



2018 TENNESSEE HOUSING TRUST FUND

FALL ROUND

COMPETITIVE GRANTS PROGRAM

Program Description and Application Package

The Tennessee Housing Development Agency (THDA) is seeking creative and innovative proposals for a FY 2018 Fall Round of Competitive Grants under the Tennessee Housing Trust Fund (THTF). The amount available for the FY 2018 Fall Round is approximately \$2.0 million. The purpose of this Program Description is to explain program requirements and the application process.

Applications for the FY 2018 Fall Round must be received by THDA on or before 4:00 PM CDT on Thursday, September 28, 2017. THDA anticipates notifying successful applicants by November 30, 2017. The Fall Round Competitive Grant contracts will begin January 1, 2018 and will end December 31, 2020. Applicants should be aware that there is no cure period. Submission of a complete application is a threshold criterion.

The application package follows this Program Description. The Program Description and application in WORD-format are available at www.thda.org. At the THDA website, click on BUSINESS PARTNERS, then GRANT ADMINISTRATORS for links to the THTF Competitive Grants and the FY 2018 Fall Program Description and application. If you have questions please call (615) 815-2034.

A. ELIGIBLE APPLICANTS

THDA will accept applications for the FY 2018 Fall Round from cities, counties, development districts, public housing authorities, other Departments within State Government, and private, non-profit organizations, that each meet the requirements of this Program Description (“Applicant”).

The Applicant selected for a THTF Competitive Grant (“Grantee”) must be the owner of the proposed rental project at award. If the Grantee is a non-profit, the non-profit must be the sole general partner or the sole managing member of the ownership entity or own 100% of the stock of a corporate ownership entity.

All private, non-profit organizations must submit *Attachment One: Non-Profit Checklist* with supporting documentation. All private, non-profit organizations must be organized and existing in the



State of Tennessee (as evidenced by a Certificate of Existence from the Tennessee Secretary of State, dated no more than 30 days prior to the application date) or, if organized and existing in another state, be organized and existing under the laws of that state and be qualified to do business in Tennessee (as evidenced by a Certificate of Existence from that state’s Secretary of State dated no more than 30 days prior to the application date and by a Certificate of Authorization to do business in Tennessee from the Tennessee Secretary of State, dated no more than 30 days prior to the application date).

All private, non-profit Applicants must demonstrate at least two years of experience providing affordable housing or affordable housing related services in the state of Tennessee.

Additionally, Applicants seeking funding for transitional housing targeted to ex-offenders shall demonstrate good standing with the Tennessee Department of Corrections (TDOC) as of the date of submission of the 2018 Fall THTF application. All such Applicants shall be listed on TDOC’s List of Approved Transitional Housing Providers.

Competitive Grant funds will be awarded to successful Applicants in the form of a grant. Applicants with prior Competitive Grants must also have *requested* the following percentages of their prior grants by September 21, 2017, to be eligible for the FY 2018 Fall Round Competitive Grant program:

COMPETITIVE GRANT YEAR	SPEND DOWN REQUIREMENT
2015 Spring and earlier	100%
2016 Fall	75%
2016 Spring	50%
2017 Fall	25%
2017 Spring	Not Eligible

To meet the “requested” threshold criteria, THDA must have received an official, complete Request for Payment Form with supporting documentation from an Applicant with a prior Competitive Grant.

B. ELIGIBLE ACTIVITIES

All housing financed using THTF Competitive Grant resources must be affordable rental housing and must address the housing needs of households who are low, very low, and/or extremely low income as defined in Section F (1).

The following rental housing activities are eligible:

- New construction of rental housing units.
- Acquisition of rental housing units.
- Rehabilitation of rental housing units.
- Conversion of non-residential units to residential units.



- Combinations of the above.

The rental housing provided may be either permanent or transitional as defined below:

- “Permanent Housing” is community-based housing with a tenant on a lease (or a sublease) for an initial term of at least one year that is renewable and is terminable only for cause.
- “Transitional housing” is housing that is designed to provide individuals and families with interim stability and support for up to 24 months in order to assist the household successfully move to and maintain permanent housing. Transitional housing must include a lease, sublease, or occupancy agreement.

All Applicants shall complete *Attachment Two: Rental Housing Feasibility Worksheet* to demonstrate a need for the Competitive Grant funds and the financial feasibility of the project.

C. TARGET POPULATIONS

1. Low, very low and extremely low income households

Rental housing for households at or below 80% of Area Median Income (AMI) is eligible. THDA will provide a preference for applications with a 25% set-aside of units for households who are extremely low income (0-30% AMI) or with a 50% set-aside of units for very low income (0 – 50% AMI) households.

2. Housing for Individuals with Disabilities

Housing for Individuals with Disabilities is rental housing for adult persons with a disability. All households must have incomes less than 80% of AMI.

A “*person with disabilities*” is a person, who has a physical, mental or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such disability could be improved by more suitable housing.

A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that is attributable to a mental or physical impairment or combination of mental and physical impairments; is manifested before the person attains age 22; is likely to continue indefinitely; results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and reflects the person’s need for a combination and sequence of special interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Housing funded for this population must meet the qualities of settings that are eligible for reimbursement under the Medicaid home and community-based services that were established



by the Centers for Medicare and Medicaid Services (CMS) in the final rule dated January 16, 2014:

<https://www.federalregister.gov/articles/2014/01/16/2014-00487/medicaid-program-state-plan-home-and-community-based-services-5-year-period-for-waivers-provider>.

The final rule requires that all home and community-based settings meet certain qualifications, including:

- The setting is integrated and supports full access to the greater community;
- Is selected by the individual from among setting options;
- Ensures individual rights of privacy, dignity, and respect, and freedom from coercion and restraint;
- Optimizes autonomy and independence in making life choices; and,
- Facilitates choice regarding services and who provides them.

Additionally for provider owned or controlled residential settings, the following additional requirements apply:

- The individual has a lease or other legally enforceable agreement providing similar protections;
- The individual has privacy in their unit including lockable doors, choice of roommates, and freedom to furnish or decorate the unit;
- The individual controls his/her own schedule, including access to food at any time;
- The individual can have visitors at any time; and,
- The setting is physically accessible.

3. Housing for Youth Transitioning Out of the State's Foster Care System

Rental housing for youth transitioning out of the foster care system is eligible and is prioritized in the program's scoring matrix. All households must have incomes less than 80% of AMI. The head of the household must be at least 18 years of age and no more than 24 years of age at time of application for tenancy. All housing must provide flexible support services designed to help the individual stay housed and live a more productive life in the community.

4. Housing for the Elderly

Elderly populations are households where all household members are at least 62 years of age. All households must have incomes less than 80% of AMI. Housing for the elderly does not include hospices, nursing homes, or convalescent facilities.



5. Housing for Ex-Offenders

Rental housing for ex-offenders who are either homeless or at risk of homelessness and for those who are eligible for release by the Tennessee Board of Probation and Parole but who remain in custody due to having no other residential options is eligible. Housing for elderly offenders who are eligible for release by the Tennessee Board of Probation and Parole but who remain in custody due to no other residential options is encouraged. Housing for ex-offenders is prioritized in the program's scoring matrix.

All housing must provide support services designed to help the individual stay housed and live a more productive life in the community.

Certain ex-offenders, as described below, may not be eligible to reside in housing of this type developed with Competitive Grants. All households must have incomes less than 80% of AMI. Housing providers must abide by all TDOC rules and regulations and all State and Federal statutes and laws as applicable to the populations being served.

6. Housing for Veterans who are Homeless

Rental housing set-aside for veterans who are homeless. To be eligible, an individual or family must meet one of the categories of homeless and the head of household or their spouse must meet the definition of "veteran" as defined below:

- As defined by the U.S. Department of Housing and Urban Development under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) at 24 CFR 91.5, "Homeless" includes:
 - (1) *Category I*: An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 day or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;



- (2) *Category 2: An individual or family who will imminently lose their primary nighttime residence, provided that:*
- (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) *Category 3: Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:*
- (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), SECTION 17(b) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434A);
 - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing the 60 days immediately preceding the date of application for assistance;
 - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (4) *Category 4: Any individual or family who:*
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member,



including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

- (ii) Has no other residence; and
 - (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.
- As defined by the U.S. Interagency Council on Homelessness, a "Veteran" is an adult who served on active duty in the armed forces of the United States, including persons who served on active duty from the military reserves or the National Guard.

D. PROHIBITED ACTIVITIES

A Grantee may not use the Competitive Grant for any of the following:

1. Pledge Competitive Grant funds as support for tax exempt borrowing by local grantees.
2. Provide off-site improvements or neighborhood infrastructure or public facility improvements.
3. Provide any portion of the THTF Competitive Grant or the required local match for administrative expenses by local governments.
4. Provide assistance to private, for-profit owners of rental property.
5. Implement homeowner rehabilitation projects.
6. Implement homeownership activities, including down payment assistance programs and the development of units for homeownership.
7. Acquire, rehabilitate or construct rental housing that is a treatment, hospice, nursing home, or convalescent facility.
8. Cover costs incurred prior to the THTF contract start date.

E. MATCH

Proposals must include a 50% match of the THTF development dollars awarded. THTF administrative funds allocated to the project are not required to be matched.

Eligible Sources of Match Include:

1. Grants from other agencies.



2. Federal sources such as the Community Development Block Grant (CDBG) program or USDA Rural Development.
3. Cash Contributions by local church groups, local agencies, or contributions by individuals.
4. Bank loans.
5. A funding pool established by a local lender for the applicant.
6. Supportive services provided for projects serving individuals with disabilities, homeless veterans, ex-offenders, the elderly, or youth transitioning out of the foster care system.
7. The value of property already owned by the Applicant upon which the proposed housing will be rehabilitated or constructed.
8. HOME grants from local participating jurisdictions to non-profit applicants.

Ineligible Sources of Match:

1. THDA HOME grants or other THDA program funds made available to Applicant will not be an eligible source of the matching funds.
2. In-kind donations, services, or labor will not be an eligible source of matching funds.

THDA will prioritize applications with a firm match commitment, the value of which is clearly documented in the application by the entity providing the match source.

F. PROGRAM REQUIREMENTS

1. INCOME LIMITS

Competitive Grants for rental projects may be used to benefit low-, *very low-* or *extremely low income* households.

- A. "Low income household" means an individual or family unit whose gross annual income does not exceed 80% of the area median income, adjusted for family size;
- B. "Very low income household" means an individual or family unit whose gross annual income does not exceed 50% of the area median income, adjusted for family size.
- C. "Extremely low income household" means an individual or family unit whose gross annual income does not exceed 30% of the area median income, adjusted for family size.

The income limits apply to the incomes of the tenants, not to the owners of the property.



Grantees shall use the income limits established by the U.S. Department of Housing and Urban Development for the HOME Program, and household income as defined by the Section 8 Rental Assistance Program. Current limits are in *Attachment Three: Income Limits*. The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other family member residing in the home or rental unit. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

Grantees shall ensure occupancy of units for which Competitive Grants were used by low-, very low- or extremely low- income tenants during the five year compliance period. Tenants whose annual incomes increase to over 80% of area median may remain in occupancy, but must pay no less than 30% of their adjusted monthly income for rent and utilities.

2. CRIMINAL BACKGROUND

Grantees shall follow HUD regulations with regard to the provision of housing for ex-offenders. HUD regulations prohibit housing assistance to the following groups of ex-offenders:

- A. Ex-offenders who have been evicted from federally-assisted housing for drug-related criminal activity with an effective date of eviction within the last three (3) year period.
- B. An ex-offender household that includes a member who has ever been convicted of a drug-related criminal activity involving the manufacturing or production of methamphetamines on the premises of federally-assisted housing.
- C. An ex-offender household that includes a member who is subject to a lifetime registration requirement under a state sex offender registry program.

3. COMPLIANCE PERIOD

All rental housing projects for which competitive Grants are used shall have a compliance period that begins at the date of issuance of the certificate of occupancy for the final building placed in service. Prior to drawing down Competitive Grant funds, Grantees shall sign a grant note, deed of trust and restrictive covenant to enforce the compliance period. The Competitive Grant is forgiven at the end of the compliance period if full compliance was achieved throughout the compliance period.

The length of the compliance period will be determined based on the amount of Competitive Grant funds invested per unit:



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

4. PROPERTY STANDARDS

Property standards must be met when Competitive Grant funds are used for a project. Any rental units constructed or rehabilitated with Competitive Grant funds must meet THDA Design Standards for New Construction or Rehabilitation, as applicable. Additionally, all housing must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion. Following project completion, all properties assisted with Competitive Grant funds must meet Housing Quality Standards throughout the compliance period.

In addition to meeting the applicable THDA Design Standards, new construction of multi-family apartments of 3 or more units must meet the State-adopted edition of the International Building Code; new construction of single-family rental units or duplexes must meet the State-adopted edition of the International Residential Code for One- and Two-Family Dwellings; and rehabilitation of existing rental units must meet the State-adopted edition of the International Existing Building Code.

All contractors performing work on THTF assisted units must be appropriately licensed for the type of work being performed.

Inspections. All rehabilitation or new construction work must be inspected by a qualified licensed inspector based on the rules applicable for the local jurisdiction in which the units are located. Licensed inspectors are certified by the Tennessee Department of Commerce and Insurance – State Fire Marshal’s Office.

If a construction permit is issued by a local jurisdiction, inspection by a state certified inspector of that jurisdiction is required.

THDA will not make any funding awards for units in a jurisdiction where the unit cannot be inspected by a state certified building inspector or by a provider as permitted under State law.

Energy Code. New construction projects must also meet the current edition of the International Energy Conservation Code.



Visitability. Additional points will be awarded to Applicants proposing single-family rental or multi-family new construction projects that include design features to make the units visitable by individuals with physical disabilities. These options include a step-free entrance, free passage of 32-36” for interior/exterior doorways, and easy use by individuals confined to a wheelchair. Further information about visitability may be found at www.visitability.org.

Universal Design. Additional points will be awarded to applications that incorporate features that meet the needs of the greatest number of residents within a community. Universal design differs from accessible design, which is primarily intended to meet the needs of persons with disabilities. Universal design, however, is inclusive of adaptable design as universal design incorporates structural features that will allow a residence to be adapted to an individual’s current or future needs. Universal design features include, but are not limited to:

- Stepless entrances
- Minimum 5’ x 5’ level clear space inside and outside entry door
- Broad blocking in walls around toilet, tub and shower for future placement of grab bars
- Full-extension, pull out drawers, shelves, and racks in base cabinets in the kitchen
- Front mounted controls on all appliances
- Lever door handles
- Loop handle pulls on drawers and cabinet doors

More information on Universal Design may be found at The Center for Universal Design at North Carolina State University: <http://www.ncsu.edu/ncsu/design/cud/index.htm>.

5. RENT LEVELS

Every rental unit assisted with Competitive Grant funds is subject to rent controls designed to make sure that rents are affordable to low-, very low- or extremely low-income households. Unless the housing is a group home or a Single Room Occupancy (SRO) unit, the maximum rents used for Competitive Grants are the *High HOME rents*. The maximum rent for a Group home or a SRO unit is defined below.

However, Grantees are encouraged, but not required, to charge tenants in a rental property assisted with Competitive Grant funds no more than 30% of gross monthly income for rent. See *Attachment Four: HOME Program Rents*.

Rents are controlled for the length of the compliance period, and are determined on an annual basis by HUD. The published rents include utilities. *The cost of utilities paid by tenants must be subtracted (using applicable utility allowances) from the published HOME rents to determine the maximum allowable rents.*



Each Grantee should be aware of the market conditions of the area in which the project is located. The High HOME rents are maximum rents which can be charged. Each project should show market feasibility not based upon the High HOME rents, but rather upon area housing markets and THTF occupancy requirements which require occupancy by low-, very-low-, or extremely low-income tenants. Rents shall not exceed the published High HOME rents, adjusted for utility arrangements and bedroom size. However, because these rents must also be attractive to *low-, very low-, or extremely low- income* tenants, actual rents may be lower than the High HOME rents to keep within 30% of the tenant's monthly income. Programs should be designed so they take into consideration the market feasibility of projects funded.

A Competitive Grant may assist with the development of a group home, a housing unit that is occupied by two or more single persons or families. A group home consists of common space and/or facilities for group use by the occupants and, except in the case of a shared one-bedroom unit, a separate private space for each individual or family. Group homes often house the elderly or persons with disabilities who require accompanying supportive services. The calculation of the applicable rent and tenant contributions must follow the following requirements:

- A THTF-assisted group home is treated as a single THTF-assisted housing unit with multiple bedrooms. The THTF rent limit for a group home is the HUD-published Fair Market Rent (FMR) rent limit for the total number of bedrooms in the group home.
- However, the bedrooms of live-in supportive service providers or other non-client staff are not included when calculating the total number of bedrooms for the purpose of establishing the rent. For example, if one bedroom in a four-bedroom home is occupied by a service provider, the maximum rent for the group home is the HUD-published FMR Limit for a three-bedroom unit.
- The HUD-published FMR Limit is the maximum combined rent that can be charged to all income eligible tenants residing in the group home. Each tenant pays a pro-rata share of the total rent.
- When group home tenants pay directly for utilities, the utility allowance must be subtracted from the HUD-published FMR limit in order to determine the maximum combined rent that can be charged to all tenants.
- Group homes frequently include food and/or other supportive services to its residents. Group home rents may not include food costs or the costs of supportive services. Costs for such services must be billed as separate charges. For group home units that are developed for persons with disabilities, disability-related services must be non-mandatory and the resident must have the option to choose services from another provider. The lease must also state whether the fee-based services are optional or mandatory and must identify the amount of the additional fees or surcharges separately



from the basic THTF rent for each tenant. The applicable State agency must approve in writing the costs of food and supportive services to be provided.

A Competitive Grant may assist with the development of Single Room Occupancy (SRO) housing, which consists of a single room dwelling unit that is the primary residence of a single occupant. The unit may or may not have food preparation and sanitary facilities. Rents for SRO units are based on the HUD Fair Market Rent (FMR) or the HUD High HOME rent depending on the characterization of the unit as described below.

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

The calculation of the applicable rent and tenant contributions must follow the following requirements:

- Utility costs are included in the maximum HOME or FMR SRO rent. If SRO tenants pay directly for utilities, the utility allowance must be subtracted from the HUD-published HOME rent limit or FMR limit in order to determine the maximum rent that can be charged for the SRO unit.
- SRO units may not include food costs or the costs of any supportive services. Costs for such services must be billed as separate charges. For SRO units that are developed for persons with disabilities, disability-related services must be non-mandatory and the resident must have the option to choose services from another provider.
- Each SRO tenant’s lease must clearly state whether the fee-based services are optional or required and must also identify the amount of additional fees or surcharges separately from the basic THTF rent for each tenant. The applicable State agency must approve in writing the costs of food and supportive services to be provided.



6. GRANTEE'S ON-GOING OBLIGATIONS FOR RENTAL PROPERTY

During the compliance period, a Grantee shall:

- A. Conduct initial and annual income certification of tenants;
- B. Adhere to the THTF rent limits;
- C. Comply with THDA Property Standards;
- D. Comply with fair housing and affirmative marketing requirements and,
- E. Report to THDA as THDA may require;
- F. Take other actions as THDA may require

G. PROCUREMENT

It is important to keep the solicitation of bids for goods and services, materials, supplies and/or equipment open and competitive. Grantees shall develop and follow their procurement policies. At a minimum, there must be an established selection procedure. Grantees shall obtain at least three bids, and the purchase should be made from the lowest and best bidder. There must also be a written rationale for selecting the successful bid or proposal.

H. MARKETING REQUIREMENTS

One goal of Competitive Grants is to raise the profile of affordable housing at the local, state and federal level, and to demonstrate that decent housing impacts all facets of community development. Each Grantee shall implement marketing and public relations plans to accentuate the achievements of the program. THDA's Communications Division will assist in the development of these plans. Grantees shall submit data and beneficiary stories to THDA as may be required by THDA.

I. FAIR HOUSING AND EQUAL OPPORTUNITY

Each Grantee receiving a Competitive Grant shall comply with both state and federal laws regarding fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of: race, color, national origin, religion, age, disability, familial status, or sex.

In particular, owners and program administrators will need to be aware of discrimination issues with regard to: housing opportunities; employment opportunities; business opportunities; and benefits resulting from activities funded in full or in part by a Competitive Grant.

Each Grantee shall establish and follow procedures to inform the public and potential tenants of FHEO and the Grantee's affirmative marketing program. Grantees shall establish and follow procedures by which Grantees will solicit applications from potential tenants. Grantees shall maintain records of efforts to affirmatively market rental units. Grantees shall provide evidence of all of the above at the request of THDA.



J. APPLICATION AND EVALUATION PROCEDURE

Applications for Competitive Grants should be limited only by imagination, availability of matching funds, availability of support services, and a demonstrated need for the proposed project in a given area.

Proposals for funding in the FY 2018 Fall Round are limited to a maximum of \$500,000. There is no minimum grant amount. THDA expects that the combination of Competitive Grant funds and the required matching funds will be sufficient to allow the proposed project to be completed in a timely manner. Proposals that address the housing needs of very low or extremely low income households, including youth transitioning from foster care and ex-offenders, especially elderly offenders who are eligible for release by the Tennessee Board of Probation and Parole but who remain in custody due to no other residential options and who meet other requirements specified in the Program Description, will receive additional points in the scoring matrix. Proposals with an identified, firm commitment for the matching funds are preferred and those proposals with a firm commitment for match resources which exceeds the 50% requirement will be highly preferred.

THDA will evaluate each application to determine if the proposal meets program criteria, including, without limitation, submission of a complete application; proposal of an eligible activity serving eligible populations, proposal of a project that is ready to get underway except for the gap in financing to be provided by the Competitive Grant; and proposal of a project that in the opinion of THDA, in its sole discretion, is physically, financially and administratively feasible.

Applications will not be considered if the following threshold items are not submitted to THDA by the application due date:

- Application signed by the Chief Executive of the organization or the President/Chairman of the Board of Directors.
- Copy of the latest audit or audited financial statement of the organization.
- If a non-profit organization, a Certificate of Existence or Certificate of Authorization from the Tennessee Secretary of State dated within 30 days of the application date. If the non-profit organization is organized in a state other than Tennessee, a Certificate of Existence from the Secretary of State in which the organization was organized must also be submitted.
- If a non-profit organization, documentation of an IRS designation under Section 501(c)3 or Section 501(c)4 of the federal tax code.
- If a non-profit organization, copy of the Charter and By-laws of the organization.
- Copy of a current resolution by the Board of Directors approving the submission of the application under the 2018 Fall Housing Trust Fund Program Description.

Additionally, as a threshold requirement, organizations seeking funding for housing targeted to ex-offenders shall demonstrate approval and good standing with the Tennessee Department of Corrections (TDOC) as of the application due date. All such organizations shall be listed on TDOC's List of Approved Transitional Housing Providers.



As a threshold requirement for consideration, applications from organizations seeking Competitive Grants to provide rental housing for ex-offenders shall provide a copy of the policies and procedures guiding the operation of their program and a copy of the program's application for tenancy.

A Review Committee will score and rank all applications meeting the threshold criteria, as determined by the Review Committee in its sole discretion. Applications will be ranked in descending numerical order based on the categories in the THTF Competitive Grant Matrix. Applicants must receive a minimum score of 60 to be considered for funding. The Review Committee will present its recommendations to the Executive Director for determination of awards.



THTF COMPETITIVE GRANT MATRIX

Up to 100 Points

1. CAPABILITY

Up to 70 points

- The program design is complete, and all necessary components are identified in the application. Up to 35 points
 - The proposal demonstrates adherence to program guidelines, is well designed for the targeted population, and demonstrates an effective use of THDA resources.
 - Sites have been identified and applicant has site control of the parcel(s) on which the housing will be developed or the applicant can demonstrate a consistent and successful history for securing ownership control of property in each of the past five consecutive years that is either (1) at least double the number of single family units proposed in this THTF application or (2) if multifamily housing is proposed, at least double the number of sites proposed for acquisition in this THTF application.
 - The project is physically, administratively, and financially feasible with sufficient revenue for the on-going operation of the housing during the compliance period.
 - The feasibility worksheet is complete, correct, and demonstrates a need for a Competitive Grant.
 - The proposed rents charged to tenants are reasonable given the income of the targeted population or rental assistance is committed to lower the contribution of the tenant toward rent and utilities.
 - If new construction, the housing will include design features that meet Universal Design standards, Visitability standards, and Energy code standards.
 - For projects targeting special populations, including individuals with disabilities, homeless veterans, or youth aging out of foster care, a firm commitment for the delivery of supportive services is in place.
 - For projects targeting ex-offenders, a plan for the screening of ex-offenders and a plan for the provision and funding of support services are in place.
 - For projects targeting individuals with disabilities, the proposed housing meets the goals of the Final Rule for the qualities of settings that are eligible for reimbursement under the Medicaid home and community-based services that have been established by the Centers for Medicare and Medicaid Services (CMS) on January 16, 2014. Point deductions will be assessed if the CMS qualities of settings are not met based on THDA's sole determination.
 - The applicant demonstrates the likelihood and feasibility to secure matching funds. Firm commitment letters are included in the application.



- The Applicant demonstrates sufficient capacity to successfully carry out the proposed project. Up to 35 points
 - The Applicant and its staff have experience in providing housing to the targeted population.
 - The Applicant and its staff have a demonstrated capacity to manage rental housing.
 - The Applicant’s organizational budget reflects multiple sources of funding.
 - If the Applicant has previous experience with Competitive Grants or other programs, point deductions will be assessed if the Applicant has not demonstrated success in:
 - drawing down funds;
 - completing a project in a timely manner;
 - operating a program within THDA guidelines; and,
 - responding in a timely fashion to client concerns or complaints, contractor concerns or complaints, and requests by THDA staff for information and/or client stories.

2. NEED

Up to 20 points

Income Targeting

Up to 4 points

- The Applicant will set aside 25% of the units for individuals at 30% of AMI or less 3 points
- The Applicant will set aside 50% of the units for individuals at 50% of AMI or less 1 point
- The Applicant will set aside 100% of the units for individuals at 80% of AMI or less 0 points

Targeted Populations in THDA Strategic Plan

Up to 7 points

- THDA will award up to 7 points based on the proportion of units set-aside for youth transitioning out of foster care as prioritized in the THDA Strategic Plan Up to 7 points
- THDA will award up to 7 points based on the proportion of units set-aside for ex-offenders, particularly elderly ex-offenders as prioritized in the THDA Strategic Plan Up to 7 points



→ THDA will award up to 4 points based on the proportion of units set-aside for homeless veterans as prioritized in the Tennessee State Plan to End Homelessness Up to 4 points

Larger Community Need

Up to 4 points

→ The project meets a larger need in the community or region beyond providing housing for the targeted population, such as (but not limited to): 2 points

- (1) The project removes a major blight in the community
- (2) The project ties into a larger community or regional effort outside the specific project scope

→ The application provides a written commitment that at least 50% of the sites on which the THTF funded housing will be constructed are sites which meet one of the following criteria: 2 points

- (1) The site will be acquired through the land bank authority established within the community
- (2) The site will be acquired and the nuisance abated through THDA's Blight Elimination Program
- (3) The site was acquired and the nuisance abated as a demolition activity under the NSP1 or NSP3 programs and no NSP eligible use has been established on the property

Prior Funding

Up to 5 Points

A Competitive Grant has not been awarded to applicant since July 1, 2013, for a project located in the county in which the proposed housing will be located 5 points

3. INNOVATION

Up to 10 points

The housing proposed in the application demonstrates a creative approach to affordable rental housing for low, very low income, or extremely low income households through unique partnerships, a variety of funding sources, use of alternative energy sources or energy conservation measures, inclusion of universal design elements in housing that will be rehabilitated, the addition of design elements to make the unit to be rehabilitated visitable for individuals with physical disabilities, the targeting of individuals who are homeless through a housing first approach, and other innovative means to address housing needs.

