



## HOME Beneficiary Report

Program Years 2005 – 2011

### Introduction and Recent Changes to the HOME Beneficiary Report

The Tennessee Housing Development Agency (THDA) administers the U.S. Department of Housing and Urban Development's HOME Program for the State of Tennessee to promote the production, preservation and rehabilitation of housing for low income households. HOME funds are awarded for homeowner and rental projects through a competitive application process for cities, counties and non-profit organizations outside of local Participating Jurisdictions (PJs). Participating Jurisdictions designations are made by HUD and directly receive their own HOME allocations.

This report provides information regarding HOME allocations received by the State of Tennessee between Program Years 2005 – 2011 and the households served by the HOME Program between program years 2005 – 2010. A program year refers to the year in which the program was funded by HUD. Past HOME Beneficiary reports analyzed HOME beneficiaries whose projects were *completed* during a given five-year time period (i.e. projects completed during July 2005 and June 2011). Prior to 2007, grantees were given a longer timeframe to complete projects funded with HOME dollars and the five-year period on which the analysis was based could include program years funded as far back as 1995.

In order to provide a more in-depth analysis of the households served during a specific program year and to compare program funds to the number of beneficiaries, this report analyzes beneficiaries based on a group of specific program years or the date the project was *funded*, rather than the year the project was *completed*. Only projects funded during program year 2008 and prior to 2008 are required to be complete at the time of this report and therefore are the only program years with complete beneficiary information. Program years 2009 – 2011 are still active and only a portion of the projects have been completed. As a result, only a portion of the beneficiary information is available for program years 2009 – 2011.

## HOME Allocations and Funds Available

Table 1 shows the federal HOME Allocation for program years 2005 – 2011. Also represented is the year-to-year percent change in HOME funds over the reporting period. The HOME Program may reallocate recaptured funds or program income from one HOME program year to the next. Also shown in Table 1 are the total funds available (federal allocation plus reallocated funds). The expected allocation for the 2012 HOME Program is \$9,924,071, nearly a 36% decrease from the 2011 HOME allocation.

**Table 1. Federal Allocations for the State of Tennessee’s HOME Program**

Year	Federal Allocation	Change from Previous Year’s Allocation	Funds Made Available	Units Completed
2011	\$15,406,004	-11.77%	\$15,673,264	-
2010	\$17,461,612	-0.23%	\$17,524,210	40*
2009	\$17,502,657	11.34%	\$17,460,572	172*
2008	\$15,720,495	-2.71%	\$17,892,985	330
2007	\$16,158,053	0.72%	\$16,209,945	320
2006	\$16,041,905	-5.69%	\$16,926,123	421
2005	\$17,010,346	-6.84%	\$17,338,043	530

\*Program Years 2009 – 2011 are still active and only a portion of the units have been completed.

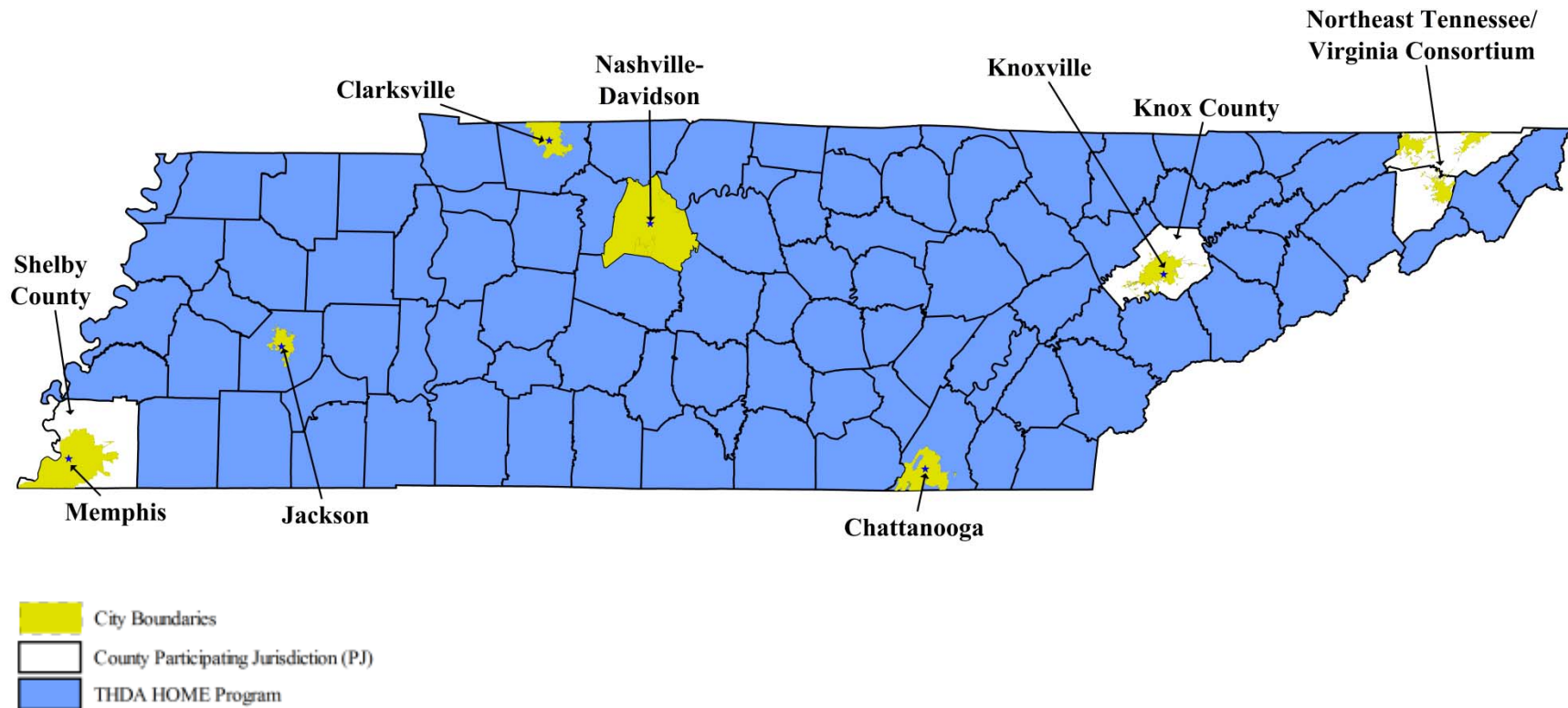
The distribution of HOME funds across Tennessee’s three grand divisions is represented in Table 2. During the reporting period, East Tennessee received the largest amount of HOME funds at 44% of the total allocation, followed by Middle Tennessee with 38% and West Tennessee with 18%. HOME funds are distributed regionally based on the eligible population, which accounts for the differences among the three divisions.

**Table 2. HOME funds by Grand Division**

Grand Division	2005	2006	2007	2008	2009	2010	2011	Cumulative
East	\$8,582,143	\$6,489,215	\$7,622,089	\$7,073,481	\$8,442,790	\$8,201,585	\$5,685,398	\$52,096,701
Middle	\$6,377,402	\$6,847,461	\$6,189,802	\$6,279,950	\$6,027,050	\$6,129,572	\$7,341,807	\$45,193,044
West	\$2,378,498	\$3,589,447	\$2,398,054	\$4,539,554	\$2,990,732	\$3,193,053	\$2,646,059	\$21,735,397
<b>Grand Total</b>	<b>\$17,338,043</b>	<b>\$16,926,123</b>	<b>\$16,209,945</b>	<b>\$17,892,985</b>	<b>\$17,460,572</b>	<b>\$17,524,210</b>	<b>\$15,673,264</b>	<b>\$119,025,142</b>

## Distribution of HOME Funds

The State's HOME funds are made available to cities, counties and non-profit organizations outside of local Participating Jurisdictions (PJs) on a competitive basis. Current PJs, which receive their own HOME funds directly from HUD include: the Northeast Tennessee/Virginia Consortium (Sullivan and Washington Counties and the cities of Bristol, Johnson City, and Kingsport,) Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County and Shelby County. The map below shows the areas covered by the State's HOME Program and the city and county Participating Jurisdictions.



### Distribution of HOME Funds by Funding Category

Through 2011, HOME funds were allocated based on three categories: Regional, Special Needs and Community Housing Development Organizations (CHDOs). Regional allocations are made to groups of counties that correspond to Tennessee’s nine development districts. These allocations are made based upon the regional distribution of low income households outside of local PJs and account for 65% of THDA HOME funds available. Special Needs projects include housing designed for persons with an unusual need due to a condition that can be either a permanent or temporary disability. Ten percent of the funds available are reserved for applicants proposing special needs projects. As federally mandated, 15% of the total allocation is reserved for CHDOs. Table 3 represents the distribution of HOME funds across each of the program categories (Regional, Special Needs and CHDO).

**Table 3. HOME Funds by Category**

<b>Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Cumulative Totals</b>
<b>CHDO</b>	\$3,158,090	\$2,634,459	\$2,935,150	\$3,062,075	\$2,821,857	\$2,752,771	\$2,630,572	\$19,994,974
<b>Special Needs</b>	\$1,345,285	\$2,423,688	\$1,635,398	\$1,033,290	\$1,044,650	\$1,548,394	\$656,249	\$9,686,954
<b>Regional</b>	\$12,834,668	\$11,867,976	\$11,639,397	\$13,797,620	\$13,594,065	\$13,223,045	\$12,386,443	\$89,343,214
<b>Grand Total</b>	<b>\$17,338,043</b>	<b>\$16,926,123</b>	<b>\$16,209,945</b>	<b>\$17,892,985</b>	<b>\$17,460,572</b>	<b>\$17,524,210</b>	<b>\$15,673,264</b>	<b>\$119,025,142</b>

### HOME Activities

The HOME Program funds a number of housing activities from rehabilitating single family homes and manufactured housing, to homeownership activities, to creating or improving special needs rental housing. Recipients of HOME funds are able to tailor programs and funding to the unique needs of each county. For reporting purposes, HOME activities fall under one of five broad categories including: rehabilitation, new construction, acquisition only, acquisition and rehabilitation and acquisition and new construction. Rehabilitation activities are homeowner or rental projects, while the remaining categories are either rental or homebuyer projects. Overall, the most frequent activity using HOME funds is homeowner rehabilitation.

**Table 4. HOME Projects by Activity Type**

<b>Program Year</b>	<b>Rehabilitation Only</b>	<b>New Construction Only</b>	<b>Acquisition Only</b>	<b>Acquisition and Rehabilitation</b>	<b>Acquisition and New Construction</b>	<b>Grand Total</b>
<b>2005</b>	251	40	230	4	5	530
<b>2006</b>	231	14	158	9	9	421
<b>2007</b>	218	30	61	8	3	320
<b>2008</b>	252	12	47	8	11	330
<b>2009</b>	157	5	1	3	6	172
<b>2010</b>	33	2	3	2	0	40
<b>Grand Total</b>	<b>1,142</b>	<b>103</b>	<b>500</b>	<b>34</b>	<b>34</b>	<b>1,813</b>

*Rehabilitation*

During the reporting period, out of the 1,813 projects completed, 1,142 (63%) were rehabilitation only projects. Of these, 1,137 were homeowner rehabilitation projects and five were rental rehabilitation projects. The five rental rehabilitation projects all occurred in 2008. In general, the majority of rehabilitation work is homeowner rehabilitation.

*New Construction*

Out of the 1,813 projects completed during the reporting period, 103 (6%) of the total projects were new construction only. Nearly 80% of the new construction projects were part of homeownership programs and 20% of the projects were rental projects. New construction projects were completed for each program year during the reporting period.

*Acquisition Only*

Five hundred (28%) of the total projects are categorized as acquisition only projects. Among the acquisition projects, 479 (96%) were homeownership projects and 21 (4%) percent were for rental projects.

### *Acquisition and Rehabilitation*

Out of the 1,813 projects, 34 included acquisition and rehabilitation. Twelve of the 34 were rental projects and the other 22 were homeownership projects. Acquisition and rehabilitation activities occurred every program year for the reporting period.

### *Acquisition and New Construction*

An additional 34 projects included acquisition and new construction. Sixteen were rental projects and 18 were homeownership projects.

### **HOME Activities by Grand Division**

During the reporting period, the majority of HOME activities took place in the East (44%), followed by Middle Tennessee (40%) and West Tennessee (16%). Based on the allocation and eligible population for each grand division, the number of units is generally proportionate to the allocation of funds for the grand division.

**Table 5. Home Activities by Grand Division**

<b>Grand Division</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Grand Total</b>
<b>East</b>	252	167	164	107	82	18	<b>790</b>
<b>Middle</b>	223	180	121	145	50	6	<b>725</b>
<b>West</b>	55	74	35	78	40	16	<b>298</b>
<b>Grand Total</b>	<b>530</b>	<b>421</b>	<b>320</b>	<b>330</b>	<b>172</b>	<b>40</b>	<b>1,813</b>

### **Details of HOME Beneficiaries**

During the reporting period, 1,813 households were assisted with the State's HOME funds. Beneficiaries of HOME funds must be low or very low income households. THDA provides income determination guidelines to grantees to ensure all recipients of HOME funds meet income limits. The income of HOME beneficiaries and other demographics for projects funded between 2005 and 2010 are included in the sections below. In 2008, three units were reported as vacant and no beneficiary had been identified at the time of this report. Because beneficiaries have not been identified for the three units, no household, income or race/ethnicity data is available.

## Household Characteristics

The category of households receiving HOME assistance during the reporting period most frequently are elderly households, followed closely by single, non-elderly households. One person households were served more frequently than any other size of household during the reporting period. Together, households with a single or elderly head of household comprised nearly 60% of HOME Beneficiaries during the reporting period.

**Table 6. Household Size of HOME Beneficiaries by Household Type**

<b>Household Size</b>	<b>Single, Non-Elderly</b>	<b>Elderly</b>	<b>Related/ Single Parent</b>	<b>Related/ Two Parent</b>	<b>Other</b>	<b>Vacant</b>	<b>Grand Total</b>
<b>1</b>	364	320	3	3	3	-	<b>693</b>
<b>2</b>	63	170	115	33	83	-	<b>464</b>
<b>3</b>	43	42	93	83	30	-	<b>291</b>
<b>4</b>	20	17	45	81	35	-	<b>198</b>
<b>5</b>	15	16	18	37	16	-	<b>102</b>
<b>6</b>	3	4	4	18	8	-	<b>37</b>
<b>7</b>	1	2	3	10	3	-	<b>19</b>
<b>8</b>	1	1	-	2	2	-	<b>6</b>
<b>Grand Total</b>	<b>510</b>	<b>572</b>	<b>281</b>	<b>267</b>	<b>180</b>	<b>3</b>	<b>1,813</b>

## Income and Other Forms of Assistance

Very low income households are defined as those households whose annual income is 50 percent or less of the area median income (AMI) for the county in which the household resides. Low income households are defined as those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides.

Out of the 1,813 households receiving HOME assistance between 2005 and the time of this report, nearly 48% were very low income and 52% were low income households. During program years in which all projects have been completed (2005-2007) the percentage of very low and low income households were nearly the same. Although program years 2008 – 2010 are not complete, the projects completed at the time of this report show a slight increase in the number of very low income households served with HOME funds.

**Table 7. Distribution of HOME Program Beneficiaries by Income**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Grand Total</b>
<b>Very Low Total</b>	231	201	152	165	98	20	867
<b>Low Total</b>	299	220	168	162	74	20	943
<b>Vacant</b>	-	-	-	3	-	-	3
<b>Grand Total</b>	<b>530</b>	<b>421</b>	<b>320</b>	<b>330</b>	<b>172</b>	<b>40</b>	<b>1,813</b>

During the reporting period, occupants of rental units were more likely to be very low income than occupants of owner occupied units. Eighty-two percent of tenants and 46% of homeowners were very low income, while 18% of tenants and 54% of owners were low income.

The majority of households receiving HOME assistance do not receive any other federal, state or local rental assistance. Out of the 75 HOME projects receiving funds for rental activities, only 16 of the current tenants received Section 8 rental assistance and five received some other form of federal, state or local rental assistance. Rental assistance is the only type of assistance reported for the HOME Program. Other forms of assistance possibly received by homeowners are not included in HOME beneficiary data.

### **Race/Ethnicity**

Race and Ethnicity data for the HOME Program is determined by the race or ethnicity of the head of household. The majority of HOME beneficiaries are Non-Hispanic White, followed by Black/African American. The breakdown of HOME beneficiaries by race and ethnicity is provided below. Data available for beneficiaries who received assistance under the 2009 and 2010 HOME Programs shows an increase in the number of minorities served. However, because these program years are still active, this trend is subject to change.



**Table 8. HOME Beneficiaries by Race and Ethnicity**

Program Year	White		Black/ African American		Other Multi-Racial		Vacant	Hispanic		Grand Total
	N	%	N	%	N	%		N	%	
<b>2005</b>	433	81.7%	89	16.8%	8	2.0%	0	12	2.3%	530
<b>2006</b>	337	80.0%	84	20.0%	0	0.0%	0	7	1.7%	421
<b>2007</b>	265	82.8%	54	16.9%	1	0.2%	0	5	1.6%	320
<b>2008</b>	266	81.3%	59	18.0%	2	0.4%	3	1	0.3%	330
<b>2009</b>	114	66.3%	56	32.6%	2	0.4%	0	3	1.7%	172
<b>2010</b>	30	75.0%	9	22.5%	1	0.2%	0	0	0.0%	40
<b>Grand Total</b>	<b>1,445</b>	<b>79.8%</b>	<b>351</b>	<b>19.4%</b>	<b>14</b>	<b>0.8%</b>	<b>3</b>	<b>28</b>	<b>1.5%</b>	<b>1,813</b>

A large percentage of HOME Beneficiaries are Non-Hispanic White (79.8%). This percentage is fairly consistent with the proportion of white households who are low income in Tennessee with housing problems. Housing problems are defined as spending more than 30% of household income on housing, lacking kitchen/plumbing facilities or overcrowding. According to 2005 – 2009 CHAS data, approximately 84.9% of the households who are low income and have housing problems in the areas covered by the State’s HOME Program are White, while 10% are Black/African American and 3.6% are Hispanic. HOME funds are being used fairly proportionately, based on race and ethnicity, to the low income households with housing problems in Tennessee. Hispanic and White households are slightly underserved when the use of HOME funds is compared to CHAS data.

Over 283,000 households in the areas covered by the State’s HOME Program are low income and fit the criteria for having housing problems according to the CHAS data. The HOME program is designed to help those most in need, including those households who are low income with housing problems. While assistance to 1,813 households is significant, the HOME program will continue to target funds to promote the production, preservation and rehabilitation of housing for low income households in Tennessee.