



December 2014

THDA HOME Beneficiary Report

July 1, 2013 – June 30, 2014

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2014 HOME Beneficiary Report

July 1, 2013 – June 30, 2014

Executive Summary

The 2014 HOME Beneficiary Report provides information regarding HOME allocations received by the State of Tennessee, the activities completed with HOME funding, and the households served by the HOME Program from July 1, 2013 through June 30, 2014.

General Data:

- Tennessee received an allocation of \$10.1M in 2014, which is a 6.6 percent increase from the 2013 allocation of \$9.5M and a 1.7 percent increase from the 2012 allocation of \$9.9M.
- During FY 2013-14, THDA distributed the state's 2012 allocation of \$9,924,071 along with the majority of the 2013 allocation of \$9,474,797. Additionally, THDA reallocated \$1,488,312 from 2011 and distributed \$330,436 in program income from the 2012 and 2013 program years. In total, THDA distributed \$18,833,983 in program funds during FY 2013-14.

Activities Data:

- During FY 2013-14, 152 HOME Projects were completed with HOME allocations ranging from program years 2009-2011. Eighty percent of these projects (121 units) were rehabilitation projects. New construction followed with eight percent (12 units), acquisition only with six percent (nine units), acquisition and rehabilitation with five percent (eight units), and acquisition and new construction with one percent (two units).
- Thirty-three percent of the projects were completed in East Tennessee, 57 percent of the projects were completed in Middle Tennessee, and the remaining 10 percent were completed in West Tennessee.

Beneficiary Data:

- During FY 2013-14, 150 of the 152 households reported beneficiary data. Forty percent of the households reporting beneficiary data were categorized as Elderly and 26 percent are Single/Non-Elderly. The remaining 34 percent of households were a combination of Related/Single Parent, Related/Two Parent, and Other.
- Eighty percent of the beneficiaries were very low-income households.
- Eighty-three percent of the occupied households were owner occupied while the remaining 17 percent were renter occupied. There were 2 unoccupied units at the time of this report.
- Seventy-seven percent of the households were reported as White, 23 percent are Black/African American, and less than one percent was reported as Other Multi-Race. Two households were reported as Hispanic.

HOME Beneficiary Report

July 1, 2012 – June 30, 2013

Introduction

The U.S. Department of Housing and Urban Development's (HUD) HOME program is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. The HOME program is implemented through state and local governments called participating jurisdictions or "PJs". PJs may be states or units of general local government, including consortia and urban counties. The Tennessee Housing Development Agency (THDA) administers the HOME Program for the State of Tennessee to promote the production, preservation and rehabilitation of housing for low-income households. The State of Tennessee's HOME funds are awarded for homeowner and rental projects through a competitive application process for cities, counties and non-profit organizations outside of local PJs, which receive their own HOME allocations directly from HUD.

This report provides information regarding HOME allocations received by the State of Tennessee, the households served by the HOME Program, and the activities completed with funding from program years 2009 – 2013¹. HOME activities are required to be completed within four years of the date the State of Tennessee enters into a grant agreement with HUD; however, THDA limits its contracts with its sub-recipients to a three-year term. Therefore, program years 2012 and 2013 are still active as well as one project funded from program year 2010 and one project funded from program year 2011 with extended contracts. As a result, the number of completed units and the beneficiary data available for program years 2009 – 2013 are reported as of June 30, 2014 and do not represent the final number of units or total beneficiary data from projects resulting from those program years.

Funding for the HOME program increased in 2014 for the first time since 2009. Tennessee received an allocation of \$10,096,577 in 2014, which is a 6.6 percent increase from the 2013 allocation. Despite the decreases in funding from 2011 through 2013, the State of Tennessee's HOME Program has made substantial contributions to affordable housing for low-income Tennesseans. During FY 2013-14, HOME funds contributed to the completion of 152 housing units.

¹ A program year refers to the year in which the program was funded by HUD and follows the federal fiscal year cycle, which is October 1st through September 30th. THDA reports HOME activities and beneficiary data based on the state's fiscal year cycle, which is July 1st through June 30th. Throughout this report, FY 2013-14 will refer to the state's fiscal cycle, July 1, 2013 – June 30, 2014.

Recent Changes to the HOME Program

HUD published a Final Rule in the Federal Register on July 24, 2013 to amend the HOME Investment Partnerships (HOME) Program regulations. The OneCPD Resource Exchange highlights the changes of the 2013 HOME Final Rule below:

“The 2013 Rule contains many new provisions and changes that will have substantive and broad-based impact on how participating jurisdictions (PJs) administer HOME activities. The 2013 Rule also codifies existing policy guidance that has been previously issued by HUD, and addresses a number of technical and non-substantive “housekeeping” items within the HOME regulation.

The key substantive changes in the regulation are intended to:

- Accelerate the timely production and occupancy of assisted housing,
- Strengthen the performance of PJs and their partners in production and preserving affordable housing units,
- Provide PJs with greater flexibility in the design and implementation of their programs, and
- Increase administrative transparency and accountability.”²

State of Tennessee HOME Program

The State of Tennessee’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 (the cities of Bristol, Johnson City, Bluff City, Kingsport, Sullivan County and Washington County, excluding the town of Jonesborough), Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County and Shelby County. Map 1 on the following page shows the State of Tennessee by jurisdiction type.

² Details of the changes to the HOME rule can be found on OneCPD Resource Exchange’s website: <https://www.onecpd.info/home/home-final-rule/highlights-of-the-changes-in-the-home-final-rule/>.

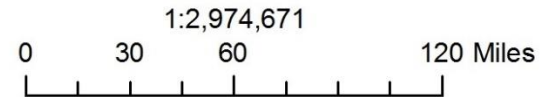
Map 1. Tennessee by HOME Grantee Type



December 10, 2014

HOME Grantee Type

- State
- Urban County
- City
- HOME Consortia



HOME Allocations and Funds Available

Chart 1 shows the federal HOME allocations for the past 10 years. Table 1 shows the federal HOME allocation for program years 2009 – 2013. The table additionally shows 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. The “Funds Made Available” column represents the federal allocation plus any reallocated funds resulting from program income or recaptured funds at the time of this report.

Chart 1. Annual Federal Allocations for the State of Tennessee’s HOME Program

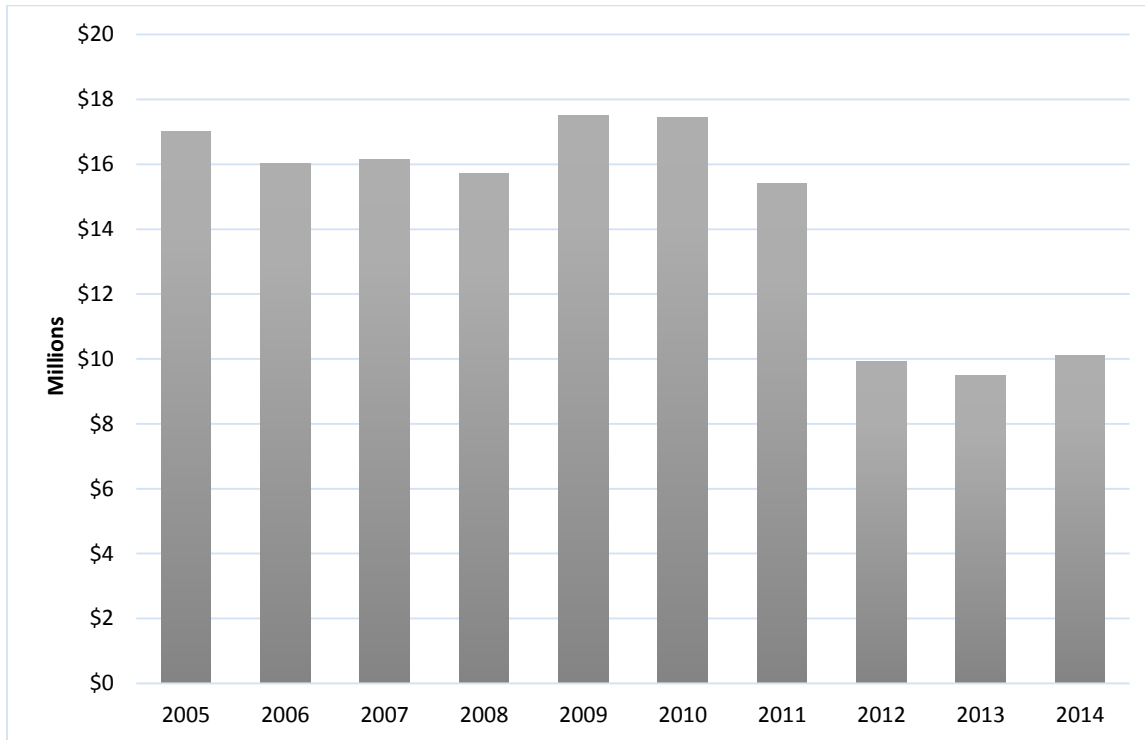


Table 1. Annual Allocations for the State of Tennessee’s HOME Program

Program Year	Federal Allocation	Change from Previous Year’s Allocation	Funds Made Available	FY 2013-14 Units Completed	Cumulative Units
2014	\$10,096,577	6.6%	To be determined	-	-
2013	\$9,474,797	-4.5%	\$9,661,648	-	-
2012	\$9,924,071	-35.6%	\$11,644,022	-	-
2011	\$15,406,004	-11.8%	\$17,731,434	73	272
2010	\$17,461,612	-0.2%	\$19,435,298	75	279
2009	\$17,502,657	11.3%	\$19,454,080	4	312

The distribution of HOME funds across Tennessee’s three grand divisions is represented in Table 2. During the reporting period, East and Middle Tennessee each received 39.6 percent of HOME funds, while West Tennessee received the remaining 20.8 percent. HOME funds are distributed regionally based on the eligible population, which accounts for the differences among the grand divisions’ allocations. The allocation amounts do not include funds retained for the state’s administrative costs or funds that were uncommitted at the time of this report. The 2013 HOME funds for the Community Housing Development Organizations (CHDO) round were not awarded within the FY 2013-14 reporting period; therefore, a breakdown of the allocations by grand division is not complete for the 2013 program year.

Table 2. HOME Program Funds by Grand Division

Grand Division	2009	2010	2011	2012	2013	Total
East	\$8,246,214	\$7,233,994	\$6,984,123	\$2,544,865	\$2,949,096	\$27,958,292
Middle	\$5,883,410	\$6,831,374	\$6,108,142	\$4,875,000	\$3,726,712	\$27,424,638
West	\$2,865,039	\$2,766,781	\$2,636,705	\$3,650,256	\$1,000,000	\$12,918,781
Total	\$16,994,663	\$16,832,149	\$15,728,970	\$11,070,121	\$7,675,808	\$68,301,711

Distribution of HOME Funds by Funding Category

Through 2012, HOME funds were allocated based on three categories: Regional, Special Needs and CHDOs. Regional allocations were made to groups of counties that corresponded to Tennessee’s nine Development Districts. These allocations were made based upon the regional distribution of low-income households outside of local PJs and accounted for 75 percent of THDA HOME funds available. Special Needs projects included housing designed for persons with an unusual need due to a condition that can be either a permanent or a temporary disability. Ten percent of the available funds were reserved for applicants proposing special needs projects. As federally mandated, 15 percent of the total allocation is reserved for CHDOs.

In 2012, the Urban/Rural Allocation replaced the Regional Allocation, which comprises 75 percent of the total HOME funds available. Forty-four percent of the Urban/Rural Allocation funds is available to urban counties and 56 percent is available to rural counties.³ Additionally in 2012, the Special Needs category became the Supportive Housing Development category, which requires on-going, on-site services for persons with a disability that is either permanent or temporary. Ten percent of the total HOME funds available is reserved for the Supportive Housing Development category. Fifteen percent of the total allocation is still reserved for CHDOs.

Table 3 represents the distribution of HOME funds across each of the program categories (Regional and Urban/Rural, Special Needs and Supportive Housing Development, and CHDO) for program years 2009 – 2013. The funding amounts in the table below do not include funds retained for the state’s administrative

³ Urban counties include: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen Haywood, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties, excluding the PJs that receive their own HOME funds directly from HUD, are considered rural counties.

costs or funds that were uncommitted at the time of this report. Additionally, the 2013 HOME funds for the CHDO round were not awarded within the FY 2013-14 reporting period; therefore, a breakdown of the allocations by category is not complete for the 2013 program year.

Table 3. HOME Program Funds by Category

Program	2009	2010	2011	2012	2013	Total
CHDO	\$2,818,941	\$2,643,432	\$2,720,368	\$2,604,544	-	\$10,787,286
Special Needs (Supportive Housing Development)	\$1,005,349	\$1,521,096	\$656,249	\$1,030,361	NA	\$4,213,055
Regional (Urban/Rural)	\$13,170,373	\$12,667,621	\$12,352,353	\$7,435,216	\$7,675,808	\$53,301,371
Total	\$16,994,663	\$16,832,149	\$15,728,970	\$11,070,121	\$7,675,808	\$68,301,712

HOME Activities

The HOME Program funds various activities ranging from rehabilitating single family homes and manufactured housing, to homeownership activities, to creating or improving supportive needs rental housing. Recipients of HOME funds are able to tailor the program to support the unique needs of each county. For reporting purposes, HOME activities are grouped under one of five broad categories including: rehabilitation, new construction, acquisition only, acquisition and rehabilitation, and acquisition and new construction. Table 4 shows the distribution of completed activities during FY 2013-14 and the program years from which they were originally funded. Table 5 shows the total number of activities completed with funding from each specified program year.

Table 4. HOME Projects Completed during FY 2013-14 by Activity Type and Program Year

Program Year	Rehabilitation Only	New Construction Only	Acquisition Only	Acquisition and Rehabilitation	Acquisition and New Construction	Total
2009	4	-	-	-	-	4
2010	58	12	3	-	2	75
2011	59	-	6	8	-	73
Total	121	12	9	8	2	152

Table 5. Cumulative HOME Projects Completed by Activity Type and Program Year

Program Year	Rehabilitation Only	New Construction Only	Acquisition Only	Acquisition and Rehabilitation	Acquisition and New Construction	Total
2009	239	43	1	13	16	312
2010	206	40	9	7	17	279
2011	191	37	18	17	9	272
Total	636	120	28	37	42	863

Rehabilitation

A total of 121 rehabilitation only projects were completed during FY 2013-14 and accounts for 80 percent of all projects completed during the reporting period. Of the 121 rehabilitation projects completed, 113 were homeowner rehabilitation projects and eight projects were for rental rehabilitation.

New Construction

A total of 12 new construction only projects were completed during FY 2013-14 and accounts for eight percent of all projects. Of the 12 new construction projects completed, nine of the projects were rental units while the remaining three were homeownership projects.

Acquisition Only

A total of nine acquisition only projects were completed during FY 2013-14 and accounts for six percent of all projects. All of the acquisition only projects were homeownership projects.

Acquisition and Rehabilitation

Eight acquisition and rehabilitation projects were completed during FY 2013-14 and accounts for five percent of all projects. All of the acquisition and rehabilitation projects were rental projects.

Acquisition and New Construction

Two projects included acquisition and new construction and accounts for one percent of the total projects completed during FY 2013-14. Both of the acquisition and new construction projects were rental projects.

HOME Activities by Grand Division

During FY 2013-14, 152 total projects were completed with the majority of completed HOME activities taking place in East and Middle Tennessee. Of the total projects completed, 57 percent occurred in Middle Tennessee, 33 percent occurred in East Tennessee and 10 percent took place in West Tennessee. Based on the allocation and eligible population for each grand division, the number of units is generally proportionate to the allocation of funds received by each grand division. Table 6 shows the completed projects per grand division in FY 2013-14 by grand division. Table 7 shows the cumulative total activities completed from each program year that remained active during the reporting period and in each of the grand divisions.

Table 6. HOME Activities Completed in FY 2013-14 by Grand Division and Program Year

Grand Division	2009	2010	2011	Grand Total
East	-	12	38	50
Middle	4	54	29	87
West	-	9	6	15
Grand Total	4	75	72	152

Table 7. Cumulative HOME Activities Completed by Grand Division and Program Year

Grand Division	2009	2010	2011	Grand Total
East	152	115	126	393
Middle	108	129	110	347
West	52	35	36	123
Grand Total	312	279	272	863

Details of HOME Beneficiaries

During FY 2013-14, 150 households were assisted with the State of Tennessee’s HOME funds. Two of the 152 completed projects during FY 2013-14 were reported as vacant; therefore, beneficiary data is only applicable for the 150 occupied units. 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 2009 and 2013 are included in the sections below.

Household Characteristics

The majority of households that received HOME assistance during the reporting period were single non-elderly households, followed closely by 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 63 percent of HOME Beneficiaries during FY 2013-14. Table 8 shows the beneficiary household sizes and types for activities completed during FY 2013-14. Table 9 shows the cumulative beneficiary characteristics from all completed activities with funding from Program Years 2009 through 2013.

Table 8. Household Size of HOME Beneficiaries in FY 2013-14 by Household Type

Household Size	Single, Non-Elderly	Elderly	Related/ Single Parent	Related/ Two Parent	Other	Grand Total
1	26	37	-	-	5	68
2	8	16	4	1	7	36
3	3	5	11	5	1	25
4	2	1	2	6	1	12
5	-	1	-	4	3	8
6	-	-	-	1	-	1
Grand Total	39	60	17	17	17	150

Table 9. Cumulative Data on Household Size of HOME Beneficiaries by Household Type

Household Size	Single, Non-Elderly	Elderly	Related/ Single Parent	Related/ Two Parent	Other	Grand Total
1	154	168	2	-	5	329
2	34	96	30	8	34	202
3	23	21	69	29	11	153
4	14	10	27	41	8	100
5	8	3	9	19	6	45
6	1	3	3	12	1	20
7	1	1	2	3	-	7
8	1	1	-	2	-	4
Grand Total	236	303	142	114	65	860

Income, Occupancy Type and Other Forms of Assistance Received

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 150 occupied households receiving HOME assistance during FY 2013-14, 80 percent were very low-income and 20 percent were low-income households. The number of very low-income households served by the HOME Program continues to increase. During FY 2012-13, only 67 percent of occupied households receiving HOME assistance were very low-income. As seen from the tables below, the percentage of very low-income households served by the HOME program during FY 2013-14 has increased compared to the cumulative totals over the last five program years. Table 10 shows the number of very low- and low-income households served during FY 2013-14. Table 11 shows the cumulative total of beneficiaries served from Program Years 2009 through 2013.

Table 10. Distribution of HOME Program Beneficiaries in FY 2013-14 by Income

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	120	80%
Low-Income	30	20%
Total	150	100%

Table 11. Cumulative Distribution of HOME Program Beneficiaries by Income

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	570	66%
Low-Income	290	34%
Total	860	100%

During FY 2013-14, 17 percent of the units were occupied by renters and 81 percent of the units were occupied by owners. Eighty percent of renter occupied units and owner occupied households were occupied by very low-income households. Table 12 shows the distribution of tenant type by income level during FY 2013-14. Table 13 show the cumulative data for units funded from Program Years 2009 through 2013.

Table 12. Distribution of HOME Program Beneficiaries in FY 2013-14 by Tenant Type & Income

Tenant Type	Very Low-Income HHs	Low-Income HHs	Total
Renter	20	5	25
Owner	100	25	125
Total	120	30	150

Table 13. Cumulative Distribution of HOME Program Beneficiaries by Tenant Type & Income

Tenant Type	Very Low-Income HHs	Low-Income HHs	Total
Renter	143	33	176
Owner	427	257	684
Total	570	290	860

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. Of the 25 renter occupied units receiving HOME funds, 15 of the households do not receive any federal, state or local rental assistance. Of the remaining 40 percent of renter occupied units receiving HOME funds, six households received Section 8 rental assistance and four households received some other form of federal, state or local rental assistance.

Race and 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 in the tables below. Table 14 shows the race and ethnicity for HOME beneficiaries during FY 2013-14. Table 15 shows the cumulative race and ethnicity data for all HOME beneficiaries from Program Years 2009 through 2013.

Table 14. HOME Beneficiaries in FY 2013-14 by Race and Ethnicity

Race		Number	Percentage
	White	115	77%
	Black/African American	34	23%
	Other Multi-Racial	1	<1%
	Total	150	100%
Ethnicity		Number	Percentage
	Hispanic	2	1%

Table 15. Cumulative HOME Beneficiaries by Race and Ethnicity

Race		Number	Percentage
	White	650	76%
	Black/African American	203	24%
	Asian	1	<1%
	American Indian/Alaskan Native	1	<1%
	Other Multi-Racial	5	<1%
	Total	860	100%
Ethnicity		Number	Percentage
	Hispanic	11	1%

Data from FY 2013-14 and the cumulative data show that a majority of HOME Beneficiaries are Non-Hispanic White. This percentage is fairly consistent with the proportion of low-income White households with housing problems in Tennessee. Housing problems are defined as spending more than 30 percent of household income on housing, lacking kitchen/plumbing facilities, or overcrowding. According to 2007 – 2011 CHAS data, approximately 83 percent of the households who are low-income and have housing problems in areas covered by the state’s HOME Program are White, while 11 percent are Black/African American and six percent are other races. Four percent of the population is identified as Hispanic. The allocation of HOME funds are fairly proportional, based on race and ethnicity, to the low-income households with housing problems in Tennessee, although Hispanic and White households are slightly underserved compared to CHAS data.

Conclusion

Over 324,000 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. Prior HOME funds have contributed to assisting an additional 150 households in FY 2013-14. The HOME program will continue to target funds to promote the production, preservation and rehabilitation of housing for low-income households in Tennessee.