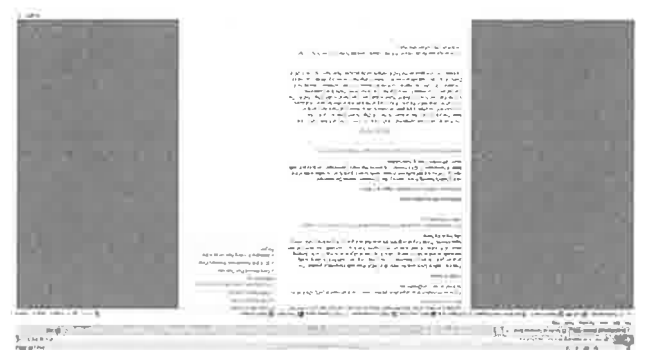
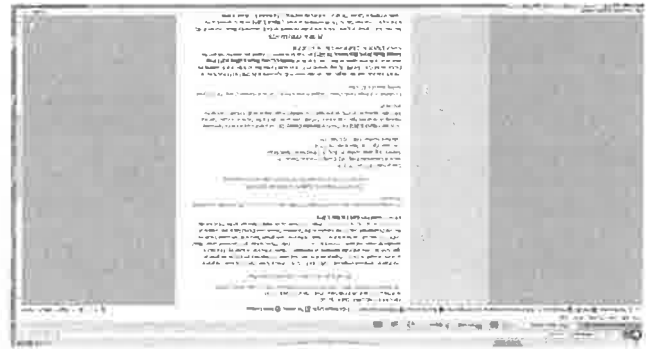
Age Group	Current Home Size (Median Sq. Ft.)	Desired Home Size (Median Sq. Ft.)
All	1,838	2,029
Millennials	1,795	2,079
Gen Y	1,880	2,015
Baby Boomers	1,877	1,879
Seniors	1,805	1,798

**APPENDIX G:**  
**PUBLIC NOTICES**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN







## NOTICE

The Tennessee Housing Development Agency (THDA) completed a draft of the Annual Action Plan for the State of Tennessee. The plan is submitted annually to the U.S. Department of Housing and Urban Development and citizens are given an opportunity to review and make comments on information contained in the plan. A summary of the plan is available for review and public comment at [www.thda.org](http://www.thda.org). Select "Public Notices and Comments" under "About THDA". The plan will also be available for review at the nine Development Districts of Tennessee. Locations of the nine Development Districts are available on the Tennessee Development District Association website at [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Written comments via electronic submission on the THDA website will be accepted from April 1 to May 1, 2016.

For language assistance, please click the Español button on [www.thda.org](http://www.thda.org) for translation in multiple languages.



## AVISO

La Agencia para el Desarrollo de la Vivienda de Tennessee (THDA, *Tennessee Housing Development Agency*) ha completado una versión preliminar del Plan de Acción Anual para el Estado de Tennessee. El plan es presentado anualmente al Departamento de Vivienda y Desarrollo Urbano de EE.UU., y los ciudadanos tienen oportunidad de revisarlo y hacer comentarios acerca de la información contenida en el plan. El 1 de abril de 2016, el plan estará disponible para su revisión y comentarios por parte del público en [www.thda.org](http://www.thda.org). Seleccione "*Public Notices and Comments*" bajo "*About THDA*" (si presiona el botón para convertirlo en Español, seleccione "Avisos y comentarios públicos Foros" bajo "Acerca de THDA"). El plan también estará disponible para su revisión en los nueve Distritos de Desarrollo de Tennessee. Ubicaciones de los nueve Distritos están disponibles por internet, en el sitio de web de la Asociación de Desarrollo de Distritos de Tennessee, en [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Se aceptarán comentarios por escrito que sean presentados electrónicamente a través del sitio de web del THDA, por internet, del 1 de abril al 1 de mayo de 2016.

## بيان

لقد إنتهت "وكالة تينيسي لتنمية الإسكان" (THDA، Tennessee Housing Development Agency) من العمل على مسودة خطة العمل السنوية لولاية تينيسي. وهذه الخطة مقدمة سنوياً لـ "وزارة الإسكان والتنمية الحضرية الأمريكية" (U.S. Department of Housing and Urban Development)، ويُعطى المواطنون فرصة الإطلاع على المعلومات المتضمنة في خطة وتقديم التعليقات عليها. ومسودة الخطة متوفرة لإطلاع وتعليق الجمهور العام عليها على [www.thda.org](http://www.thda.org). يرجى إختيار "Public Notices and Comments" في أسفل "About THDA". كما ستكون الخطة متوفرة للإطلاع عليها لدى "مقاطعات تنمية تينيسي" (Development Districts of Tennessee) التسع. ومواقع مقاطعات التنمية التسع مدرجة على [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). وسيتم القبول بالتعليقات الخطية عبر تقديمها إلكترونياً على موقع THDA من 1 أبريل/نيسان حتى 1 مايو/أيار 2016.

## ئاڭادارى

"دەزگای پەرەپېندانی نېشتەجیوونی تېنېستی (The Tennessee Housing Development Agency, THDA)" رەشنوسی پلانی کاری سالانەى ولایەتى تېنېسى تەواو کرد. ئەم پلانى بەشپۆیه کی سالانە پېشکەش دەکریت بە "وەزارەتى پەرەپېندانی شار و نېشتەجی بوونی ئەمریکا (U.S. Department of Housing and Urban Development)" وە هاوالاتیان دەرفەتى ئەوەیان پێدەدریت کۆمىتتى خۆیان بەدەن لەسەر ئەم زانیاریانەى لەم ناو ئەم پلانەدا هەیدە. کورتەدیک لەم پلانە هەیدە بۆ پێدەچونەو و کۆمىتتى هاوالاتیان لە سايتى [www.thda.org](http://www.thda.org) تکایە "Public Notice and Comment" لە ژێر "About THDA" هەلبژێرە. هەروەها ئەم پلانە هەیدە بۆ پێدەچونەو لە نۆ ناوچەى پەرەپېندانی تېنېستی. شوێنەکانى نۆ ناوچەى پەرەپېندان هەیدە لە سايتى کۆمەڵەى ناوچەى پەرەپېندانی تېنېستى لە [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). کۆمىتتى نوسراو لەرێگەى ئەندەر نېت لە سايتى THDA وەرەدەگیریت لە 1 ی نېسان تا 1 مایسى 2016.

## OBAVJEŠTENJE

Agencija za stambeni razvoj države Tenesi (Tennessee Housing Development Agency, THDA) završila je prijedlog Godišnjeg plana aktivnosti za državu Tenesi. Plan se dostavlja godišnje Ministarstvu stanovanja i urbanog razvoja SAD a građanima se pruža prilika da pregledaju i iznesu primjedbe na informacije sadržane u planu. Sažetak plana dostupan je za pregled i javne primjedbe na [www.thda.org](http://www.thda.org). Odaberite „*Public Notices and Comments*” (Javna obavještenja i primjedbe) pod „*About THDA*” (O THDA). Plan će takođe biti dostupan za pregled u devet razvojnih okruga države Tenesi. Lokacije devet razvojnih okruga dostupne su na veb-sajtu Udruženja za razvojne okruge države Tenesi (*Tennessee Development District Association*) na [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Pisane primjedbe poslate elektronski na veb-sajt THDA prihvaćaće se od 1. aprila do 1. maja 2016.

## ئاگەھدارى

“دەزگەھا پەرەپىئەدانا ئاكنجى بونا تىنىسى (THDA, The Tennessee Housing Development Agency)” رەشئوسەكا پلانا شولا سالانى بۇ وىلايەتە تىنىسى قىام كىرد. وى پلانى ب ئاوايدەكا سالانە دەپتە پىشكىش كىرن بو “وہزارەتا پەرەپىئەدانا باژىر و ئاكنجى بونا ئەمىرىكا (U.S. Department of Housing and Urban Development)” و دەلىف دەپتەدان بو ھافلاتيان داکو كۆمىنت و تېپىنىن خوہ لىسەر وى پىزانىان كو لىنازى وى پلانى ھەدە بنقىسن. وى پلان ھەنە ل سايتا [www.thda.org](http://www.thda.org) بو مەرھەما موراجەدەكرن و تېپىنىن ھافلاتيان. ھىقىدە “Public Notice and Comment” ل بن “About THDA” ھەلبىزىرى. ھەروەسا وى پلانى ھەنە بو موراجەدە كىرنى ل نو نافچەدى پەرەپىئەدانا تىنىسى. جەپىن نو نافچەدى پەرەپىئەدان ھەنە ل سايتا كۆمەلى نافچەدى پەرەپىئەدانا تىنىسى ل [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). كۆمىتىن نقىسراى بىرىكا ئەنتەرنىت ل سايتا THDA دەپتە وەرگىرن ل 1 مەھا نىسانى ھەتا 1 مايسا 2016.

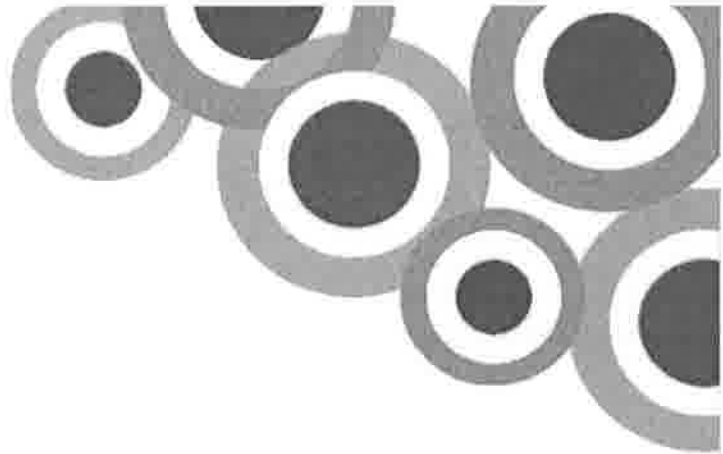
## OGEYSIIS

Wakaaladda Horumarinta Guryaha ee Tennessee [The Tennessee Housing Development Agency (THDA) waxay dhamaystirtay qabyo qoraal ah Qorshaha Tallaabada Sanadlaha ee Gobolka Tennessee. Qorshahan sanadlaha ah ayaa waxaa loo gudbiyaa Waaxda Guryaha iyo Horumarinta Magaalooyinka Mareykanka [the U.S. Department of Housing and Urban Development] oo muwaadiniinta waxaa la siiyay fursad ay dib ugu fiirinnayaan oo ayna faallo uga bixiyaan macluumaadka ku qoran qorshaha. Gunaanudka qorsha waxaad ka aqrisan kartaa oo dadka ay faallo uga bixin karaan bogga internetka oo ah [www.thda.org](http://www.thda.org). Dooro "Ogysiisyada Dadweynaha iyo Faallooyin" [Public Notices and Comments]oo hoostimaada "THDA ku Saabsan" [About THDA]. Sidoo kale qorshaha waxaad ka heli kartaa oo aad ka aqrisan kartaa xarunta sagaalaad ee Horumarinta Degmooyinka Tennessee (Development Districts of Tennessee). Goobaha sagaal ee Horumarinta Degmooyinka waxaad ka heli kartaa bogga internetka ee Ururka Degmada ee Horumarinta Tennessee oo ah [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Faallooyinka oo qoraalka ah oo dhanka elektaroonigga ah lagu soo gudbiyo bogga internetka ee THDA waxaan ogolaan doonaa laga bilaabo 1 Abriil ilaa 1 Maajo, 2016.

## Morgan Mansa

---

**From:** TN Housing Development Agency <mmansa@thda.org>  
**Sent:** Monday, April 04, 2016 2:34 PM  
**To:** Morgan Mansa  
**Subject:** TN 2016 Action Plan Public Comment Period



### **Submit Your Comments on the 2016-2017 Annual Action Plan!**

THDA has completed a draft of the Annual Action Plan for the State of Tennessee. The plan is submitted annually to the U.S. Department of Housing and Urban Development and citizens are given an opportunity to review and make comments on information contained in the plan. The public comment period begins on April 1, 2016, and runs until the end of the day on May 1, 2016.

Don't forget to forward this email and tell your clients, partners, community organizations, and any others throughout the state that would be interested in providing feedback. Our goal is to reach as many Tennesseans as possible.

**CLICK [HERE](#) TO ACCESS THE ACTION PLAN SUMMARY**

Thank you for your participation. Your feedback is important!

Questions about the Annual Action Plan?  
Email Bettie Teasley Sulmers, Director of Research & Planning: [bteasleysulmers@thda.org](mailto:bteasleysulmers@thda.org)

As the State's housing finance agency, the Tennessee Housing Development Agency (THDA) is a self-sufficient, independently funded, publicly accountable entity of the State of Tennessee. THDA's mission is to ensure that every Tennessean has access to safe, sound, affordable housing opportunities. More information about THDA programs can be found online at [www.thda.org](http://www.thda.org).



## Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street  
Nashville, TN 37243

[www.THDA.org](http://www.THDA.org)

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TN Housing Development Agency, 502 Deaderick St., Third Floor,  
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		<b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa	<b># Columns:</b> 6	<b>Page Depth:</b> 20.7500	
03/24/2016	0 X 0	Public Notice Classified	\$30.00		
			\$0.00	\$30.00	49,334
Caption: THDA Annual Action Plan For Noticias Libres					
<b>Franklin - La Campana</b>					
		<b>Publ. Day:</b> M	<b># Columns:</b> 0	<b>Page Depth:</b> 0.0000	
03/21/2016	0 X 0	Classified Special	\$310.59		
			\$0.00	\$310.59	5,000
Caption: THDA Annual Action Plan					
<del><b>Knoxville - Mundo Hispano Bilingual</b></del>					
		<del><b>Publ. Day:</b> W</del>	<del><b># Columns:</b> 0</del>	<del><b>Page Depth:</b> 0.0000</del>	
<del>03/25/2016</del>	<del>0 X 0</del>	<del>Classified National</del>	<del>\$100.00</del>		
			<del>\$0.00</del>	<del>\$100.00</del>	<del>0</del>
<del>Caption: Public Comment Notice THDA</del>					
<b>Memphis - La Prensa Latina</b>					
		<b>Publ. Day:</b> Su	<b># Columns:</b> 0	<b>Page Depth:</b> 0.0000	
03/27/2016	0 X 0	Classified Special	\$311.76		
			\$0.00	\$311.76	0
Caption: THDA Annual Action Plan					
<b>Nashville - El Crucero De Tennessee</b>					
		<b>Publ. Day:</b> F	<b># Columns:</b> 0	<b>Page Depth:</b> 0.0000	
03/25/2016	0 X 0	Classified Special	\$240.00		
			\$0.00	\$240.00	0
Caption: THDA Annual Action Plan					
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03/23/2016	1 X 3.5	Public Notice Classified	\$46.50	\$162.75	49,334		
			\$0.00				
Caption: THDA Annual Action Plan							
<b>Clarksville - The Leaf-Chronicle</b>							
		<b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa	<b># Columns:</b> 10	<b>Page Depth:</b> 21.5000			
03/23/2016	1 X 3.5	Public Notice Classified	\$38.51	\$134.78	9,241		
			\$0.00				
Caption: THDA Annual Action Plan							
<b>Columbia - The Daily Herald</b>							
		<b>Publ. Day:</b> Su,M,Tu,W,Th,F	<b># Columns:</b> 8	<b>Page Depth:</b> 21.0000			
03/23/2016	1 X 3.5	Classified National	\$11.50	\$40.25	8,052		
			\$0.00				
Caption: THDA Annual Action Plan							
<b>Cookeville - Herald-Citizen</b>							
		<b>Publ. Day:</b> Su,M,Tu,W,Th,F	<b># Columns:</b> 6	<b>Page Depth:</b> 21.5000			
03/23/2016	1 X 3	Classified National	\$12.73	\$38.19	9,463		
			\$0.00				
Caption: THDA Annual Action Plan							
<b>Dyersburg - State Gazette</b>							
		<b>Publ. Day:</b> Su,Tu,W,Th,F	<b># Columns:</b> 8	<b>Page Depth:</b> 21.5000			
03/23/2016	1 X 3.5	Classified National	\$14.45	\$50.58	11,000		
			\$0.00				
Caption: THDA Annual Action Plan							
<b>Jackson - The Jackson Sun</b>							
		<b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa	<b># Columns:</b> 10	<b>Page Depth:</b> 20.5000			
03/23/2016	1 X 3.5	Public Notice Classified	\$41.00	\$143.50	9,994		
			\$0.00				
Caption: THDA Annual Action Plan							
<b>Johnson City - Johnson City Press</b>							
		<b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa	<b># Columns:</b> 9	<b>Page Depth:</b> 22.5000			
03/23/2016	1 X 3	Classified National	\$22.72	\$68.16	24,548		
			\$0.00				
Caption: THDA Annual Action Plan							

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## THDA Seeks Public Comment on Application for Four Federal Housing Programs

April 4, 2016

by [RealEstateRama](#)

The Tennessee Housing Development Agency (THDA) is seeking public comment on the State of Tennessee's Annual Action Plan, which serves as the State's application for four federal housing programs

WASHINGTON, D.C. – (RealEstateRama) — The Tennessee Housing Development Agency (THDA) is seeking public comment on the State of Tennessee's Annual Action Plan, which serves as the State's application for four federal housing programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons Living with AIDS (HOPWA)

THDA and other State entities will use public comments to modify and improve the Annual Action Plan before submitting it to the U.S. Department of Housing and Urban Development (HUD). The public has until May 1, 2016, to share feedback and recommendations.

The proposed plan includes allocations for the State Fiscal Year beginning July 1, 2016, and ending June 30, 2017. As written, the plan includes \$25,265,266 for the Tennessee Department of Economic and Community Development to administer the CDBG program, \$12,532,260 for THDA to administer the HOME and ESG programs, and \$963,180 for the Tennessee Department of Health to administer the HOPWA program.

The total for the proposed Annual Action Plan is approximately \$170,000, or 0.4%, *less than* the current Fiscal Year 2015-2016 appropriations.

Click [here](#) to view the summary of the Annual Action Plan.

Click [here](#) to leave your comment(s) on the information contained in the Annual Action Plan.

Source: [Tennessee Housing Development Agency](#).

Category: [Housing & Development](#), [News](#), [Public](#) | [No Comments](#)

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**APPENDIX I:**  
**2016 COMMUNITY DEVELOPMENT BLOCK GRANT**  
**AWARDS**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN

# 2016 Community Development Block Grant Awards

The Department of Economic and Community Development was awarded \$25,265,266 by the U.S. Department of Housing and Urban Development for the 2016 CDBG program.

Applications were accepted for water, sewer, housing rehabilitation and community livability (general health and safety) categories. 140 applications were received requesting more than \$56MM.

The applications were scored by the TNECD Office of Community Programs. The scoring is composed of Community Need (unemployment rate, per capita income), Project Need (based on scores from TDEC, current services in place, contamination of water source, maps, etc.), Project Impact (number of low income people served, cost per person served, etc) and Project Feasibility and Essentialness for Community Livability projects as well as impact on economic development. The projects are ranked within their funding category and awarded based on a formula discussed at the CDBG Public Meeting in the fall.

An additional \$3.5MM in funding from the CDBG unexpended funds balance was proposed at the public meetings to fund projects in Tier 4 communities that did not get funded through the regular scoring. 11 additional projects (highlighted in red on the following pages) are proposed to be funded. The Governor's discretionary choices (three projects) are highlighted in orange on the following pages. All of these projects are included in the totals below.

The Office of Community Programs recommends approval from the TNECD Grant Committee for these 69 projects totaling \$27,732,311. \$500,000 in funding is also being reserved for Commercial Façade projects. The 23 applications received for those funds are being scored now.

## Recommended Funding

Administration	\$	605,305
Community Livability	\$	5,143,016
Housing	\$	1,561,040
Sewer Lines	\$	838,005
Sewer Systems	\$	8,725,946
Water Lines	\$	2,213,020
Water Systems	\$	9,251,284
Commercial Façade	\$	500,000
<b>Total Amount Awarded</b>	<b>\$</b>	<b>28,837,616</b>

<b>Amount Available from HUD for 2016</b>	<b>\$</b>	<b>25,265,266</b>
<b>Unexpended Funds</b>	<b>\$</b>	<b>3,500,000</b>
<b>Recovered Funds</b>	<b>\$</b>	<b>72,350</b>
<b>Total Amount Available</b>	<b>\$</b>	<b>28,837,616</b>

Community Livability

#	Applicant	Project Title	CDBG Request	Cmty Need	Project Need	Project Impact	Project Feasibility	Project Essential.	Economic Dev	Total
1	Halls	Ambulance	\$278,400	82	40	44	45	30	0	241
2	Haywood County	Ambulance Services	\$315,000	70	40	48	45	30	0	233
3	Ripley	Fire Protection	\$315,000	70	40	46	45	20	0	221
4	Bledsoe County	Nursing Home Improvements	\$315,000	59	40	46	45	20	0	210
5	Hamblen County	Fire Service Improvements	\$285,600	55	40	48	45	20	0	208
6	Blaine	Fire Protection Improvements	\$264,600	56	40	46	45	20	0	207
7	Pickett County	Emergency Services	\$315,000	62	40	44	40	20	0	206
8	Ducktown	Copper Basin Medical Center Renovation	\$315,000	53	40	41	40	30	0	204
9	Doyle	Fire Protection Services	\$315,000	67	40	31	40	20	0	198
10	Tracy City	Elimination of Slums and Blight	\$236,180	62	40	35	45	10	5	197
11	Alamo	Fire Protection	\$309,235	55	30	42	45	20	0	192
12	Parkers Crossroads	Fire Department Improvement	\$161,607	63	40	39	40	10	0	192

1	Fentress County	Pall Mall Emergency Shelter	\$315,000	52	35	39	45	20	0	191
2	Grainger County	Fire Protection Improvements	\$315,000	51	35	50	45	10	0	191
3	Johnson County	Fire Equipment	\$315,000	53	40	48	40	10	0	191
4	Brighton	Fire Protection	\$278,400	45	40	45	40	20	0	190
5	Alexandria	Fire Protection	\$315,000	51	40	34	40	20	0	185
6	Loretto	Fire Protection	\$315,000	68	40	17	40	20	0	185
7	Sharon	Brush Truck Acquisition	\$161,700	61	40	23	40	20	0	184
8	Viola	Fire Protection	\$273,168	54	40	29	40	20	0	183
9	Putnam County	Fire Protection	\$315,000	33	40	48	40	20	0	181
10	Chester County	Fire Department Improvements	\$152,561	47	40	28	45	20	0	180
11	Gilt Edge	Fire Department	\$313,619	43	40	37	40	20	0	180
12	Guys	Road Restoration	\$142,394	76	35	9	40	20	0	180
13	Cannon County	Fire Tanker Project	\$249,100	30	40	49	40	20	0	179
14	Estill Springs	Early Warning Sirens	\$130,000	27	40	45	45	20	0	177
15	Roane County	Emergency Services Improvements	\$315,000	31	40	50	35	20	0	176

Community Livability

16	Maury County	Drainage Improvements	\$315,000	34	40	46	45	10	0	175
17	Loudon County	Fire Service Improvements	\$300,000	14	40	45	45	30	0	174
18	Friendsville	Fire Service Improvements	\$189,000	28	40	44	40	20	0	172
19	Smith County	Emergency Services	\$315,000	38	40	30	40	20	0	168
20	Rives	Drainage Improvements	\$250,000	55	40	2	40	30	0	167
21	White County	Emergency Services	\$315,000	27	30	50	45	10	0	162
22	New Market	Fire Service Improvements	\$315,000	44	20	46	30	20	0	160
23	Samburg	Storm Drainage System Improvements	\$279,000	55	40	2	40	10	0	147
24	Huntland	Drainage Improvements	\$270,000	33	40	3	40	20	0	136
25	Petersburg	Fire Protection	\$315,000	26	40	2	40	20	0	128

**Requested \$10,194,564**

**Recommended \$5,143,016**

# Housing

#	<u>Applicant</u>	<u>Project Title</u>	<u>CDBG Request</u>	<u>Cnty Need</u>	<u>Project Need</u>	<u>Project Impact</u>	<u>Project Feasibility</u>	<u>Economic Dev</u>	<u>Total</u>
1	Gordonsville	Housing Rehabilitation	\$36,040	55	50	50	41	0	196
2	Crab Orchard	Housing Rehabilitation	\$525,000	57	35	50	45	0	187
3	Lake County	Housing Rehabilitation	\$500,000	85	15	35	50	0	185
4	Henderson	Housing Rehabilitation	\$500,000	63	30	45	46	0	184

1	Livingston	Housing Rehabilitation	\$434,070	64	20	50	45	0	179
2	Crossville	Housing Rehabilitation	\$525,000	57	25	50	42	0	174
3	Algood	Housing Rehabilitation	\$413,002	56	20	30	48	0	154
4	Cookeville	Housing Rehabilitation	\$328,096	42	10	45	45	0	142

**Requested                      \$3,261,208**

**Recommended                \$1,561,040**



Sewer Lines

<u>#</u>	<u>Applicant</u>	<u>Project Title</u>	<u>CDBG Request</u>	<u>Cmty Need</u>	<u>Project Need</u>	<u>Project Impact</u>	<u>Economic Dev</u>	<u>Total</u>
1	Huntingdon	Sewer Line Extension	\$327,600	74	100	26	0	200
2	Surgoinsville	Sewer Line Extension	\$510,405	42	40	46	0	128

1	Harrogate	Phase VII Sewer Line Extension	\$478,463	51	16	55	0	122
2	Jefferson City	Sewer Line Extension	\$349,184	57	0	30	0	87

**Requested                      \$1,665,652**

**Recommended                \$838,005**

Sewer Systems

<u>#</u>	<u>Applicant</u>	<u>Project Title</u>	<u>CDBG Request</u>	<u>Cnty Need</u>	<u>Project Need</u>	<u>Project Impact</u>	<u>Economic Dev</u>	<u>Total</u>
1	Tiptonville	Wastewater Treatment Plant Improvements	\$525,000	85	99	33	5	222
2	LaFollette	Sewer System Improvements	\$525,000	62	99	58	0	219
3	Dresden	Sanitary Sewer Improvements	\$347,399	70	100	46	0	216
4	Gleason	Sanitary Sewer Lagoon Improvements	\$223,511	57	97	51	0	205
5	Dyersburg	Wastewater System Improvements Project	\$525,000	50	97	52	0	199
6	Wartburg	Wastewater Treatment Plant Improvement	\$525,000	72	98	26	0	196
7	Oliver Springs	Wastewater Treatment Plant Improvements	\$525,000	38	100	51	0	189
8	Lafayette	Sewer System Improvements	\$525,000	43	89	51	0	183
9	Decherd	Wastewater Treatment Plant Improvements	\$400,000	35	100	41	5	181
10	Chapel Hill	Sewer System Improvements	\$361,250	54	84	42	0	180
11	Bells	Sewer System Improvements	\$448,186	58	84	37	0	179
12	Paris	Wastewater Treatment Plant Improvements	\$525,000	57	68	50	0	175
13	McEwen	Wastewater Treatment Plant Improvements	\$525,000	50	100	18	5	173
14	Mountain City	Sewer System Rehabilitation	\$525,000	42	98	33	0	173
15	Humphreys County	Wastewater Treatment Plant Improvements	\$525,000	50	100	18	0	168
16	Middleton	Sewer System Improvements	\$387,100	71	84	10	0	165

1	Lawrenceburg	Sewer System Improvements	\$525,000	67	42	54	0	163
2	Somerville	Sewer System Improvements	\$451,000	60	49	53	0	162
3	Athens	Athens Sewer System Improvements	\$525,000	53	42	60	5	160
4	Westmoreland	Sewer System Improvements	\$400,000	18	98	40	0	156
5	Etowah	Sewer System Improvements Project	\$523,250	60	42	49	5	156
6	Obion County	Sewer System Improvements	\$525,000	69	42	45	0	156

# Sewer Systems

7	South Fulton	Wastewater System Improvements	\$525,000	69	42	45	0	156
8	Jacksboro	Sewer Rehabilitation	\$493,750	66	26	63	0	155
9	Mosheim	Sewer Rehab	\$350,030	71	42	42	0	155
10	Englewood	Sewer System I&I Improvement Project	\$324,000	61	42	44	5	152
11	Jasper	Wastewater Treatment Plant Improvements	\$300,120	53	42	55	0	150
12	Lewisburg	Sewer System Rehabilitation	\$525,000	42	55	52	0	149
13	East Ridge	Sewer System Improvements Project	\$525,000	33	42	67	5	147
14	South Carthage	Sewer Pump Station Improvements	\$294,300	54	42	46	0	142
15	Madisonville	Phase VI Sewer System Rehabilitation	\$525,000	65	42	34	0	141
16	Martin	Sewer System Improvements	\$525,000	50	42	49	0	141
17	Lenoir City	Sewer System Improvements	\$525,000	28	97	9	5	139
18	Bethel Springs	Sewer System Improvements	\$525,000	64	55	18	0	137
19	Greeneville	Sewer System Improvements	\$525,000	49	42	45	0	136
20	Red Bank	Sewer System I & I Improvements Project Phase	\$525,000	26	42	60	0	128
21	Niota	Sewer System Improvements Project	\$475,000	57	44	17	5	123
22	Carthage	Wastewater Treatment Plant Improvement	\$525,000	35	42	41	0	118
23	Baxter	Sewer System Improvements	\$525,000	45	52	19	0	116
24	Wartrace	Sewer System Improvements	\$289,750	46	42	10	0	98
25	Bell Buckle	Sewer System Rehabilitation	\$350,000	34	42	7	0	83

**Requested \$19,018,646**

**Recommended \$8,725,946**

Water Lines

#	<u>Applicant</u>	<u>Project Title</u>	<u>CDBG Request</u>	<u>Cnty Need</u>	<u>Project Need</u>	<u>Project Impact</u>	<u>Economic Dev</u>	<u>Total</u>
1	White Pine	Water Line Extension	\$467,020	54	96	52	0	202
2	Unicoi County	Water Line Extension	\$525,000	63	100	32	5	200
3	Vanleer	Water Line Extension	\$331,000	32	100	59	0	191
4	Bedford County	Water Line Extension	\$390,000	56	100	26	0	182
5	DeKalb County	Water Line Extension	\$500,000	46	100	33	0	179

1	McMinn County	Water Line Extension	\$525,000	55	86	34	0	175
2	Cumberland County	Water Line Extension	\$525,000	49	100	25	0	174
3	Union County	Water Line Extension	\$381,300	47	100	24	0	171
4	Claiborne County	Water Line Extension	\$506,000	28	88	36	0	152
5	Marshall County	Water Line Extension	\$335,820	57	74	21	0	152
6	Hawkins County	Water Line Extension	\$525,000	46	91	12	0	149
7	Pittman Center	Water Line Extension	\$325,000	27	100	16	0	143

**Requested \$5,336,140**

**Recommended \$2,213,020**

# Water Systems

#	Applicant	Project Title	CDBG Request	Cmty Need	Project Need	Project Impact	Economic Dev	Total
1	Hohenwald	Water System Improvements	\$525,000	75	80	59	5	219
2	Spencer	Water System Rehabilitation	\$525,000	66	80	43	0	189
3	Enville	Water System Improvements	\$525,000	67	63	56	0	186
4	Celina	Water System Rehabilitation	\$525,000	75	60	50	0	185
5	Jellico	Water System Rehabilitation	\$525,000	68	60	55	0	183
6	Red Boiling Springs	Water System Rehabilitation	\$525,000	52	80	50	0	182
7	Sevier County	Water System Rehabilitation	\$525,000	43	80	53	0	176
8	Pikeville	Water Loss Improvements	\$500,500	69	60	46	0	175
9	Rocky Top	Water System Improvements	\$525,000	49	100	24	0	173
10	Hornsby	Water Main Replacement	\$249,760	76	60	34	0	170
11	Baileyton	Water System Rehabilitation	\$524,978	69	40	59	0	168
12	Collinwood	Water System Improvements	\$376,000	70	60	38	0	168
13	Meigs County	Water System Improvements	\$525,000	66	50	52	0	168
14	Cowan	Water System Rehabilitation	\$364,894	47	80	38	0	165
15	Hartsville/Trousdale County	Water System Rehabilitation	\$525,000	47	60	58	0	165
16	Greenfield	Water System Improvements	\$298,002	64	60	38	0	162

1	Trezevant	Water System Improvements	\$509,000	77	80	5	0	162
2	Polk County	Water System Improvements	\$525,000	54	50	57	0	161
3	Michie	Water Main Improvements	\$525,000	80	40	36	0	156
4	Ramer	Water System	\$104,650	72	50	34	0	156
5	St. Joseph	Water Treatment Plant Improvements	\$400,000	69	63	18	5	155

# Water Systems

6	Cumberland Gap	Water System Rehabilitation - Phase II	\$168,000	73	60	20	0	153
7	McMinnville	Water System Improvements	\$352,000	56	40	56	0	152
8	Hollow Rock	Water System Improvements	\$280,000	76	40	26	5	147
9	Rutherford	Water System Improvement - Clearwell	\$525,000	64	63	20	0	147
10	Rhea County	Water Systems Improvement	\$525,000	57	38	44	5	144
11	Monterey	Monterey Water Treatment Plant Upgrades	\$525,000	38	63	38	0	139
12	Sequatchie County	Water System Improvements	\$525,000	31	50	55	0	136
13	South Pittsburg	Water System Improvements	\$481,572	51	38	47	0	136
14	Lincoln County	Water System Improvements	\$525,000	18	60	55	0	133
15	Elkton	Water System Improvements	\$106,596	44	40	47	0	131
16	Clifton	Water Treatment Plant Improvements	\$500,000	71	40	14	0	125
17	Moscow	Water Treatment Plant Improvements	\$236,776	56	50	16	0	122
18	Pulaski	Water System Improvements	\$525,000	38	38	45	0	121
19	Franklin County	Water Treatment Plant Improvements	\$400,000	30	38	48	0	116
20	Pleasant Hill	Water System Improvements	\$525,000	42	40	20	0	102
21	Dunlap	Water Loss Project	\$525,000	42	40	8	0	90
22	Sardis	Water Treatment Plant - Storage Tank Rehabilitation	\$380,500	63	13	9	0	85

**Requested \$16,733,228**

**Recommended \$9,251,284**

### Unexpended Funds

- \$3,500,000 - Additional 2016 regular round applicants in Tier 4 counties
- \$1,000,000 - Expansion of LiftTN Microenterprise program to assist LMI entrepreneurs
- \$10,000,000 - Workforce development grants focused on facilities and capital purchases to assist with training
- \$1,000,000 – Support for communities that have had hospital closures
- \$1,000,000 - Project 95 (Investment
- \$2,000,000 - Rehabilitation and diversion of the Stanton sewer system
- \$3,000,000 - Construction of an EMS center to serve the southwest Haywood County
- \$500,000 (\$101,409.19 program income) - Asset-based community planning

### Sandy Disaster

Some of the Round 1 Shelby County activities under the B-13-DS-47-0001 disaster grant were unable to meet the expenditure timeline set forth in the grant, leading to the recapturing of \$1,183,537 of funds. The funds were recaptured from the funds obligated to non-Shelby County grants. TNECD proposes to use CDBG program income funds under the “CDBG Funds as Match” waiver to cover the recaptured amount and honor the obligations to these grantees.

## **APPENDIX J:**

### SUBSTANTIAL AMENDMENT DOCUMENTS



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### Public Notice for ConPlan-CDBG Substantial Amendment

**Tuesday, January 31st, 2017**

2015-2019 Consolidated Plan: CDBG Substantial Amendment Summary

The State of Tennessee Community Development Block Grant (CDBG) program has historically allocated the grant funds to eligible non-entitlement local governments for community development improvements including water and sewer infrastructure, public facilities, owner-occupied housing rehabilitation, and commercial façade improvements. Until the past few years, CDBG funds were also used for economic development loans. Through a process of reconciliation of grants funds an unexpended balance of \$22 million has been determined to be available for allocation. \$4 million was used to fund additional projects in from the 2016 regular CDBG application round. TNECD is proposing the following uses for the remaining balance of funds.

- \$1,000,000 to be used for rural microenterprise assistance. Microenterprises are considered to be businesses of five (5) or fewer employees including the owner(s).
- \$10,000,000 to be used for workforce development in rural Tennessee. These funds will be used to fund additional TCATs in rural areas that applied for the Drive to 55 Capacity Building Fund grant.
- \$2,000,000 to be allocated as a one-time use of funds to rehabilitate and reroute the Stanton Wastewater Treatment System.
- \$2,500,000 to be allocated as a one-time use of funds for the construction of an EMS facility in the southwest area of Haywood County.

#### Recent Posts

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2015-2019 Consoliated Plan

CDBG Substantial Amendment Summary

2015-2019 Consoliated Plan CDBG Substantial Amendment Summary

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- \$2,000,000 to be allocated as a one-time use of funds to rehabilitate and reroute the Stanton Wastewater Treatment System.
- \$2,500,000 to be allocated as a one-time use of funds for the construction of an EMS facility in the southwest area of Haywood County.
- \$1,000,000 to be used for Project 95. Funds will go toward the construction of a facility to create jobs in Harpeth County.
- \$300,000 to be used for the Asset-Based Planning initiative that will assist counties to identify, enhancement, and maximize their assets.
- \$300,000 to be used for a Retail Academy that will assist communities in developing and implementing plans and strategies to recruit and grow retail businesses.
- \$1,000,000 to be allocated for the use of unmet recovery needs in Sevier County as a result of the November, 2016 wildfires.

Please send comments and questions to Kent Archer at [kent.archer@tn.gov](mailto:kent.archer@tn.gov). All comments must be received by February 28, 2017.

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2015-2019 Consolidated Plan:  
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Summary

PUBLIC NOTICE – GNRC Finance &  
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PUBLIC NOTICE – THDA is charged  
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### 2015-2019 Consolidated Plan: CDBG Substantial Amendment Summary

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- \$2,500,000 to be allocated as a one-time use of funds for the construction of an EMS facility in the southwest area of Haywood County.
- \$1,000,000 to be used for Project 95. Funds will go toward the construction of a facility to create jobs in Hancock County.
- \$200,000 to be used for the Asset-Based Planning initiative that will assist counties to identify, enhancement, and maximize their assets.
- \$300,000 to be used for a Retail Academy that will assist communities in developing and implementing plans and strategies to recruit and grow retail businesses.
- \$1,000,000 to be allocated for the use of unmet recovery needs in Sevier County and a result of the November, 2016 wildfires.

Please send comments and questions to Kent Archer at [kent.archer@tn.gov](mailto:kent.archer@tn.gov). All comments must be received by February 28, 2017

Posted on: 6 Feb, 2017

## Public Notice- 2015-2019 Consolidated Plan: CDBG Substantial Amendment Summary

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### Affordable Housing Programs

#### 2015-2019 Consolidated Plan: CDBG Substantial Amendment Summary

The State of Tennessee Community Development Block Grant (CDBG) program has historically allocated the grant funds to eligible non-entitlement local governments for community development improvements including water and sewer infrastructure, public facilities, owner-occupied housing rehabilitation, and commercial façade improvements. Until the past few years, CDBG funds were also used for economic development loans. Through a process of reconciliation of grants funds an unexpended balance of \$22 million has been determined to be available for allocation. \$4 million was used to fund additional projects in from the 2016 regular CDBG application round. TNECO is proposing the following uses for the remaining balance of funds.

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Please send comments and questions to Kent Archer at kent.archer@tn.gov. All comments must be received by February 28, 2017.

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### The Tennessee Housing Development Agency (THDA)

As the State's housing finance agency, the Tennessee Housing Development Agency (THDA) is a self-sufficient, independently funded, publicly accountable entity of the State of Tennessee. THDA's mission is to ensure that every Tennessean has access to safe, sound, affordable housing opportunities. More information about THDA programs can be found online at [www.thda.org](http://www.thda.org)



#### 2015-2019 Consolidated Plan: CDBG Substantial Amendment Summary

The State of Tennessee Community Development Block Grant (CDBG) program has historically allocated the grant funds to eligible non-entitlement local governments for community development improvements including water and sewer infrastructure, public facilities, owner-occupied housing rehabilitation, and commercial façade improvements. Until the past few years, CDBG funds were also used for economic development loans. Through a process of reconciliation of grants funds an unexpended balance of \$22 million has been determined to be available for allocation. \$4 million was used to fund additional projects in from the 2016 regular CDBG application round. TNECD is proposing the following uses for the remaining balance of funds.

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Please send comments and questions to [Kurt.Ascher@kent.gov](mailto:Kurt.Ascher@kent.gov). All comments must be received by February 28, 2017.

THDA Homeownership



**setd**

southeast tennessee development

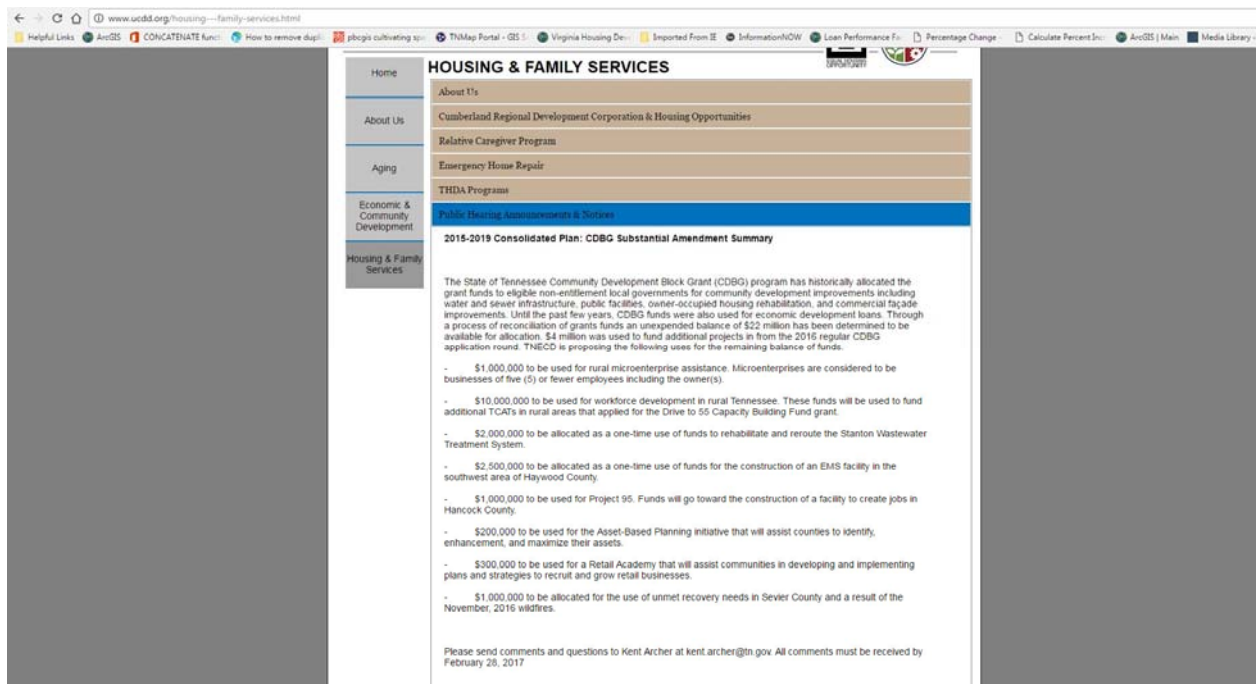
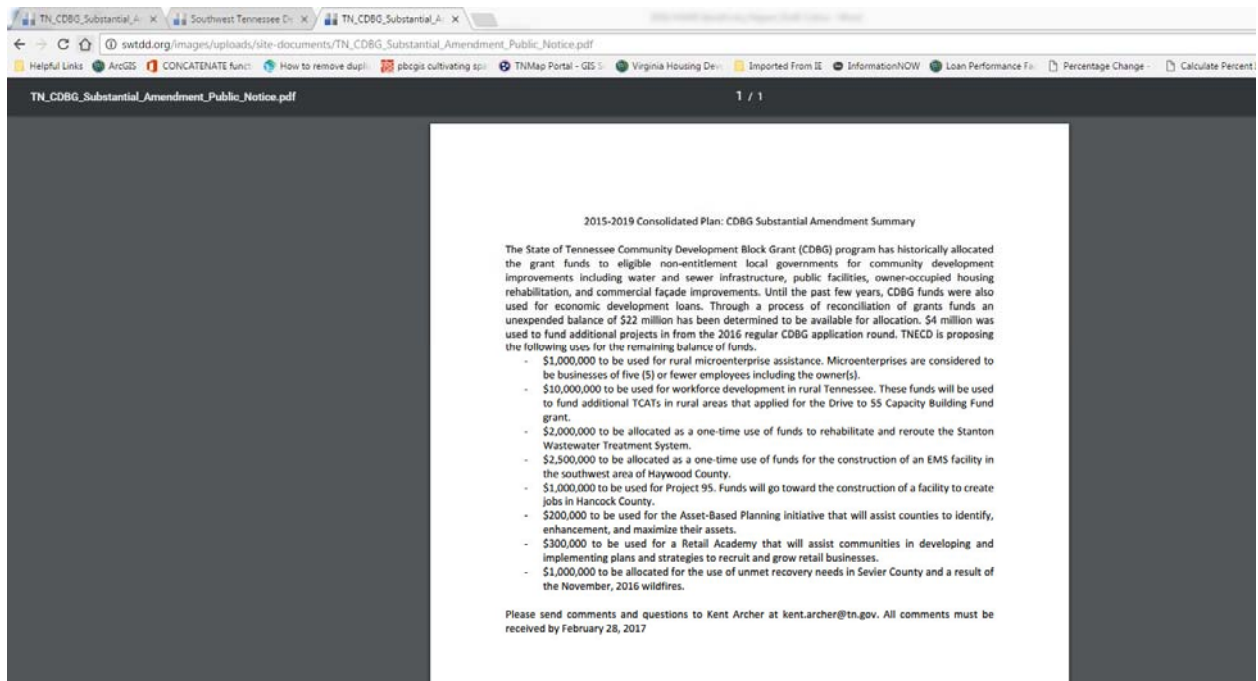
### housing program

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- \$10,000,000 to be used for workforce development in rural Tennessee. Funds for additional TCATs in rural areas that applied for the Drive to 55 Capacity Building Fund grant.



## **Notes on AP-50: Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

Through the process of reconciliation of grant funds, unexpended CDBG funds totaling approximately \$22 million was determined to be available for allocation. The following projects were selected for funding with the remaining balance of funds: Gatlinburg Wildfire Recovery, Stanton Wastewater Improvement, Southwest Haywood County EMS facility, and Project 95. These projects were considered based on national objective criteria, not specifically because of their geographic location. Two of the projects are in West Tennessee and two are in East Tennessee.

- a) Gatlinburg Wildfire Recovery: This project will allocate the funds for unmet recovery needs in Sevier County as a result of the November, 2016 wildfires due to urgent need.
- b) Stanton Wastewater Improvement: The Stanton Wastewater Improvement project is located in Haywood County Tennessee, a Tier 4 (economically distressed) county. This is a one-time use of funds to rehabilitate and reroute the wastewater treatment system there.
- c) Southwest Haywood EMS: The Southwest Haywood EMS project is also located in Haywood County Tennessee, a Tier 4 (economically distressed) county. This is a one-time use of funds for the construction of an EMS facility.
- d) Project 95: Project 95 funds are allocated to the most economically distressed (Tier 4) county in the State of Tennessee for a given grant year. For 2016, that county is Hancock County.

## **AP-25: Reason for Allocation Priorities**

Affordable housing and community development are the central needs addressed by the Consolidated Plan. The allocation priorities reflect the deep need for affordable housing in Tennessee both with the HUD resources provided to the state and other state resources dedicated to improving affordability and quality in housing for extremely low-, very low-, low- and moderate-income Tennesseans. As described in the Needs Assessment, Market Analysis, and Housing & Community Needs Survey responses, there is a continuing need for additional affordable housing opportunities across the state.

The majority of Tennessee's housing stock, 36% owner-occupied and 42% renter-occupied, was built between 1950 and 1979. Furthermore, 11.2% of the total units were built prior to 1950. Based on the age of most of the housing stock alone, there is a need for rehabilitation of both rental and ownership units. Further, feedback from stakeholders collected in the Housing & Community Needs Survey states a general need for owner- and rental-occupied rehabilitation. According to the Housing Affordability table in section MA-15, there were 187,325 renter households with less than 30 percent of AMI in Tennessee from 2007-2011. During the same time period, there were 70,610 rental units affordable to households in this income level (this does not include public housing, HVC, or other subsidized housing). In addition to the general needs for affordable housing, there is a high need for the development, rehabilitation, and provision of associated housing services and facilities for homeless and non-homeless special populations, especially persons with disabilities and rural homeless. As noted in the Needs Assessment of the Consolidated Plan, there are needs for accessible units, homeless facilities, and housing assistance to adequately serve these populations.

Additionally, based on stakeholder and citizen feedback, there is a general need for infrastructure, community facilities, and economic development activities through business assistance and development programs and downtown revitalizations. Many communities in Tennessee have delayed improvements and maintenance to infrastructure and community facilities, heightening the need for these activities. Many communities in Tennessee are still recovering from the economic recession and recent natural disasters, resulting in a need for continued economic development and revitalization activities.

HOPWA: the proposed distribution of funds address all of our priority need housing areas to include but not limited to preserving affordable housing, provide suitable living environments, permanent housing placement- PHP, short term rent, mortgage and utility assistance STRMU, tenant-based rental assistance –TBRA, Supportive Services- 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.

Disaster Recovery Needs: The State will continue the use of the Disaster Recovery funds to rebuild, reestablish, and improve communities that were impacted by presidentially declared disasters in 2008, 2010, and 2011. The State will also utilize funding awarded as part of the National Disaster Resilience Competition to develop and build a mindset of using HUD and other leveraged funds to become more resilient to natural and economic disasters.



## **CDBG Substantial Amendment Allocation Priorities**

Under a minor amendment to the CDBG action plan, \$3,800,000 of the unexpended funds were used to fund additional regular round CDBG projects in Tier 4 counties, which are counties that are economically distressed or at risk of becoming economically distressed.

- **Expansion of the LiftTN Microenterprise Program:** In 2015, program income funds were used to conduct a pilot program providing assistance to microenterprise businesses. Grants were provided to organizations to assist and advance microenterprise businesses and entrepreneurs. The grantees predominately assisted business owners of LMI status. The pilot was successful enough to warrant a formal grant round of \$1,000,000. The program will continue to focus on providing the LMI entrepreneurs and microenterprises in non-entitlement and often economically distressed areas the technical assistance, knowledge, and skills for success. Additional detail is provided in AP-30 Method of Distribution.
- **Stanton Sewer System Improvements:** With a \$2,000,000 grant, assist in the improvement of rerouting of the Stanton Sewer System. The route will flow through the Memphis Regional Megasite system and discharge into the Mississippi River. This will remove the discharge point from a tributary of the Hatchie River, the largest free-flowing tributary of the Mississippi River. This project will have a positive functional and environmental impact on the community and surrounding area. Stanton has an LMI percentage of 65.9%. This project will provide assistance to the LMI population as meeting the National Objective. Additional detail is provided in AP-30 Method of Distribution.
- **Project 95:** This project will use \$1,000,000 toward the construction of a call center in Hancock County (Tennessee's 95th economically ranking county). TNECD is partnered with Departments of Health, Mental Health and Substance Abuse Services, Education, and Labor and Workforce Development. This project was developed with the community based on their best opportunity for job growth and higher paying jobs in the community. Hancock County has an LMI percentage of 57.8%. This project will provide assistance to the LMI population as meeting the National Objective. Additional detail is provided in AP-30 Method of Distribution.
- **Sevier County Wildfire Recovery:** This project seeks to use \$1,000,000 for unmet recovery needs in Sevier County as a result of the November, 2016 wildfire. These funds will be targeted for water infrastructure repair or expansion. As a result of the wildfires, the county water system infrastructure was either identified as damaged or unable to respond to the needs to combat the fires. The county recognized the need for the improved water system infrastructure for enhanced preparedness and resilience for future wildfires. This project will be funded under the Imminent Threat and Urgent Need National Objective. Additional detail is provided in AP-30 Method of Distribution.
- **Haywood County EMS Facility:** Haywood County is a distressed county in West Tennessee; however, it is poised to see economic growth with the development of the Memphis Regional Megasite. The site is located in the southwest corner of the county, and as the area grows the need for reliable and responsive emergency services in the area will increase. This project will grant \$2,500,000 to the county for the construction of an Emergency Services facility to serve the area. The LMI National Objective will be met with this project. Additional detail is provided in AP-30 Method of Distribution.

- Workforce Development Facilities: This project will use \$10,000,000 to fund additional projects from the Drive to 55 Capacity Fund grant competition. This grant program sought applications from four-year, two-year, and technical education colleges and institutions to expand capacity to provide post-secondary education and skills for an improved workforce. CDBG funds will be used for facility construction and improvements, and purchase of large equipment necessary to train prospective students at technical colleges in predominately LMI, non-entitlement areas of Tennessee. Assistance to LMI persons will be the National Objective being met. Additional detail is provided in AP-30 Method of Distribution.

**CDBG Unexpended Funds (Minor Amendment) Allocation**

<b>Grantee</b>	<b>Project Description</b>	<b>Amount</b>
Bethel Springs	Sewer System Improvements	\$525,000
Cumberland Gap	Water System Rehabilitation - Phase II	\$168,000
Fentress County	Pall Mall Emergency Shelter	\$315,000
Grainger County	Fire Protection Improvements	\$315,000
Guys	Road Restoration	\$142,394
Jacksboro	Sewer Rehabilitation	\$493,750
Johnson County	Fire Equipment	\$315,000
Michie	Water Main Improvements	\$525,000
Ramer	Water System	\$104,650
Trezevant	Water System Improvements	\$509,000
White County	Emergency Services	\$315,000
Claiborne County	Water Line Extension - partially funded with Unexpended Funds (Minor Amendment)	\$72,206
		\$3,800,000

## CDBG Program Income Uses

Projects Funded with PI	Amount
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Program Income Balance, June 2016	\$5,219,243
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Allocations of PI through June 30, 2016

Balance of 2013 Regular Round grants	\$515,045
Balance of 2014 Regular Round grants	\$768,925
Balance of Microenterprise grants	\$359,888
Balance of 2015 Regular Round grants	\$618,739
2015 Commercial Façade grants	\$585,000
2015 Imminent Threat grant	\$315,000
<b>TOTAL</b>	<b>\$3,162,597</b>

Allocations of PI in State FY 2017

Grant for assistance to Pickett Co	\$25,000
2016 Commercial Façade grants	\$249,250
2016 Imminent Threat grant	\$622,000
2011 Disaster grants	\$1,022,974
<b>TOTAL</b>	<b>\$1,919,224</b>

Amount Drawn Down in State FY 2017 through May 10, 2017	\$3,531,973
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Remaining Balance to be Obligated, Updated May 10, 2017	\$1,236,639
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