# State of Tennessee 2019-20 Annual Action Plan

Substantial Amendment: CDBG-CV Funding

### **AP-05 Executive Summary**

In December 2019, a new coronavirus known as SARS-CoV-2 was first detected in Wuhan, Hubei Province, People's Republic of China, causing outbreaks of the coronavirus disease COVID- 19 that has now spread globally. The first case was reported in the United States in January 2020. In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic and President Trump declared the outbreak a national emergency. During this time, the majority of states have declared states of emergency with most shutting down large gathering places and limiting the movement of their residents.

As a consequence, many CPD recipients must quickly shift their operations or focus to respond to resident needs and perform services safely. Throughout Spring 2020, HUD issued program guidance, activity waivers, and CARES Act (Coronavirus Aid, Relief, and Economic Security Act), allocations to help prevent, prepare for, and respond to the COVID-19 pandemic. Tennessee sought and received waivers for the Consolidated Plan to address regulatory barriers to implement funding. The following is a brief summary of the waivers and allocations. Detailed proposed activities are also included throughout this amendment document.

<u>Community Development Block Grant (CDBG) Program</u>, administered by the Tennessee Department of Economic and Community Development (ECD), total COVID-19 allocation: \$53,248,623

- CDBG-CV1\* \$16,813,334
- CDBG-CV2 \$18,108,488
- CDBG-CV3 \$18,326,801

\*Note: CDBG-CV1 funds were previously awarded in a prior amendment. This new amendment provides more specific detail on previous goals that were more ambiguous. In this new amendment, \$35 million has been allocated to addressing food access/insecurity and daycare assistance, in addition to providing the same or added funding for other goals carried over from the original amendment (such as broadband/internet access and business support).

CDBG continues to receive guidance and waivers on an ongoing basis to efficiently and effectively implement funding. Available waivers may be posted to the HUD exchange (<a href="https://www.hudexchange.info/">https://www.hudexchange.info/</a>) or included in applicable Federal Register notices, or interested parties may contact the Tennessee Department of Economic and Community Development (ECD) for current updates or <a href="mailto:research@thda.org">research@thda.org</a> for information on how the Tennessee Consolidated Planning programs are utilizing waivers.

## **AP-12 Participation**

The State of Tennessee successfully submitted and was granted a waiver to expedite the citizen's participation process for CARES Act funding. These waivers state that citizens will be granted no fewer than five days to provide comments on the substantial amendment, and, as the requirements of the Citizen's Participation Plan are waived, reasonable notice will be given based on the grantee's circumstances. The purpose of these waivers is to eliminate timeliness barriers to receiving the CARES Act relief funding.

This amendment was available for public review and comment between August 5-10 at <a href="https://thda.org/research-reports/consolidated-planning">https://thda.org/research-reports/consolidated-planning</a>. This notice was published on State websites (THDA and ECD), as well as Development District websites. Social media and email blasts were also utilized to distribute the notice. Screenshots of these postings are included in the appendix.

All notices directed the public to the THDA website where the full draft was posted and an online feedback form was available in English and Spanish for anyone to leave a comment on the draft CDBG-CV plan. Six comments were received and are included in the appendix. Most comments mentioned the need for housing assistance. Though housing assistance is a great need for Tennesseans and is an eligible CDBG-CV activity, efforts would be duplicated and confused with other State agencies who received larger allocations for these specific housing related activities. For this reason, CDBG-CV chose to focus on other needed activities that were not addressed elsewhere.

## **AP-15 Expected Resources – 91.320(c)(1,2)**

## Introduction

The following table summarizes the anticipated resources, broken down by program type, allocated by the State of Tennessee.

			Expe	cted Amour	nt Available			
Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources : \$	Total: \$	Expected Amount Available Remainder of ConPlan	Narrative Description
CDBG-CV	public - federal	Economic Development Public Services Services Broadband and Internet Access Business Assistance	\$53,248,623	0	0	0	0	Funding allocated under the CARES Act. Funding must be used to address the impacts of the COVID- 19 pandemics on communities.

# If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The TN CDBG program awards many projects each year that will be completed on publicly-owned property, particularly water and sewer system improvement projects where work is often done at water and wastewater treatment plants or other similar properties.

## AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Highlighted text signifies new goals for COVID-19 relief funding.

Goals >>	6. TA, Administrati on	7. Business Support and Technical Assistance	8. Addressing Food Access and Insecurity	9. Broadband expansion and Internet Access for PHAs	10. Daycare Assistance
Funding >>	CDBG-CV:	CDBG-CV:	CDBG-CV:	CDBG-CV:	CDBG-CV:
	\$2,661,623	\$5,587,000	\$25,000,000	\$10,000,000	\$10,000,000
2. Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Households Assisted)				2,000	
3. Public service activities other than Low/Moderate Income Housing Benefit (Persons Assisted)			50,000	5,000	500
16. Jobs created/retained (Jobs)			12		
17. Businesses assisted (Businesses Assisted)		200	50		

### **Goal Descriptions**

6	Goal Name	TA, Administration
	Goal	Cost of designing and administering CDBG programs and activities.
	Description	CDBG-CV Allocation: \$2,661,623 CDBG Prior Year: 0
7	Goal Name	Business Support and Technical Assistance
	Goal Description	Provide resources to CDFIs and non-profit organization to provide deep technical assistance to Main Street businesses to help the business adapt, recover, and pivot due to COVID impacts.
		CDBG Annual Allocation: \$5,587,000 CDBG Prior Year: 0
8	Goal Name	Addressing Food Access and Insecurity
	Goal Description	Improve access to food and resources; support organizations that provide access to food and resources, particularly those in high need areas.
		CDBG Annual Allocation: \$25,000,000 CDBG Prior Year: 0
9	Goal Name	Broadband Expansion and Internet Access for PHAs
	Goal Description	Expand to broadband and internet access to unserved and underserved areas to accommodate work-from-home and remote learning and maintaining social distancing guidelines.
		CDBG-CV Allocation: \$10,000,000 CDBG Prior Year: 0
10	Goal Name	Daycare Assistance
	Goal Description	Expand access to daycare by improving existing daycare facilities and improving homes to serve as licensed home-based daycares.
		CDBG-CV Allocation: \$10,000,000 CDBG Prior Year: 0

## AP-25 Allocation Priorities - 91.320(d)

#### Introduction

Tennessee will address the strategic housing and community needs as articulated in the Consolidated Plan through the five Consolidated Planning grants and other resources that the state and HUD provide to address this need.

#### **Funding Allocation Priorities**

	TA, Administration (%)	Business Support and Technical Assistance (%)	Addressing Food Access and Insecurity (%)	Broadband Expansion and Internet Access for PHAs (%)	Daycare Assistance (%)	Total (%)
CDBG-CV	5	10	47	19	19	100

#### **Reason for Allocation Priorities**

Initially, a survey was released to assess the needs of communities in Tennessee due the impacts of the COVID-19 pandemic. The allocation priorities reflect the over 300 responses from representatives of Local Governments, Local Economic Development Organizations, Non-profit Community Development, Organizations, Non-profit Housing Organizations, Local Development Districts, Utility Districts, Consultants to Local Governments, and more.

As other federal and state funding was made available to address needs across the state, TNECD began have more specific conversations with other state departments and strategic partners about needs that were brought up with more frequency.

## AP-30 Methods of Distribution - 91.320(d)&(k)

#### Introduction

Each of the five Consolidated Planning Programs has its own method of distribution. Each method is intended to ensure that all eligible areas can compete for these funds. Program specific need-based preferences can be found in these methods of distribution.

#### **Distribution Methods**

Table 1 - Distribution Methods by State Program

7	State Program Name:	Business Support and Technical Assistance CDBG-CV			
	Funding Sources:	CDBG-CV			
	Describe the state program addressed by the Method of Distribution.	The CARES Act appropriated \$5 billion to supplement the CDBG program to respond to and address the impacts of the COVID-19 pandemic. The Act established funds would be released in three tranches, the first of which is based on the FY20 funding formula. The State of Tennessee is establishing new programs and supplementing some existing programs to distribute these funds based on the needs communicated by the communities and the organizations which support these communities.			
		Due to unprecedented need and use of these funds, the State of Tennessee intends to maintain the flexibility to adjust program allocation amounts to meet the needs and demands of the communities.			

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

The full criteria are still being established to select beneficiaries of this program. The following must be met:

- Activity must meet a National Objective.
- Applicant must be an eligible entity.
- Applicant must show how assisted businesses have been affected by COVID.
- Applicant and assisted businesses must not be receiving other financial benefits that would create a duplication of benefit.
- Application and scoring will be modeled on the existing Microenterprise Assistance program.
- Beneficiaries must be microenterprise businesses
- Eligible activities:
  - Technical assistance microenterprise business owners and entrepreneurs to address needs stemming from decrease in or change to business because of COVID-19
  - Operating expenses funding for operating expenses for the applicant that are directly related to COVID-19. For example, additional staffing needed to start a new program or to expand a program
  - Technology equipment or other technology needs to help businesses transition to working online
  - Microgrant development and execution of a microgrant program to assist COVID impacted entrepreneurs and small businesses with operating expenses, technology needs, or other areas that are not supported by other federal and state programs. Condition: (1) requires a minimum of a 1:1 or 50% cash match; (2) no more than \$1,000 in State dollars per business, and (3) must include post grant technical assistance for the businesses awarded a grant.

The following are being strongly considered, but are not yet finalized:

- Priority for industry sectors most impacted by COVID
- Priority for serving business in Main Street or TN Downtown communities.

The program will use non-profit and CDFI providers to target deep technical assistance to businesses affected by COVID. They will advise and guide participating businesses to adapt and/or pivot the business models to address the impact of COVID and the new economic environment. Technical

	assistance provided may include disaster planning, succession planning, legal guidance, business plan revision, education to business owners, etc.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidance and applications are being developed.
Describe how resources will be allocated among funding categories.	Total \$5,587,000  Will be adjusted based on demand and need.
Describe threshold factors and grant size limits.	\$150,000
What are the outcome measures expected as a result of the method of distribution?	Number of businesses assisted

8	State Program Name:	Addressing Food Access and Insecurity
	Funding Sources:	CDBG-CV

Describe the state program addressed by the Method of Distribution.

The CARES Act appropriated \$5 billion to supplement the CDBG program to respond to and address the impacts of the COVID-19 pandemic. The Act established funds would be released in three tranches, the first of which is based on the FY20 funding formula. The State of Tennessee is establishing new programs and supplementing some existing programs to distribute these funds based on the needs communicated by the communities and the organizations which support these communities.

Due to unprecedented need and use of these funds, the State of Tennessee intends to maintain the flexibility to adjust program allocation amounts to meet the needs and demands of the communities.

This program will consist of two sub-programs:

- 1. Support for the five (5) regional food banks that together serve the entire state to increase food purchases and improve distribution of food to partner agencies across the state.
- 2. Competitive application for counties to increase capacity for local organizations, such as food pantries, to store and distribute food.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

#### 1. Statewide food banks

The allocation to each food bank will be distributed based on an existing allocation formula the food banks currently use. All activities must meet the following:

- Activity must meet a National Objective.
- Activity must be a CDBG-CV eligible activity.
- Each food bank must not be receiving other financial benefits that would create a duplication of benefit. Other benefits will be tracked and reported.
- Each food bank must provide a program plan to show how CDBG-CV are intended to be used.

#### 2. Competitive grant for counties

The full criteria are still being established to select beneficiaries of this program. The following must be met:

- Activity must meet a National Objective.
- Applicant must be an eligible entity.
- Activity must be a CDBG-CV eligible activity.
- Project Need
  - Description of needs of local organizations to benefit from the grant funds
  - County unemployment rate compared to pre-pandemic
  - County poverty rate
  - County food insecurity rates as published by Feeding America
- Project Impact
  - Percentage of county population to be served
  - Readiness (how quickly can the activity begin after award)
  - Leveraged resources
- Project Feasibility
  - o Timeline
  - Sustainability
  - Budget
  - Organization capacity
- Applicant must not be receiving other financial benefits that would create a duplication of benefit. Other benefits will be tracked and reported.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidance and applications are being	developed.
Describe how resources will be allocated among funding categories.	<ol> <li>Total</li> <li>Statewide food banks</li> <li>Competitive grant for counties</li> <li>Will be adjusted based on demand an</li> </ol>	\$25,000,000 \$15,000,000 \$10,000,000 and need.
Describe threshold factors and grant size limits.	Statewide food banks     Competitive grant for counties	Formula allocation \$500,000 max
What are the outcome measures expected as a result of the method of distribution?	Number of households/persons assisting increase in storage and/or distribution	

9	State Program Name:	The CARES Act appropriated \$5 billion to supplement the CDBG program to				
	Funding Sources:	CDBG-CV				
	Describe the state program addressed by the Method of Distribution.	The CARES Act appropriated \$5 billion to supplement the CDBG program to respond to and address the impacts of the COVID-19 pandemic. The Act established funds would be released in three tranches, the first of which is based on the FY20 funding formula. The State of Tennessee is establishing new programs and supplementing some existing programs to distribute these funds based on the needs communicated by the communities and the organizations which support these communities.				
		Due to unprecedented need and use of these funds, the State of Tennessee intends to maintain the flexibility to adjust program allocation amounts to meet the needs and demands of the communities.				

The full criteria are still being established to select beneficiaries of this Describe all of the criteria that will be used to select program. The following must be met: applications and the Activity must meet a National Objective. relative importance of Applicant must be an eligible entity. these criteria. Target areas must be unserved or underserved. Area being served must not be receiving other financial benefits that would create a duplication of benefit. Funds may only be used be used to connect housing units/buildings to existing service at the edge of the property or improve the existing service. Applicants must be joint between a PHA/local government and an eligible internet service provider (ISP). Application points will be associated with the following: Proposed service speed (Mbps) Number of people served Current ARC Economic Status of county Project Need Narrative Project Impact Narrative Project Feasibility Narrative (includes timeline) The following are being strongly considered, but are not yet finalized: Priority given to ISPs who provide an income-based service plan for low-income residents Priority given to communities with digital literacy programs Guidance and applications are being developed, and will be available on the If only summary criteria **TNECD** website were described, how can potential applicants access application manuals or other state publications describing the application criteria?

**PHA Internet Access** 

Will be adjusted based on demand and need.

\$10,000,000

(CDBG only)

Describe how resources will be allocated among

funding categories.

Describe threshold factors and grant size limits.	The maximum allowable grant will be \$500,000 per PHA.
What are the outcome measures expected as a	Number of households assisted
result of the method of	Number of persons assisted
distribution?	

10	State Program Name:	Daycare Assistance
	Funding Sources:	CDBG-CV
	Describe the state program addressed by the Method of Distribution.	The CARES Act appropriated \$5 billion to supplement the CDBG program to respond to and address the impacts of the COVID-19 pandemic. The Act established funds would be released in three tranches, the first of which is based on the FY20 funding formula. The State of Tennessee is establishing new programs and supplementing some existing programs to distribute these funds based on the needs communicated by the communities and the organizations which support these communities.
		Due to unprecedented need and use of these funds, the State of Tennessee intends to maintain the flexibility to adjust program allocation amounts to meet the needs and demands of the communities.
		This program will consist of two sub-programs:
		<ol> <li>Assistance to daycare facilities and home-based child care</li> <li>Pilot program for daycares related to companies. (The projects are intended to help alleviate the child care burden allow parents back into the job market.)</li> </ol>

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

#### 1. Assistance to daycare facilities and home-based child care

Formula allocations will be distributed to each of the nine (9) local development districts (DD) to provide funding to daycare facilities and home-based child care programs. The formula allocation considers the number of counties each DD serves, the total population served by each DD, the percentage of population that lives in rural areas, the weighted Social Vulnerability scores of each county, and the weighted Economic Status of each county as defined by the Appalachian Regional Commission (ARC).

The full criteria are still being established to select beneficiaries of this program. The following must be met:

- Activities must meet a National Objective.
- Activity must be a defined CDBG-CV eligible activity.
- Each daycare facility must not be receiving other financial benefits that would create a duplication of benefit. Other benefits will be tracked and reported.
- Each DD must provide a program plan to show how CDBG-CV are intended to be used and a timeline for use of funds.
- Daycares and home-based child care must be licensed or in the prelicensure program.

#### 2. Pilot program for daycares related to companies

(Non-competitive. Will be selected in partnership with TN Dept. of Human Resources)

Considerations for the pilot program:

- Activity must meet a National Objective.
- Proposed use of funds
- Project need
- Geography
- Timeline
- Sustainability
- Targeted employment (LMI jobs)
- Numbers potential employees assisted
- Area demographics
  - o Unemployment rate
  - LMI percentage
  - Poverty rate

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidance and applications are being developed.
Describe how resources will be allocated among funding categories.	<ol> <li>Assistance to daycare facilities and home-based child care \$9,000,000</li> <li>Pilot program for daycares to assist companies recruit for employment \$1,000,000</li> <li>Will be adjusted based on demand and need.</li> </ol>
Describe threshold factors and grant size limits.	Threshold factors and grants sizes will be determined in each DD program plan. The program plan must be approved by ECD.
What are the outcome measures expected as a result of the method of distribution?	Number of new child care openings  Number of total children benefitted  Number of LMI children benefitted  Number of new jobs created  Number of new businesses established

## AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

All applicants for the TN CDBG program are considered and scored based on need. There is not a specific geographic distribution planned.

## AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

## Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next	
program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to	
address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not	
been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

### **Other CDBG Requirements**

1. The amount of urgent need activities (CDBG-CV only)

\$15,974,587

2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

70.00%

## Appendix A: Public Outreach

\*Note: These screenshots may not be exhaustive of all outreach conducted for this public comment period.



## Notice of CDBG COVID-19 (CDBG-CV) Funding Amendment

Review and Comment: August 5-10, 2021

View Draft

#### Comment Here

The Tennessee Housing Development Agency (THDA) and Tennessee Department of Economic and Community Development (ECD) have released an amendment to the 2019-2020 State of Tennessee Annual Action Plan detailing new COVID-19 CARES Act funding for the Community Development Block Grant (CDBG) Program. The State of Tennessee CDBG program has received an additional allocation of \$36,435,289 targeting economic and community development efforts related to COVID-19.In order to promptly administer CDBG-CV funding, the U.S. Department of Housing and Urban Development (HUD) has granted Tennessee waivers to shorten the public comment period to no less than 5 days and offer reasonable opportunity for comment, while waiving the full requirements of the Citizen Participation Plan. Citizens are encouraged to review and/or comment on this amendment between August 5-10, 2021.

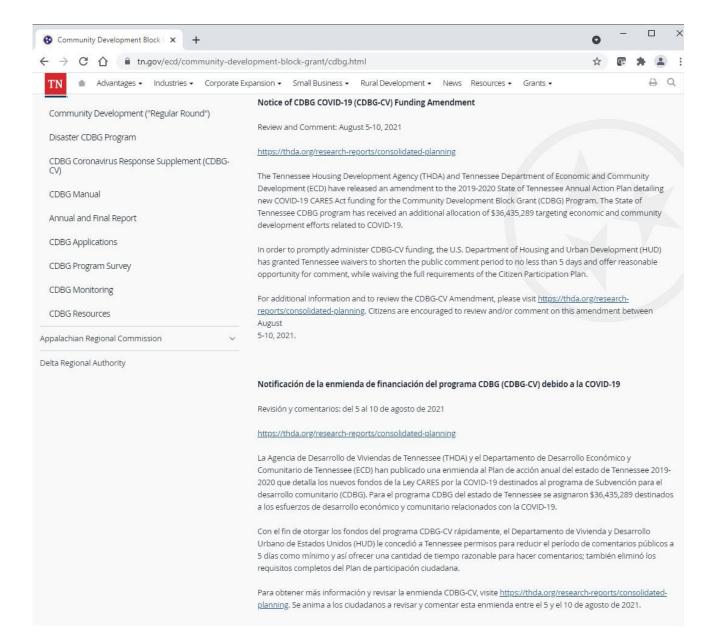
## Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la

Revisión y Comentarios: del 5 al 10 de Agosto de 2021

Resumen Preliminar (en ingles)

#### Dejar un Commentario Aqui

La Agencia de Desarrollo de Viviendas de Tennessee (THDA) y el Departamento de Desarrollo Económico y Comunitario de Tennessee (ECD) han publicado una enmienda al Plan de acción anual del estado de Tennessee 2019-2020 que detalla los nuevos fondos de la Ley CARES por la COVID-19 destinados al programa de Subvención para el desarrollo comunitario (CDBG). Para el programa CDBG del estado de Tennessee se asignaron \$36,435,289 destinados a los esfuerzos de desarrollo económico y comunitario relacionados con la COVID-19.Con el fin de otorgar los fondos del programa CDBG-CV rápidamente, el Departamento de Vivienda y Desarrollo Urbano de Estados Unidos (HUD) le concedió a Tennessee permisos para reducir el período de comentarios públicos a 5 días como mínimo y así ofrecer una cantidad de tiempo razonable para hacer comentarios; también eliminó los requisitos completos del Plan de participación ciudadana. Se anima a los ciudadanos a revisar y comentar esta enmienda entre el 5 y el 10 de agosto de 2021.



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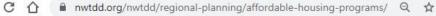
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Notice of CDBG COVID-19 (CDBG-CV) Funding Amendment

Review and Comment: August 5-10, 2021

https://thda.org/research-reports/consolidated-planning

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In order to promptly administer CDBG-CV funding, the U.S. Department of Housing and Urban Development (HUD) has granted Tennessee waivers to shorten the public comment period to no less than 5 days and offer reasonable opportunity for comment, while waiving the full requirements of the Citizen Participation Plan.

For additional information and to review the CDBG-CV Amendment, please visit https://thda.org/research-reports/consolidated-planning. Citizens are encouraged to review and/or comment on this amendment between August 5-10, 2021.

Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la COVID-19

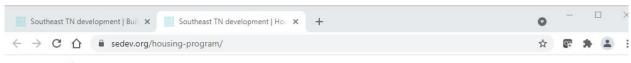
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Para obtener más información y revisar la enmienda CDBG-CV, visite https://thda.org/research-reports/consolidated-planning. Se anima a los ciudadanos a revisar y comentar esta enmienda entre el 5 y el 10 de agosto de 2021.

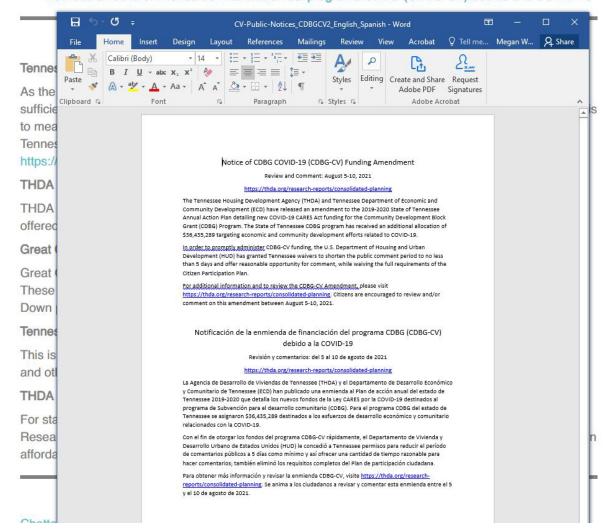


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- THDA Public Notice: Notice of CDBG COVID-19 CDBG-CV) Funding Amendment
- · Notificación de la enmienda de financiación del programa CDBG (CDBG CV) debido a la COVID 19





Block Grant (CDBG) Program. The State of Tennessee CDBG program has received an additional allocation of \$36,435,289 targeting economic and community development efforts related to COVID-19.

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less than 5 days and offer reasonable opportunity for comment, while waiving the full requirements

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Annual Action Plan detailing new COVID-19 CARES Act funding for the Community Development

C

of the Citizen Participation Plan.

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Con el fin de otorgar los fondos del programa CDBG-CV rápidamente, el Departamento de Vivienda y Desarrollo Urbano de Estados Unidos (HUD) le concedió a Tennessee permisos para reducir el período de comentarios públicos a 5 días como mínimo y así ofrecer una cantidad de tiempo razonable para hacer comentarios; también eliminó los requisitos completos del Plan de participación ciudadana.

Para obtener más información y revisar la enmienda CDBG-CV, visite https://thda.org/research-reports/consolidated-planning. Se anima a los ciudadanos a revisar y comentar esta enmienda entre el 5 y el 10 de agosto de 2021.

View Proposed Amendments













Departments

Al



Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la COVID-19

August 9th, 2021

Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la COVID-19 Revisión [...]

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Notice of CDBG COVID-19 (CDBG-CV) Funding Amendment

August 9th, 2021

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Notice of CDBG COVID-19 (CDBG-CV) Funding Amendment

Notice of CDBG COVID-19 (CDBG-CV) Funding Amendment

Review and Comment: August 5-10, 2021

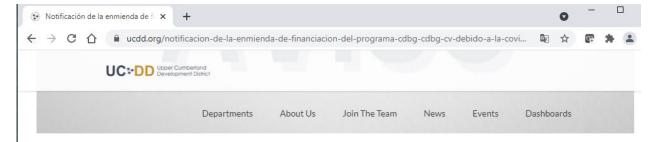
https://thda.org/research-reports/consolidated-planning

The Tennessee Housing Development Agency (THDA) and Tennessee Department of Economic and Community Development (ECD) have released an amendment to the 2019-2020 State of Tennessee Annual Action Plan detailing new COVID-19 CARES Act funding for the Community Development Block Grant (CDBG) Program. The State of Tennessee CDBG program has received an additional allocation of \$36,435,289 targeting economic and community development efforts related to COVID-19.

In order to promptly administer CDBG-CV funding, the U.S. Department of Housing and Urban Development (HUD) has granted Tennessee waivers to shorten the public comment period to no less than 5 days and offer reasonable opportunity for comment, while waiving the full requirements of the Citizen Participation Plan.

For additional information and to review the CDBG-CV Amendment, please visit https://thda.org/research-reports/consolidated-planning. Citizens are encouraged to review and/or comment on this amendment between August 5-10, 2021.

August 9th, 2021 | Housing Public Notices, UCDD News | 0 Comments



Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la COVID-19

Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la COVID-19

Revisión y comentarios: del 5 al 10 de agosto de 2021

https://thda.org/research-reports/consolidated-planning

La Agencia de Desarrollo de Viviendas de Tennessee (THDA) y el Departamento de Desarrollo Económico y Comunitario de Tennessee (ECD) han publicado una enmienda al Plan de acción anual del estado de Tennessee 2019-2020 que detalla los nuevos fondos de la Ley CARES por la COVID-19 destinados al programa de Subvención para el desarrollo comunitario (CDBG). Para el programa CDBG del estado de Tennessee se asignaron \$36,435,289 destinados a los esfuerzos de desarrollo económico y comunitario relacionados con la COVID-19.

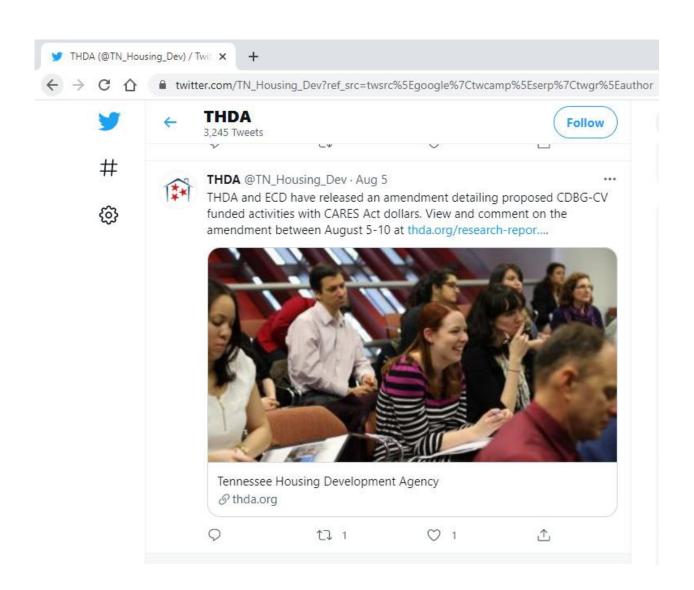
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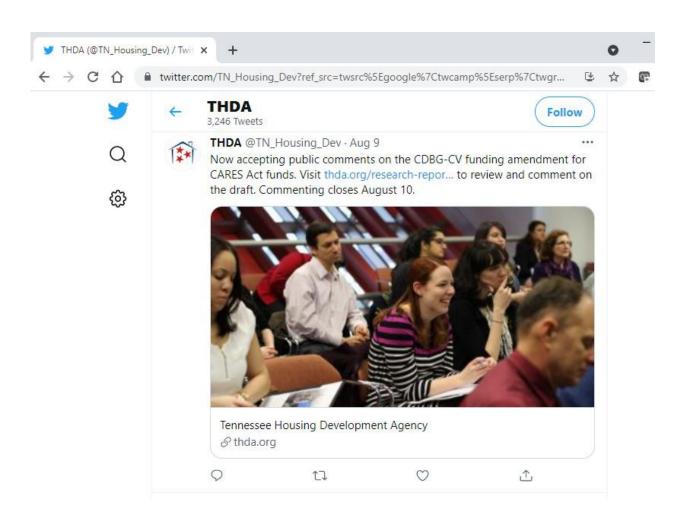
Para obtener más información y revisar la enmienda CDBG-CV, visite https://thda.org/research-reports/consolidated-planning. Se anima a los ciudadanos a revisar y comentar esta enmienda entre el 5 y el 10 de agosto de 2021.

August 9th, 2021 | Housing Public Notices, UCDD News | 0 Comments











Thu 8/5/2021 11:50 AM

## TN Housing Development Agency <research@thda.org>

Open for Review: TN CDBG CARES Act (CDBG-CV) Funding Amendment

To Megan Webb

11:52 AM. You forwarded this message on 8/5/2021 11:52 AM.

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#### **EXTERNAL EMAIL**



# Now Accepting Public Comments on the CDBG-CV Funding Amendment August 5-10, 2021

Visit https://thda.org/research-reports/consolidated-planning to review the draft or to submit a comment.

The Tennessee Housing Development Agency (THDA) and Tennessee Department of Economic and Community Development (ECD) have released an amendment to the 2019-2020 State of Tennessee Annual Action Plan detailing new COVID-19 CARES Act funding for the Community Development Block Grant (CDBG) Program. The State of Tennessee CDBG program has received an additional allocation of \$36,435,289 targeting economic and community development efforts related to COVID-19.

In order to promptly administer CDBG-CV funding, the U.S. Department of Housing and Urban Development (HUD) has granted Tennessee waivers to shorten the public comment period to no less than 5 days and offer reasonable opportunity for comment, while waiving the full requirements of the Citizen Participation Plan.

For additional information and to review the CDBG-CV Amendment, please



Thu 8/5/2021 11:50 AM

## TN Housing Development Agency <research@thda.org>

Open for Review: TN CDBG CARES Act (CDBG-CV) Funding Amendment

To Megan Webb

1 You forwarded this message on 8/5/2021 11:52 AM.

If there are problems with how this message is displayed, click here to view it in a web browser.

For additional information and to review the CDBG-CV Amendment, please visit https://thda.org/research-reports/consolidated-planning. Citizens are encouraged to review and/or comment on this amendment between August 5-10, 2021.

For questions and accommodation requests, please email research@thda.org.

## En Español:

## Notificación de la enmienda de financiación del programa CDBG (CDBG-CV) debido a la COVID-19

Revisión y comentarios: del 5 al 10 de agosto de 2021 https://thda.org/research-reports/consolidated-planning

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Thu 8/5/2021 11:50 AM

## TN Housing Development Agency <research@thda.org>

Open for Review: TN CDBG CARES Act (CDBG-CV) Funding Amendment

Megan Webb

1:52 AM. You forwarded this message on 8/5/2021 11:52 AM.

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### del Plan de participación ciudadana.

Para obtener más información y revisar la enmienda CDBG-CV, visite https://thda.org/research-reports/consolidated-planning. Se anima a los ciudadanos a revisar y comentar esta enmienda entre el 5 y el 10 de agosto

> Por cualquier pregunta y solicitud de adaptación, escriba a research@thda.org.

For more information on the Consolidated Planning process, updates, and to view prior year reports, please visit https://thda.org/researchreports/consolidated-planning



Our Partners:











TN Housing Development Agency | 502 Deaderick St., Third Floor, Andrew Jackson Building, Nashville, TN 37243

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## **Appendix B: Public Comments and Responses**

#### Comment 1:

I do not agree with "Priority for serving business in Main Street or TN Downtown communities" being strongly considered for the "Business Support and Technical Assistance" portion of the funding. Our City has applied twice to become a Tennessee Downtown Community only to be denied both times. Businesses in our town and others like ours should not be penalized for not being in a City with a state approved Tennessee Downtowns programs - especially when the City has taken the initiative to apply for the program only to be denied.

#### Response 1:

These concerns have been noted. We will review the program design and consider revisions to address need over other program participation.

#### Comment 2:

Appalachian Life Quality Initiative is a non-profit in Scott County, TN. ALQI has seen a significant increase in requests for housing assistance in the form of rent, mortgage, utilities, as well as food, furniture, household items, clothing, hygiene products, and cleaning supplies. ALQI would welcome being a participant in this grant funding in order to help those in need in our distressed county.

#### Response 2:

Thank you for your comment. Housing assistance is important. While developing the plan for the CDBG-CV funding, we considered all funding sources over the past 18 months and their uses. The State of Tennessee received over \$350 million Emergency Rental Assistance through US Treasury and \$33.5 million in ESG-CV from HUD, in addition to the regular housing programs THDA administers. We are choosing to target the CDBG-CV funds to activities that received fewer resources.

#### Comment 3:

While all the activities mentioned are noble pursuits, I think it is a mistake to not address housing in the plan. COVID-19 has had a huge effect on the affordability of housing in Tennessee. The influx of people from higher density areas to the state has driven up home prices and put homeownership out of reach for moderate income households, and made an existing rental housing crisis much worse. Additionally, the increase in building supplies- a direct result of the COVID-19 crisis- has made affordable development much more difficult. We would recommend, therefore, that a portion of the funds be set aside for affordable homeownership development, at the very least to offset the increase cost in homeownership development and allow non-profit, and even some for-profit, builders to subsidize single family development for low-to-moderate income households. In Knoxville, we currently need about \$50,000 in subsidy to build a unit that is affordable to a moderate-income family (below 80% AMI). A commitment of \$5 million dollars could lead to 100 such homes being built across the state,

specifically set aside for low-to-moderate income families to start building wealth. Alternatively, funding could be used to acquire and rehabilitate Class "C" run-down multifamily units, improving the quality of the housing while keeping it affordable.

#### Response 3:

Thank you for your comment. Housing assistance is important. While developing the plan for the CDBG-CV funding, we considered all funding sources over the past 18 months and their uses. The State of Tennessee received over \$350 million Emergency Rental Assistance through US Treasury and \$33.5 million in ESG-CV from HUD, in addition to the regular housing programs THDA administers. We are choosing to target the CDBG-CV funds to activities that received fewer resources. Additionally, Entitlement jurisdictions such as Nashville, Memphis Knoxville, etc. received direct allocations of CDBG-CV and ESG-CV funding that can be used to address COVID-19 related impacts and needs.

#### Comment 4:

RE: Comments to the Substantial Amendment to the 2019-2020 Action Plan for CDBG-CV Funding

To whom it may concern, On behalf of the Fahe Members that make up the Tennessee Caucus, we would like to provide comments on the Substantial Amendment out for review. Please note that all of the suggested distribution of funds included in the Substantial Amendment for CDBG-CV Funding are all valid uses of CDBG-CV assistance and the needs in our communities are significant. We would like to encourage THDA & the TN Community and Economic Development Agency to consider the use of CDBG-CV for new housing assistance for low and moderate income families as Down Payment Assistance or as a forgivable loan for assistance with rehab of a structure upon purchase. There is a known chronic shortage of affordable housing across the country and Tennessee is experiencing an influx of people based on our reputation as a low cost-of-living state. During the pandemic, many people have moved into TN purchasing housing units as most have sufficient means to afford homeownership; however, this has increased prices of housing units and leaves lower income families with no standard housing stock available to purchase as a result of COVID. The units available and affordable for lower income families in TN are the units that need some rehab/repairs to be brought up to code and even the cost of these units are inflated by the other sales in the housing industry. CDBG-CV funds could be used for the low/moderate income families impacted by the COVID housing market for Down Payment Assistance and/or include the cost of financing needed rehab/repairs on the housing units. CDBG-CV funds could also be used for the construction of new housing, both homeowner units and affordable rental units. The cost of new construction has been impacted by the pandemic along the full construction supply chain from the foundation to the roof to the finishes – time and materials costs are at an all time high. The use of CDBG-CV funding for new housing would provide subsidy to cover the cost of housing with funding intended to address the shortage of housing caused by the pandemic. The suggested distribution of CDBG-CV assistance in the Substantial Amendment includes many needed services such as food insecurity, child care, broadband which are all needed. If families do not have shelter that is safe and secure, there is no "home" for services such as food, child care, and broadband to exist. We appreciate the opportunity to provide comments. Should you have any questions on what we have shared in our comments on the Substantial Amendment, please contact me at [redacted personal information].

#### Response 4:

Thank you for your comment. Housing assistance is important. While developing the plan for the CDBG-CV funding, we considered all funding sources over the past 18 months and their uses. The State of Tennessee received over \$350 million Emergency Rental Assistance through US Treasury and \$33.5 million in ESG-CV from HUD, in addition to the regular housing programs THDA administers, such as HOME, Housing Trust Fund, etc. After some discussion, concerns were raised that a relatively small portion of CDBG-CV would cause confusion and potentially overcomplicate and over-encumber the programs that received much larger allocations of funding through other stimulus programs. We are choosing to target the CDBG-CV funds to activities that received fewer resources.

#### Comment 5:

RE: Comments to the Substantial Amendment to the 2019-2020 Action Plan for CDBG-CV Funding To whom it may concern, We are a group of local non-profit organizations working to build the American Dream in our communities here in Tennessee who believe that we have Strength in Numbers when we speak on issues that affect our State. On behalf of the Fahe Members that make up the Tennessee Caucus, we would like to provide comments on the Substantial Amendment out for review. Please note that all of the suggested distribution of funds included in the Substantial Amendment for CDBG-CV Funding are valid uses of CDBG-CV assistance and the needs in our communities are significant. We would like to encourage THDA & the TN Department of Economic and Community Development to consider the use of CDBG-CV for new housing assistance for low and moderate income families as Down Payment Assistance or as a forgivable loan for assistance with rehab of a structure upon purchase. There is a known, chronic shortage of affordable housing across the country, and Tennessee is experiencing an influx of people based on our reputation as a low cost-of-living state. During the pandemic, many people have moved into TN purchasing housing units as most have sufficient means to afford homeownership; however, this has increased prices of housing units and leaves lower income families with no standard housing stock available to purchase as a result of COVID. The units available and affordable for lower income families in TN are the units that need some rehab/repairs to be brought up to code and even the cost of these units are inflated by the other sales in the housing industry. CDBG-CV funds could be used for the low/moderate income families impacted by the COVID housing market for Down Payment Assistance and/or include the cost of financing needed rehab/repairs on the housing units. CDBG-CV funds could also be used for the construction of new housing, both homeowner units and affordable rental units. The cost of new construction has been impacted by the pandemic along the full construction supply chain from the foundation to the roof to the finishes – time and materials costs are at an all-time high. The use of CDBG-CV funding for new housing would provide subsidy to cover the cost of housing with funding intended to address the shortage of housing caused by the pandemic. The suggested distribution of CDBG-CV assistance in the Substantial Amendment includes many needed services such as food insecurity, child care, broadband which are all needed. If families do not have shelter that is safe and secure, there is no "home" for services such as food, child care, and broadband to exist. We appreciate the opportunity to provide comments. Should you have any questions on what we have shared in our comments on the Substantial Amendment, please contact me at [personal information]. TN Caucus Chairperson Aid to Distressed Families of Appalachian Counties (ADFAC) Appalachia Habitat for Humanity Appalachia Service Project Blount County Habitat for Humanity ClinchPowell RC&D Council Creative Compassion, Inc. Crossville Housing Authority Eastern Eight Community Development HomeSource east tennessee Kingsport Housing and Redevelopment Authority Knoxville Habitat for Humanity Knoxville Leadership Foundation Loudon County Habitat for Humanity Mountain T.O.P

#### Response 5:

Thank you for your comment. Housing assistance is important. While developing the plan for the CDBG-CV funding, we considered all funding sources over the past 18 months and their uses. The State of Tennessee received over \$350 million Emergency Rental Assistance through US Treasury and \$33.5 million in ESG-CV from HUD, in addition to the regular housing programs THDA administers, such as HOME, Housing Trust Fund, etc. After some discussion, concerns were raised that a relatively small portion of CDBG-CV would cause confusion and potentially overcomplicate and over-encumber the programs that received much larger allocations of funding through other stimulus programs. We are choosing to target the CDBG-CV funds to activities that received fewer resources.

#### Comment 6:

I have waited on the section 8 voucher program list for almost 20 yrs now. The citizens of Tn need lower credit score requirements to purchase housing. 640 credit score for first time home buyer's program is almost unreachable with our minimum wage set at \$7.25 an hr. If you miss 1 payment of rent you are evicted and credit score damaged with judgements. We need better in Tn. Use some of that money to fulfill your 20 yr section 8 voucher waitlist. We have thousands of dollars in Tn with thousands of evictions pending. That does not make sense. What does that say about the state of TN? Help with better housing programs that are achievable. Too many out of towners buying up property and leaving it behind trashed, grass knee high, boarded up and our citizens need those houses. Including myself! I just closed my business due to an eviction for missing 2 months rent during the pandemic. My business didn't qualify for any of your business programs as they are not designed for small businesses like mine but they say that they are. It is absolutely sickening how black and brown people are treated. We are the ones depending on these programs yet they are unachievable. Not throwing the race card but I'm speaking facts. Thank you!

#### Response 6:

Thank you for your comments. To address the concern about housing, we agree that housing assistance is important. While developing the plan for the CDBG-CV funding, we considered all funding sources over the past 18 months and their uses. The State of Tennessee received over \$350 million Emergency Rental Assistance through US Treasury and \$33.5 million in ESG-CV from HUD, in addition to the regular housing programs THDA administers, such as HOME, Housing Trust Fund, etc. After some discussion, concerns were raised that a relatively small portion of CDBG-CV would cause confusion and potentially overcomplicate and over-encumber the programs that received much larger allocations of funding through other stimulus programs. We are choosing to target the CDBG-CV funds to activities that received fewer resources.

Addressing business assistance, the programs that have been previously available have not be administered by THDA or ECD; they were wither directly administered by the federal government or the TN Department of Revenue. This action plan does propose over \$5,587,000 to be used by organizations to provide deep technical assistance for business of 5 and fewer employees and entrepreneurs/new start-up businesses. If you would like additional information or would like to share more information about your concern of the eligibility of your business for the other assistance programs, please email ecd.bero@tn.gov.