


TN HOUSING TRUST FUND

2024 COMPETITIVE GRANTS APPLICATION WORKSHOP

JANUARY 18, 2024

WELCOME!

- Welcome to the Application Workshop for the TN Housing Trust Fund Competitive Grants 2024 Grant Round.
- Please put yourself on mute until you ask a question. 
- Please hold questions until the end unless relevant to the slide being presented.

DISCLAIMER

THIS WORKSHOP DOES NOT TAKE THE PLACE OF READING THE 2024 THTF COMPETITIVE GRANTS PROGRAM DESCRIPTION.

IT IS THE RESPONSIBILITY OF EVERY APPLICANT TO REVIEW ALL PROGRAM MATERIALS PRIOR TO APPLYING.



2024 HIGHLIGHTS

- Competitive Grants Program is now on an annual schedule rather than a summer/winter schedule.
- The amount available for the 2024 grant round is approximately \$4 million.
- Eligible Activities are Rental only.
- Maximum grant amount is \$600,000.
- Income limits of households served must be at or below 80% AMI.

2024 HIGHLIGHTS

- Applications are due **Thursday, February 29, 2024 by 4:00 pm Central Time.**
- Funding announcements by May 10, 2024.
- Contract term:
July 1, 2024 through June 30, 2027.

DRAW DOWN REQUIREMENTS

Applicants with prior Competitive Grants must meet draw down requirements by **February 29, 2024** to be eligible.

Grant Year	Draw Requirement
2020 Spring and Earlier	100%
2021 Winter	75%
2022 Summer	50%
2022 Winter	25%

DRAW DOWN REQUIREMENTS

Applicants with prior NHTF, HOME Rental & HOME ARP grants must meet draw down requirements by **February 28, 2024** to be eligible.

Grant Year	Draw Requirement
Any 2020 Round	100%
Any 2021 Round	100%
Any 2022 Round	75 %
Any 2023 Round	50 %
Any 2024 Round	Ineligible

LEVEL OF SUBSIDY – *New!*

THE INVESTMENT OF COMPETITIVE GRANTS FUNDS MUST CONFORM TO THE FOLLOWING MINIMUM AND MAXIMUM STANDARDS PER UNIT:

- MINIMUM COMPETITIVE GRANTS FUNDS: \$1,000 PER UNIT
- MAXIMUM COMPETITIVE GRANTS FUNDS PER UNIT:
 - \$129,758 0-BEDROOM (EFFICIENCY) LIMIT
 - \$148,748 1-BEDROOM LIMIT
 - \$180,882 2-BEDROOM LIMIT
 - \$234,004 3-BEDROOM LIMIT
 - \$256,862 4-BEDROOM LIMIT

ELIGIBLE APPLICANTS

- Local Governments
- Development Districts
- Public Housing Authorities
- Departments of State Government
- Non-profit Organizations

ELIGIBLE NON-PROFIT AGENCIES

All non-profit applicants must have:

- Certificate of Existence &/or Authorization to do business in TN dated within 30 days of application due date.
- Two consecutive years of experience in providing affordable housing related services in TN within the last 5 years.
- IRS 501(c)(3) or 501 (c)(4) designation.
- Additional requirements as noted in [Attachment One: Non-Profit Checklist](#).

ELIGIBLE NON-PROFIT AGENCIES

The applicant must be the owner of the proposed rental project, or at a minimum:

- The applicant must be the sole general partner, or
- The sole managing member of the ownership entity, or
- Own 100% of the stock of a corporate ownership entity.

The applicant must materially participate in the development and operation of the project throughout the compliance period.

ELIGIBLE ACTIVITIES

- Rental housing programs only!!
- Homeownership is not an eligible activity.



ELIGIBLE ACTIVITIES

- New construction of rental units.
- Acquisition of rental units.
- Rehabilitation of rental units.
- Conversion of non-residential space to residential units.
- Combinations of the above.

INELIGIBLE ACTIVITIES

- Pledge THTF funds as support for tax exempt borrowing by local grantees.
- Provide off-site improvements, neighborhood infrastructure, or public facility improvements.
- Pay administrative expenses of local governments.
- Provide assistance to private for-profit owners of rental property.
- Homeowner rehabilitation projects.

INELIGIBLE ACTIVITIES

- Homeownership activities including down-payment assistance and the development of units for sale.
- Rental Housing that is treatment, hospice, nursing home, or a convalescent facility.
- Operating Reserves.
- Costs incurred prior to the THTF contract start date – July 1, 2024.

PROJECT SOFT COSTS – *New!*

- Project soft costs are limited to 10 % of the total grant amount.
- Eligible soft costs include but are not limited to costs associated with:
 - Work write ups
 - Inspections
 - Lead based paint inspections, assessments, clearance testing
 - Architectural & engineering fees

UNIT DESIGNATION

- THTF units may be designated as fixed or floating.
- The designation must be made at the time of application.
- If granted an award, the designations will be included in the grant contract.

ELIGIBLE RENTAL POPULATIONS

- Rental projects must serve tenants with gross annual income **at or below 80% of area median.**

ELIGIBLE RENTAL POPULATIONS

Preferences are provided for projects that include:

- 25% set aside for extremely low income households (0 – 30% AMI).
- 50% set aside for very low income households (0 – 50% AMI).

Preferences are no longer provided for projects serving:

- Youth transitioning out of the State's foster care system (age 18-24).
- Formerly incarcerated.
- Homeless veterans.

HOUSING FOR INDIVIDUALS WITH DISABILITIES

Housing for individuals with disabilities is rental housing for persons with a physical, emotional, or mental disability.

If more than 20 % of total units are designated for this population, the units must adhere to the qualities of settings eligible for reimbursement under Medicaid home and community – based services as established by the Centers for Medicare and Medicaid Services (CMS) as follows:

- Integrated setting with full access to the greater community.
- Is selected by the individual from among setting options.
- Ensure individual rights of privacy, dignity, respect, and freedom from coercion and restraint.
- Optimize autonomy and independence in making life choices.
- Facilitate choice regarding services and who provides them.

HOUSING FOR INDIVIDUALS WITH DISABILITIES

Housing for individuals with disabilities should also adhere to the following if the housing is owned by the sponsor:

- Lease or other legally enforceable agreement with similar protections.
- Privacy including lockable doors, choice of roommates, and freedom to furnish or decorate.
- Control of the individual's own schedule.
- Access to food at any time.
- Visitors at any time.
- Setting is physically accessible.

HOUSING FOR OLDER PERSONS

Housing For Older Persons must meet one of three definitions:

1. Housing provided under any state or federal program that the U. S. Secretary of Housing and Urban Development has determined is specifically designed & operated to assist older persons (as defined in the state or local program).
2. Housing intended for and solely occupied by persons 62 years of age or older.

HOUSING FOR OLDER PERSONS

Housing For Older Persons must meet one of three definitions:

3. Housing intended and operated for occupancy by persons 55 years of age or older if all of the following requirements are met:
 - i. At least 80 % of the units must have at least one occupant who is 55 years of age or older;
 - ii. The facility or community must publish and adhere to policies and procedures that demonstrate the intent to operate as “55 or older” housing; and
 - iii. The facility or community must comply with HUD’s regulatory requirements for age verification of residents.

MATCH REQUIREMENTS— Eligible Sources

Proposals must include a 50% match for development dollars.

Note: Developer Fee part of the grant request does not need to be matched.

Eligible sources of match include:

- Grants from other agencies.
- Federal sources such as CDBG or USDA Rural Development.
- Non-THDA HOME funds from local participating jurisdictions.
- Cash contributions from local churches, agencies, or individuals.
- Bank loans.
- A funding pool established by a local lender for the applicant.

MATCH REQUIREMENTS– Eligible Sources

- Rental assistance dedicated to a project that extends beyond the end of the grant term.
- Value of supportive services provided for projects serving those with special needs including persons with disabilities, homeless veterans, formerly incarcerated, older persons, or youth transitioning out of the foster care system.
- Value of property already owned by the applicant upon which the proposed housing will be rehabilitated or constructed.
- Value of donated property upon which the proposed housing will be rehabilitated or constructed.

MATCH – SUPPORTIVE SERVICES

- Supportive Services Calculation Guide
Guide to help determine how to calculate the value of supportive services.
- Supportive Services Calculation Worksheet
Use the Worksheet to show the value of supportive services.
- If using the value of supportive services to help meet the match requirement, include the Supportive Services Calculation Worksheet with the application packet.

MATCH – Ineligible Sources

- THDA HOME or NHTF grants or other THDA program funds.
- In-kind donations, services, or labor.

PROGRAM REQUIREMENTS



INCOME LIMITS

- Competitive Grants Program uses the income limits established by the U.S. Department of Housing and Urban Development for the HOME program; and
- Household income as defined by the Section 8 Rental Assistance Program.

See [2023 HOME Income Limits posted to the Competitive Grants Administrators page of the THDA website.](#)

CRIMINAL BACKGROUND

The Competitive Grants Program will follow HUD regulations with regard to the provision of housing for formerly incarcerated individuals. Housing assistance is prohibited to the following:

- Formerly incarcerated individuals who have been evicted from federally-assisted housing for drug related criminal activity with an effective date of eviction within the last three year period.
- A formerly incarcerated household that includes a member who has ever been convicted of drug related criminal activity involving the manufacturing or production of methamphetamines on the premises of federally-assisted housing.
- A formerly incarcerated household that includes a member who is subject to a lifetime registration requirement under a state sex-offender registry program.

DEVELOPER FEES

Applicants may request a developer fee equal to or less than 7 % of the Competitive Grants development costs less costs associated with the developer fee, acquisition, and/or permanent financing.

- Developer fees may be requested in proportion to Competitive Grants project funds until 75 % of the grant has been expended.
- Final 25 % of the developer fee may be requested upon project completion and submission of all applicable certificates of occupancy or inspection reports.
- Final 10 % of grant is held until project completion.

COMPLIANCE PERIOD

Units assisted with Competitive Grants funds must remain compliant for 5-15 years after completion. The length of the compliance period is based on the amount of Competitive Grants funds invested per unit as follows:

Average Per Unit Competitive Grant Investment	Compliance Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

CONSTRUCTION STANDARDS

Rental units constructed or rehabilitated with Competitive Grants funds must meet the following as applicable:

- THDA Design Standards. Minimum standards that apply to new construction and rehabilitation of **all** single family & multifamily units.
- THDA Design Standards have been updated and may be found on the Competitive Grants Administrators page of the THDA Website.

CONSTRUCTION STANDARDS

Rental units constructed or rehabilitated with Competitive Grants funds must also meet:

- All local codes, rehabilitation standards and zoning ordinances at project completion.
- In the absence of local codes, the units must meet the current State approved edition of the applicable International Code.

CONSTRUCTION STANDARDS

- Newly constructed units must also meet the current edition of the International Energy Conservation Code.
- Additional points may be awarded for projects incorporating accessibility or universal design features.



PROPERTY STANDARDS

- Rental units must, at a minimum, continue to meet Section 8 Housing Quality Standards on an annual basis throughout the Compliance Period.

LEAD BASED PAINT

Competitive Grants assisted rehabilitation projects built prior to 1978, must comply with TN Department of Environment and Conservation (TDEC) lead based paint abatement rules found in Rule Chapter 1200 – 1 – 18 Lead Based Paint Abatement here:

<https://www.tn.gov/environment/toxic-substances-program/regulations.html>

FLOOD PLAINS

- Competitive Grants funds may not be used to acquire or construct housing in a FEMA special flood hazard area.
- Rehabilitation of units located in special flood hazard areas is discouraged.

PROCUREMENT

- Solicitation of bids for goods, materials, services and/or equipment must be open and competitive.
- Local governments and non-profit organizations must follow their procurement policies.
- At a minimum, there must be an established procedure and written rationale for selecting the successful bid or proposal.
- Grantees are expected to obtain at least three bids. Purchase should be made from the lowest or best bidder.

RENT LIMITS

- Maximum rents are the High HOME rents.
[See 2023 HOME Rent Limits posted to the Competitive Grants Administrators page of the THDA website.](#)
- The tenant portion of rent in any THTF assisted property may not exceed 30% of the tenant's gross monthly income.
- If Federal or State project based rental subsidy is received & the VLI family pays no more than 30 % of income for rent, then the max rent is the rent allowable under the Federal or State rental subsidy program.

RENT LIMITS

- The published rents include utilities. The cost of utilities paid by tenants must be subtracted from the published rent to determine the maximum allowable rent.

RENT LIMITS – GROUP HOMES

The Rent limit for Group Homes is the HUD Fair Market Rent (FMR) limit for the total number of bedrooms in the group home.

- Bedrooms of live-in supportive service staff are not included in the calculation of total number of bedrooms.
- Each tenant pays a pro-rata share of the total rent.
- If tenants are paying utilities, the utility allowance must be subtracted from the FMR limit to determine the max combined rent that may be charged to all tenants.
- Rents may not include food or supportive services costs.

RENT LIMITS – GROUP HOMES

Fees for persons with disabilities must adhere to the following:

- Leases must state whether fee-based services are optional or mandatory.
- Leases must identify the amount of additional fees separately from the basic rent for each tenant.

RENT LIMITS – GROUP HOMES

Group Home Rent Calculation Example:

The pro-rata share is calculated by dividing the FMR by the number of persons in the group home.

- Number of persons residing in the group home: 3
- Number of bedrooms: 4 (1 bedroom is occupied by a live-in service provider)
- Number of bedrooms used to establish rent: 3
- Fair Market Rent: \$990, Utility Allowance: \$90, Max Total Rent: \$900

$\$900/3$ persons = \$300 – Max rent per person

$\$300/\$900 = .33$ – each person's pro-rata share

RENT LIMITS – SRO UNITS

Rents for Single Room Occupancy units are based on the HUD Fair Market Rents or the HUD High HOME rent depending on the type of unit as described below:

IF THE SRO HOUSING IS....	THEN...
A unit with neither food preparation nor sanitary facilities, or with one (food preparation or sanitary facilities)	The THTF rent may not exceed 75% of the HUD-published FMR limit for a 0-bedroom (efficiency) unit.
A unit with both food preparation and sanitary facilities	The THTF rent cannot exceed the HUD published High HOME rent limit for a 0-bedroom unit.
A unit that receives State or Federal project-based rental assistance and is occupied by a very low income tenant	The THTF rent can be the applicable State or Federal project-based rent, as long as it is occupied by a very low income tenant who does not pay more than 30% of the family's monthly adjusted income for rent.

FAIR HOUSING AND EQUAL OPPORTUNITY

- Successful applicants must comply with both state and federal laws with regard to Fair Housing and Equal Opportunity (FHEO).
- No person can be excluded from Competitive Grants units on the basis of **race, color, national origin, religion, disability, familial status, or sex.**



FAIR HOUSING AND EQUAL OPPORTUNITY

- Efforts should be made to assure minority- and female-owned businesses are offered opportunities to bid on service, material and construction contracts.
- Grantees must establish and follow procedures to inform the public and potential tenants of FHEO and the grantee's affirmative marketing program.

MARKETING

- Successful applicants must develop marketing plans to accentuate the achievements of the TN HTF Competitive Grants Program.
- Grantees may be required to submit data and beneficiary stories to THDA.



ON-GOING OBLIGATIONS FOR RENTAL PROJECTS

- Initial and annual income certification of each tenant.
- Adherence to THTF Competitive Grant rent limits.
- Compliance with THDA property standards.
- Comply with fair housing & affirmative marketing requirements.
- Reporting to THDA.



2024 GRANT APPLICATION



SUBMISSION INSTRUCTIONS – EDT

- The Competitive Grants application must be uploaded to the secure **EDT – Web Transfer Client System site**.
- Email THTF@thda.org for set up and access to the site.
- Information needed for set up:
 - Organization Name
 - Grant Name & Grant Round you are applying for – **Very Important!**
 - Name, email address, & telephone number of agency staff who will be uploading the application
- Upload the application as **one pdf document**.
- Attachments **must be labeled** and uploaded in the order indicated on the Non-profit Checklist.
- **Very Important!** After uploading the application, notify THDA by sending email to THTF@thda.org.

SUBMISSION INSTRUCTIONS

- Non-profit organizations must upload basic organizational documents to PIMS.
- Organizational Documents not uploaded to PIMS will not be considered.
- All documents uploaded to PIMS must be in a .pdf format.
- Applicants will receive a confirmation email documenting satisfactory upload.
- The **DOCUMENTS** section of PIMS is the only functionality being used at this time. Applicants are not required to enter information under the **Threshold & Self Certification Sections.**

ALL APPLICANTS

- Complete the entire application.
- Answer all questions. Mark NA if not applicable to your project.
- Applications must be typed.
- The format of the application must not be altered.
- All attachments to the application must be appropriately labeled.
- Include the Budget and Proforma Worksheet.

ALL APPLICANTS

- Include Supportive Services Calculation Worksheet if using the value of supportive services toward meeting the match requirement.
- Include current Board Resolution approving submission of the [2024 THTF Competitive Grants application](#).

ALL APPLICANTS

- Upload most recent audit to PIMS. **Audit period must be within 12 months of the application due date.**
- If audit is not within 12 months of application due date, explanation and current unaudited financial statements are required.
- If the project includes Low Income Housing Credits, include a copy of the organizational chart showing the relationship of the THTF applicant to the development owner.

NON-PROFIT CHECKLIST (PIMS Items)

Non-profit agencies must include **Attachment One: Non-Profit Checklist** and supporting documents.

- 501(c)(3) or 501(c)(4) designation from IRS.
- Charter & By-Laws.
- List of Board Members.
- Business plan or strategic management plan.

NON-PROFIT CHECKLIST (PIMS Items)

- Financial audit or audited financial statements dated within 12 months of the application due date.
- **Individual Disclosures** must be completed and signed by each Board Member and the Executive Director.
- **Corporate Disclosure** must be completed, and signed by the Board Chair or Executive Director.
- **ALL** **Individual and Corporate Disclosures** **must** also be notarized.

NON-PROFIT CHECKLIST

- Certificate of Existence from TN Secretary of State or, if applicable, COE from another state's certifying authority and Certificate of Authorization to do business in TN dated within 30 days of the application date.
- One page explanation of how the Board of Directors is involved in the operation of the Agency.
- Current Board resolution approving submission of this application.
- Copy of the minutes from the most recent Board meeting at which this application and/or proposal was discussed and approved.
- List of agency staff members including how many are full-time or part-time, specific responsibilities related to housing programs, and years of experience in housing development.

NON-PROFIT CHECKLIST

- Documentation of agency operating funds from other sources.
- Explanation of any other programs operated by the agency and the funding sources for the other programs.
- One page explanation of the applicant's experience in housing, especially the provision of housing for low income households in Tennessee.
- For projects involving Low Income Housing Credits, copy of organizational chart showing relationship of the applicant to the development owner.

NON-PROFIT CHECKLIST

For agencies providing housing for formerly incarcerated individuals:

- Copy of tenant screening and selection procedures.
- Copy of policies and procedures guiding the operation of the rental housing program.
- Copy of the agency's application for tenancy.
- Documentation confirming the agency is on the TN Dept. of Corrections list of approved transitional housing providers.

APPLICATION EVALUATION



THRESHOLD CRITERIA

- The application is complete.
 - Note: *There is no cure period.*
- The proposed activity is eligible.
- The project serves the eligible income populations.
- The project is physically, financially and administratively feasible.

See program description for other threshold criteria!! Applications will not be considered if threshold items are not included within the application.

COMPETITIVE GRANT MATRIX

- Applications will first be scored and ranked by Grand Division of Tennessee.
- Highest scoring applications within each Grand Division will be selected for grant awards first.
- All remaining applications will be scored in descending numerical order until all funds are allocated or the amount of remaining funds is less than the need for the next highest scoring application.

COMPETITIVE GRANT MATRIX

A total of 100 points will be awarded in the following categories:

- **Capability** – Up to 70 points
 - Program Design – Up to 35 points
 - Applicant Capacity – Up to 35 points
- **Need** – Up to 23 points
- **Innovation** – Up to 7 points

A minimum score of 60 must be received to be considered for funding. See the grant application for a more detailed description and points breakdown for each category.

TIE-BREAKER

In the event of a tie, applications will be prioritized and selected based on the following:

1. Highest total Innovation Score
2. Highest total Need Score
3. Highest number of THTF Competitive Grants funded units

APPLICATION PACKET

The complete application packet may be found on the THDA website

<https://thda.org>

Go to:

Government and Nonprofit Partners > Tennessee Housing Trust Fund > Competitive Grant Administrators.

APPLICATION DEADLINE

Thursday, February 29, 2024

4:00 PM - Central Time

Late applications will not be considered

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QUESTIONS

