



THDA HOME Investment Partnerships Program Beneficiary Report

Fiscal Year: July 1, 2014 – June 30, 2015

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Tennessee Housing Development Agency (THDA)

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

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Leading Tennessee Home by creating safe, sound, affordable housing opportunities.

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2014 - 2015 HOME Beneficiary Report Executive Summary

The 2014 - 2015 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, 2014 through June 30, 2015.

General Data:

- Tennessee received an allocation of \$8,984,790 in 2015, which is an 11 percent decrease from the 2014 allocation of \$10,096,577 and a 5.2 percent decrease from the 2013 allocation of \$9,474,797.
- During FY 2014-15, THDA distributed the state's 2012 allocation of \$9,924,071 as well as \$1,488,312 of 2011 funds and \$231,639 in program income for a total of \$11,644,022. The state also received an allocation of \$9,474,797 for program year 2013 and had \$98,797 in program income for a total of \$9,573,594. Although these funds were awarded in FY 2013-14, all of the contracts except those from 2012 Community Housing Development Organization (CHDO) funds started in FY 2014-15. For 2014, the HOME program received an allocation of \$10,096,577. In addition to the 2014 allocation, THDA had \$129,241 in program income and \$417,288 of reallocation funds for a total of \$10,643,106.

Activities Data:

- During FY 2014-15, 87 affordable housing units were completed with HOME allocations ranging from program years 2010 - 2012. Sixty-nine percent of those projects (60 units) were rehabilitation projects. New construction followed with 14 percent (12 units), acquisition only with 10 percent (nine units), then acquisition and rehabilitation with seven percent (six units). There were no acquisition and new construction projects during this reporting period.
- Seventy-nine percent of the projects were completed in East Tennessee, 15 percent of the projects were completed in Middle Tennessee, and the remaining six percent were completed in West Tennessee.

Beneficiary Data:

- During FY 2014-15, 86 of the 87 households reported beneficiary data. One unit during the reporting period was vacant. Forty percent of the households reporting beneficiary data were categorized as Elderly and 38 percent are Single/Non-Elderly. The remaining 22 percent of households were a combination of Related/Single Parent, Related/Two Parent, and Other.
- Sixty-six percent of the beneficiaries were very low-income households.

- Fifty-one percent of the occupied households were renter-occupied while the remaining 48 percent were owner-occupied. Less than one percent was not applicable because there was one unoccupied unit during this reporting period.
- Eighty-one percent of the households were reported as White, 17 percent reported Black/African American, and one percent reported as Other/Multi-Race. There were no beneficiaries of Hispanic origin.

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. During this reporting period, the State of Tennessee's HOME funds were 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 2010 – 2012¹. 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 2013 and 2014 were active during the reporting period, as well as projects with funding dating back to 2010 through extended contracts. As a result, the number of completed units and the beneficiary data available for program years 2010 – 2014 are reported as of June 30, 2015 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 decreased in 2015, following a funding increase in 2014. Tennessee received an allocation of \$8,984,790 in 2015, which is an 11 percent decrease from the 2014 allocation of \$10,096,577 and a 5.2 percent decrease from the 2013 allocation of \$9,474,797. Despite this decrease in funding, the State of Tennessee's HOME program has made substantial contributions to affordable housing for low-income Tennesseans. During FY 2014-15, HOME funds contributed to the completion of 87 housing units.

On December 16, 2011, HUD published a new proposed regulation for the HOME Program which made significant changes to the HOME rule. Because the new HOME rule applied to any grant with 2012 funds, THDA opted not to accept any applications for 2012 until the new rule was released. The new rule was not published until July 24, 2013; therefore, THDA did not award any HOME funds during FY 2012-13. These changes delayed our implementation of HOME funds however after the reporting year of this HOME Beneficiary Report, THDA will be aligned with the regular funding timeline.

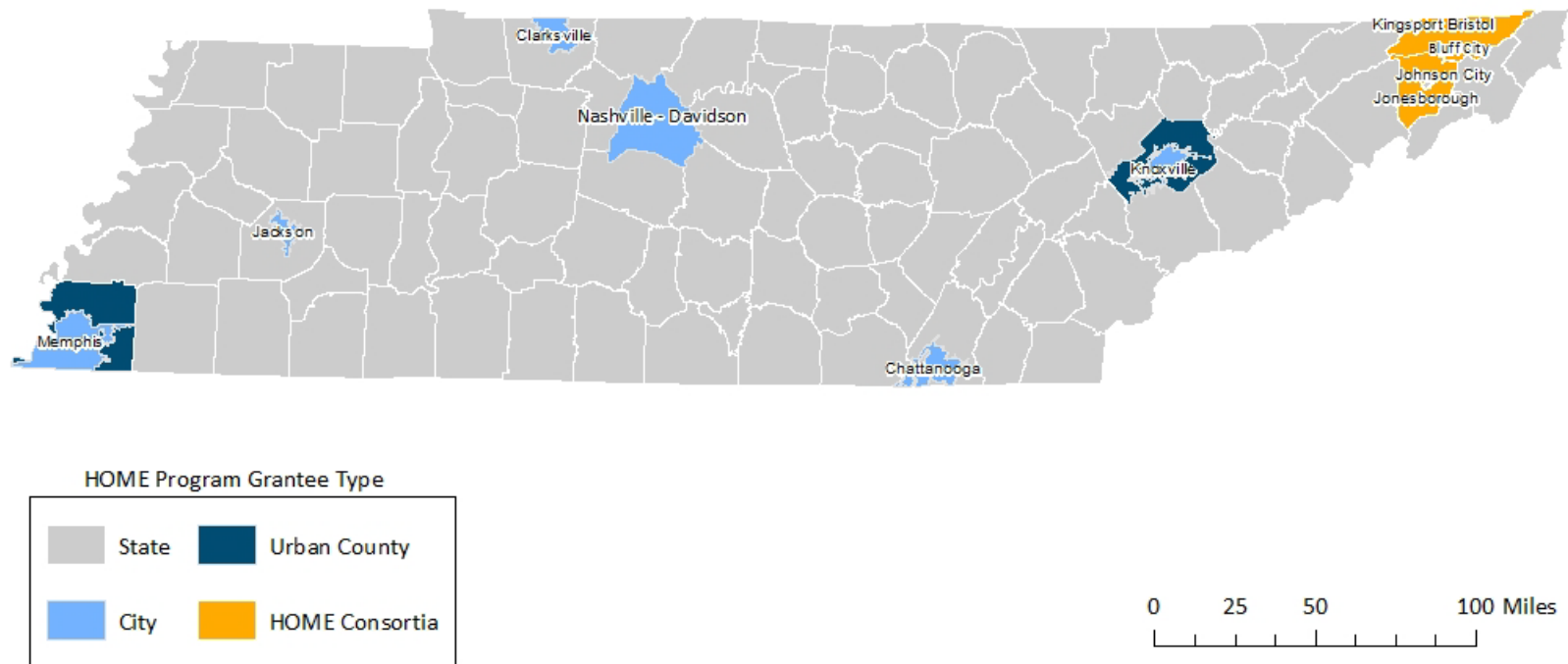
State of Tennessee HOME Program

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,

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 2014-15 will refer to the state's fiscal cycle, July 1, 2014 – June 30, 2015.

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.

Map 1. Tennessee HOME Investment Partnerships Grantees, by Type, 2015



HOME Allocations and Funds Available

Chart 1 shows Tennessee’s federal HOME allocations for the past 10 years. Table 1 shows the federal HOME allocation for program years 2010 – 2014. 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, 2006-2015

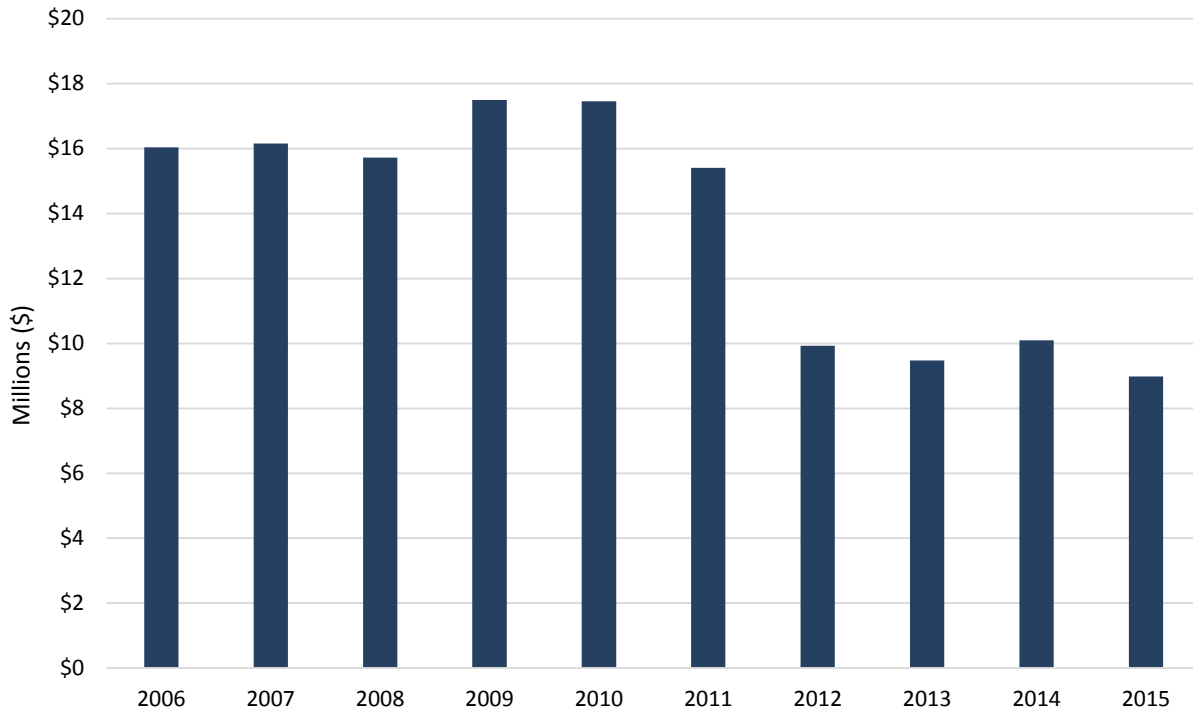


Table 1. Annual Allocations for the State of Tennessee’s HOME Program, 2010-2015

Program Year	Federal Allocation	Change from Previous Year’s Allocation	Funds Made Available	FY 2014-15 Units Completed	Cumulative Units
2010	\$17,461,612	-0.2%	\$19,470,994	14	293
2011	\$15,406,004	-11.8%	\$17,517,430	65	337
2012	\$9,924,071	-35.6%	\$10,883,072	8	8
2013	\$9,474,797	-4.5%	\$21,217,616	-	-
2014	\$10,096,577	6.6%	\$12,074,278	-	-
2015	\$8,984,790	-11.0%	To be determined	-	-

The distribution of HOME funds across Tennessee’s three grand divisions is represented in Table 2. During the reporting period, Middle Tennessee received 47 percent of HOME funds, followed by East Tennessee with 33 percent, then West Tennessee with 19 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.

Table 2. HOME Program Funds Awarded by Grand Division

Grand Division	2010	2011	2012	2013	2014	Total
East	\$7,233,994	\$6,984,123	\$2,544,865	\$2,949,096	\$5,560,786	\$25,272,864
Middle	\$6,831,374	\$6,108,142	\$4,875,000	\$3,726,712	\$7,896,404	\$29,437,632
West	\$2,766,781	\$2,636,705	\$3,650,256	\$1,000,000	\$3,225,949	\$13,279,691
Total	<i>\$16,832,149</i>	<i>\$15,728,970</i>	<i>\$11,070,121</i>	<i>\$7,675,808</i>	<i>\$16,683,139</i>	<i>\$67,990,187</i>

Distribution of HOME Funds by Funding Category

Until 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 was 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.² 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 2010 – 2014. The funding amounts in the table below do not include funds retained for the state’s administrative costs or funds that were uncommitted at the time of this report.

² 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.

Table 3. HOME Program Funds Awarded by Category, 2010 - 2014

Program	2010	2011	2012	2013	2014	Total
CHDO	\$2,643,432	\$2,720,368	\$2,604,544	-	\$1,431,172	\$9,399,516
Special Needs (Supportive Housing)	\$1,521,096	\$656,249	\$1,030,361	NA	969,914	\$4,177,620
Regional (Urban/Rural)	\$12,667,621	\$12,352,353	\$7,435,216	\$7,675,808	\$14,282,052	\$54,413,050
Total	\$16,832,149	\$15,728,970	\$11,070,121	\$7,675,808	\$16,683,138	\$67,990,186

HOME Activities

The HOME program funded 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 2014-15 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 2014-15 by Activity Type and Program Year

Program Year	Rehabilitation Only	New Construction Only	Acquisition Only	Acquisition and Rehabilitation	Acquisition and New Construction	Total
2010	3	11	-	-	-	14
2011	57	-	8	-	-	65
2012	-	1	1	6	-	8
Total	60	12	9	6	-	87

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
2010	206	40	9	7	17	279
2011	191	37	18	17	9	272
2012	60	12	9	6	-	87
Total	457	89	36	30	26	638

Rehabilitation

A total of 60 rehabilitation only projects were completed during FY 2014-15. These units account for 69 percent of all projects completed during the reporting period. Of the 60 rehabilitation projects completed, 33 were homeowner rehabilitation projects and 27 projects were for rental rehabilitation.

New Construction

A total of 12 new construction only projects were completed during FY 2014-15. These units account for 14 percent of all projects. Eleven of the new construction projects completed were rental units while the remaining one was a homeownership project.

Acquisition Only

A total of nine acquisition only projects were completed during FY 2014-15. These units account for 10 percent of all projects. All of the acquisition only projects were homeownership projects.

Acquisition and Rehabilitation

Six acquisition and rehabilitation projects were completed during FY 2014-15. These units account for seven percent of all projects. All of the acquisition and rehabilitation projects were rental projects.

Acquisition and New Construction

There were no acquisition and new construction projects completed during FY 2014-15.

HOME Activities by Grand Division

During FY 2014-15, 87 units were completed with the majority of completed HOME activities taking place in East and Middle Tennessee. Of the total units completed, 79 percent occurred in East Tennessee, 15 percent occurred in Middle Tennessee and six percent took place in West Tennessee. Table 6 shows the completed units in FY 2014-15 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 2014-15 by Grand Division and Program Year

Grand Division	2010	2011	2012	Grand Total
East	11	55	3	69
Middle	3	7	3	13
West	-	3	2	5
Grand Total	14	65	8	87

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

Grand Division	2010	2011	2012	Grand Total
East	126	181	3	310
Middle	132	117	3	252
West	35	39	2	76
Grand Total	293	337	8	638

Details of HOME Beneficiaries

During FY 2014-15, 87 households were assisted with the State of Tennessee’s HOME funds. One of the 87 completed units during FY 2014-15 was reported as vacant; therefore, beneficiary data is only applicable for the 86 occupied units. Beneficiaries of HOME funds must be low- or very low-income households.³ 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 2010 and 2014 are included in the following sections.

Household Characteristics

The majority of households that received HOME assistance during the reporting period were 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 77 percent of HOME Beneficiaries during FY 2014-15. Table 8 shows the beneficiary household sizes and types for activities completed during FY 2014-15. Table 9 shows the cumulative beneficiary characteristics from all completed activities with funding from program years 2010 through 2012.

³ 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.

Table 8. Household Size of HOME Beneficiaries in FY 2014-15 by Household Type

Household Size	Single, Non-Elderly	Elderly	Related / Single Parent	Related / Two Parent	Other	Not Available	Grand Total
1	25	21	-	-	-	-	46
2	4	8	5	-	1	-	18
3	2	2	5	1	1	-	11
4	2	2	2	1	-	-	7
5	-	-	-	2	-	-	2
6	-	1	-	-	-	-	1
7	-	-	1	-	-	-	1
N/A	-	-	-	-	-	1	1
Grand Total	33	34	13	4	2	1	87

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	Not Available	Grand Total
1	123	122	1	0	5	0	251
2	25	70	24	6	23	0	148
3	17	16	52	15	7	0	107
4	11	5	20	31	6	0	73
5	4	3	7	14	4	0	32
6	1	4	2	9	0	0	16
7	1	1	2	0	0	0	4
8	0	1	0	2	0	0	3
N/A	0	0	0	0	0	4	4
Grand Total	182	222	108	77	45	4	638

Income, Occupancy Type and Other Forms of Assistance Received

Out of the 87 occupied households receiving HOME assistance during FY 2014-15, 66 percent were very low-income and 33 percent were low-income households. Due to unit vacancy, one percent was not available. The number of very low-income households served by the HOME program during this reporting period decreased compared to the prior year. During FY 2013-14, only 80 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 2014-15 is the same as the cumulative total over the last five program years, despite the decrease in very-income households served compared to last year. Table 10 shows the number of very low- and low-income households served during FY 2014-15. Table 11 shows the cumulative total of beneficiaries served from funding from program years 2010 through 2012.

Table 10. Distribution of HOME Program Beneficiaries in FY 2014-15 by Income

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	57	66%
Low-Income	29	33%
Not Available	1	1%
Total	87	100%

Table 11. Cumulative Distribution of HOME Program Beneficiaries by Income

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	419	66%
Low-Income	215	34%
Not Available	4	1%
Total	638	100%

During FY 2014-15, 51 percent of the units created were occupied by renters and 48 percent of the units were occupied by owners. One percent of the units were vacant. Sixty-six 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 2014-15. Table 13 shows the cumulative data for units funded from program years 2010 through 2012.

Table 12. Distribution of HOME Program Beneficiaries in FY 2014-15 by Tenant Type & Income

Tenant Type	Very Low-Income HHs	Low-Income HHs	Not Available	Total
Renter	27	17	0	44
Owner	30	12	0	42
Vacant	0	0	1	1
Total	57	29	1	87

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

Tenant Type	Very Low-Income HHs	Low-Income HHs	Not Available	Total
Renter	118	35	0	153
Owner	301	180	0	481
Vacant	0	0	4	4
Total	419	215	4	638

Rental assistance is the only type of assistance reported for the HOME program. Forms of assistance that could support homeowners are not included in HOME beneficiary data. Of the 44 renter occupied units receiving HOME funds, 22 of the households do not receive any federal, state or local rental assistance. All of the remaining 22 renter occupied units receiving HOME funds also received rental assistance through the Section 8 housing choice voucher program.

Race and Ethnicity

Race and ethnicity data for the HOME program is determined by the race and ethnicity of the head of household. The majority of the 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 2014-15. Table 15 shows the cumulative race and ethnicity data for all HOME beneficiaries that were funded from program years 2010 through 2012.

Table 14. HOME Beneficiaries in FY 2014-15 by Race and Ethnicity

RACE		NUMBER	PERCENTAGE
	White	70	80%
	Black/African American	15	17%
	Asian	0	0%
	American Indian/Alaska Native	0	0%
	Other Multi-Racial	1	1%
	Vacant	1	1%
	Total	87	100%
ETHNICITY		NUMBER	PERCENTAGE
	Hispanic	0	0%

Table 15. Cumulative HOME Beneficiaries by Race and Ethnicity

RACE		NUMBER	PERCENTAGE
	White	497	78%
	Black/African American	132	21%
	Asian	0	0%
	American Indian/Alaskan Native	1	0%
	Other Multi-Racial	4	1%
	Vacant	4	1%
	Total	638	100%
ETHNICITY		NUMBER	PERCENTAGE
	Hispanic	11	2%

Data from FY 2014-15 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 2008 – 2012 Comprehensive Housing Affordability Strategy (CHAS) data, approximately 76 percent of the households who are low-income and have housing problems in areas covered by the state’s HOME program are White, 18 percent are Black/African American, three percent identified as Hispanic, and five percent are other races. 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 Asian households are slightly underserved compared to CHAS data.

Conclusion

Over 295,000 households in the areas covered by the state’s HOME Program are extremely low-, very low-, and 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 with very low- and low-incomes with housing problems. HOME funds have contributed to assisting an additional 87 households in FY 2014-15 and 638 households over the last five years. The HOME program will continue to target funds to promote the production, preservation and rehabilitation of housing for low-income households in Tennessee.