



TENNESSEE HOUSING TRUST FUND CAPACITY BUILDING PILOT PROGRAM 2024 Program Description

A. BACKGROUND:

The Tennessee Housing Development Agency (“THDA”) created the Capacity Building Pilot Program to address a need of nonprofit housing development organizations across Tennessee to build their space capacity in order to undertake housing development and other related activities. The scarcity of non-profit housing developers with adequate office and training space capacity often prevents THDA from proportionately distributing grant funds across the state appropriate to the existing need. To address this space capacity need, THDA is offering this program to assist nonprofit affordable housing developers to construct, acquire, and/or rehabilitate office or program delivery space. The amount of funding available for the 2024 grant round is approximately \$1 million.

Capacity Building Pilot Program grants are awarded on a first come, first served basis. Applications may be submitted to THDA between Thursday, October 5, 2023 and 4:00 PM CT on Thursday, February 29, 2024. THDA will notify successful applicants as applications are approved for funding. Grant contracts will begin within 30 days of the award notice and will end 24 months from the grant term start date.

The application package as well as additional program information will be made available by notification to non-profit housing developers known to THDA by email or other means and made available on THDA’s website beginning October 5, 2023 at <https://thda.org>.

B. ELIGIBLE GRANTEES:

Non-profit affordable housing development organizations across all 95 counties of Tennessee as defined below:

1. Eligible non-profits must meet the following requirements:
 - a. Have a Current Charter and By-Laws;
 - b. Valid 501(c)(3) designation letter from the Internal Revenue Service (IRS);
 - c. Current Certificate of Existence from the Tennessee Secretary of State dated within thirty (30) calendar days of the application to THDA under the Capacity Building Pilot Program;
 - d. Have affordable housing as its primary purpose and mission, including the new construction and/or rehabilitation of single family or multifamily units.

- e. Must have at least two (2) years of experience developing affordable housing in Tennessee, satisfactory to THDA in its sole discretion.
2. Must not have been prohibited by THDA from participating in its programs within the last 5 years or have individuals employed by the applicant organization, or serving on its current board of directors, who have been prohibited by THDA in that time period from participating in THDA programs.

C. ELIGIBLE ACTIVITIES:

1. New Construction, acquisition, and/or substantial repairs to, or rehabilitation and/or build out of existing office, storage, or program delivery space, including additions or annexes.
 - a. The total of all costs proposed under this activity for reimbursement may not exceed \$500,000.
 - b. All completed work must meet local code and be evidenced by a Certificate of Occupancy or Completion from the code official for the area where the project is being completed.

D. MAXIMUM GRANT:

The maximum grant award is \$500,000 and the minimum grant is \$100,000.

E. PROHIBITED ACTIVITIES:

1. Pledge Capacity Building funds as support for tax exempt borrowing by local grantees.
2. Pay staff salaries and benefits.
3. Pay operational costs not associated with the expansion or enhancement of existing program operations physical space or the construction, acquisition and/or rehabilitation of new space.
4. Provide off-site improvements, neighborhood infrastructure or public facility repairs or improvements.
5. Provide assistance to private, for-profit organizations.
6. Provide assistance to any housing unit or common area associated with a rental property.
7. Provide assistance to public housing authorities or for-profit entities.
8. Provide assistance for the development of housing for sale to home buyers.
9. Provide rental assistance.

F. PROCUREMENT:

The solicitation of bids for goods and services, materials, supplies, and/or equipment using THDA's

Capacity Building funds must be open and competitive. Grantees must follow their procurement policies. At a minimum, there must be an established contractor selection procedure and a written rationale for selecting the successful bid or proposal.

G. REPORTING:

The Executive Director of the grantee shall periodically report to THDA's Community Housing Division regarding progress on the eligible activity.

1. A progress report will be required with each reimbursement request.
2. A project completion report and/or Certificate of Occupancy or equivalent, if new construction or rehabilitation of space, will be required at the time the final draw is submitted.

H. BOARD ACTION:

The THDA Board of Directors has authorized THDA's Chief Legal Counsel or Assistant Chief Legal Counsel to make non-substantial changes, and substantial changes if needed to comply with federal requirements. THDA may provide notice of changes by posting such changes to its website at: <https://thda.org>.

I. THRESHOLD CRITERIA:

THDA will evaluate each application to determine if the proposal meets threshold and eligibility criteria.

1. Threshold criteria include:
 - a. Submission of a complete application.
 - b. Applicant eligibility.
 - c. Compliance with THDA-funded programs.
2. All nonprofit organizations must upload all organizational information required to be submitted through THDA's Participant Information Management System ("PIMS").
 - a. Copies of organizational documents that are required to be submitted through PIMS, but are submitted through another means, will not be considered.
 - b. THDA will provide a limited opportunity of two (2) business days for applicants to correct the following threshold factors:
 - (1) Failure to upload all required documents to PIMS.
 - (2) Failure to submit a Certificate of Existence that was issued within the required time established by the application instructions.
 - (3) Failure to sign the application.
 - (4) THDA will not provide an opportunity to correct other application items nor will THDA extend the time period for correction of the threshold item beyond the period identified above.

J. APPLICATION EVALUATION AND DETERMINATION

Application review and funding allocation will be made on a first come, first served basis. Applications meeting the threshold criteria will be reviewed in the order they are received by date and time. The Capacity Building funds will be awarded based on their eligibility and beginning with the first qualified application and then from the first to last qualified applications received until all available funds have been exhausted, at which time this round of the program will be closed.