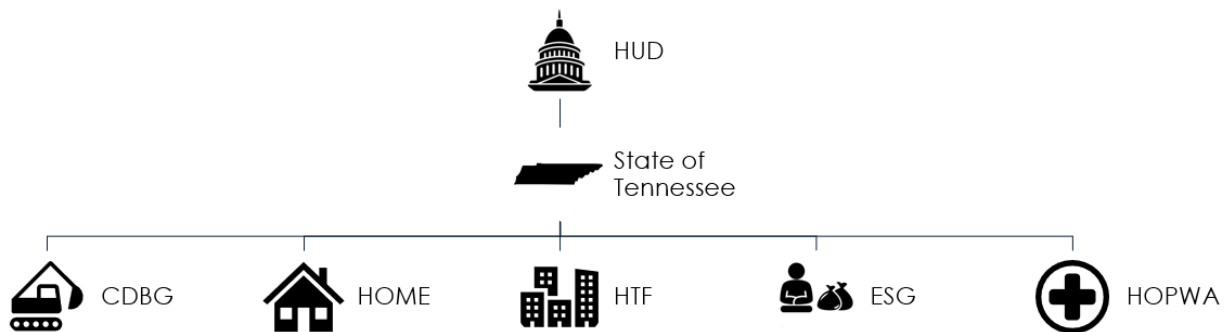


Needs Assessment

NA-05 Overview

Needs Assessment Overview



Section NA-05, Figure 1 – Structure of the Distribution of Funding for Consolidated Planning Programs

The 2025-2029 Consolidated Plan is a Five-year strategic housing and community development plan for annual federal funding the State of Tennessee receives from the U.S. Department of Housing and Urban Development (HUD) for the following five grant programs:

- The Housing Opportunities for Persons with HIV/AIDS (HOPWA) program addresses the housing needs of low-income persons who are living with HIV/AIDS and their families.
- The Emergency Solutions Grants (ESG) program provides funding for supportive services and housing assistance for people at risk of homelessness or people experiencing homelessness, enabling them to regain stability in permanent housing.
- The Housing Trust Fund (HTF) program promotes the production, preservation, and rehabilitation of affordable rental housing for extremely low-income households.
- The HOME Investment Partnerships (HOME) program promotes the production, preservation, and rehabilitation of affordable housing for rent or homeownership for low-income households.
- The Community Development Block Grant (CDBG) program promotes economic and community development, mostly through infrastructure and facility improvement activities, in eligible cities and counties with low-to-moderate income residents across the state. Additionally, CDBG administers the Recovery Housing Program (CDBG-RHP), which funds temporary supportive housing projects for people recovering from substance use disorders (SUDs).

However, the Consolidated Plan provides an opportunity for the State of Tennessee to assess the state's housing needs more broadly.

Consultation & Methodology

The Tennessee Housing Development Agency (THDA) coordinated the development of the State of Tennessee's Consolidated Plan, and THDA's Research and Planning department led research and consultation efforts to learn about housing and infrastructure needs in the state.

- First, publicly available datasets were analyzed for Tennessee's nine development districts in the spring of 2024 to create regional housing needs presentations, which mostly relied on data from the American Community Survey (ACS) and Comprehensive Housing Affordability Strategy (CHAS).
 - The ACS data was from the Five-year period of 2018-2022, which was the latest dataset available at the time. Use of the Five-year dataset, rather than the one-year dataset, ensured smaller margins of error for data on counties with smaller populations.
 - The CHAS data was from the Five-year period of 2017-2021, which was the latest dataset available at the time. This dataset allowed for statewide comparisons of households' experiences of housing problems, like cost burden, incomplete kitchen/plumbing, and overcrowding.
 - The ACS and CHAS datasets are the most comprehensive available, but findings must be interpreted with caution as they are subject to sampling error, particularly for rural or underpopulated areas. Findings also may be outdated.
- Next, a housing needs survey was administered to the public and to statewide organizations in June and July of 2024 to gather feedback on Tennesseans' housing experiences and needs.
- Finally, regional meetings were conducted in August 2024 to share presentations on housing needs and gather local feedback via focus groups on housing affordability, homelessness, and fair housing.

THDA synthesized these efforts into the Consolidated Plan's Needs Assessment and Market Analysis in the winter of 2024. To ensure HUD's requirements were met, additional data sources were incorporated when appropriate. In addition, some previous data analysis was updated using the ACS data from the Five-year period of 2019-2023, which was released in December 2024.

Housing Market Context

The high level of housing need, as described above, partially stems from a statewide (and nationwide) housing shortage, which is causing rapid increases in housing costs, including rents and the prices of homes for sale. The COVID-19 pandemic exacerbated price increases, as the demand for single-family homes suddenly increased. Other housing-related costs, like utilities and home insurance premiums, also increased. As a result of widespread price inflation, the United States Federal Reserve raised interest rates, which has further increased the price of entry into the housing market and also made

new multifamily financing more difficult. Tennessee especially needs more “starter” homes for sale and rental units affordable to extremely low-income households. However, Tennessee—like the rest of the country—is facing a tough environment for building affordable housing.

Needs Assessment & Market Analysis Key Findings

- **Tennesseans are feeling the impacts of a statewide housing shortage.**
- **Tennessee renters face higher prices and are increasingly at risk of housing insecurity.**
 - Tennessee’s median gross rent increased by 29.6% over a Five-year period to \$1,047.¹
 - Many renters are struggling with the costs of rent and utilities, putting them at risk of housing insecurity. For example, 43.4% of all renters in Tennessee were cost burdened, spending more than 30% of their household incomes on rent and utilities.²
 - In addition, 59.2% of extremely low-income renters (with incomes of 30% or less of AMI) were severely cost burdened (spending more than half of their incomes on rent and utilities).³ This level of cost burden puts them at risk of experiencing homelessness.
 - Tennessee faced an absolute shortage of 37,745 rental units affordable to extremely low-income households in 2022, according to an analysis of the Public Use Microdata Sample (PUMS).
- **Many Tennesseans are priced out of homeownership.**
 - Tennessee’s median home value increased by 53% to \$232,100 over a Five-year period.⁴
 - Many Tennesseans who wish to purchase a home cannot afford it. The prices of single-family homes for sale are high relative to household incomes. In 2017, 71% of homes sold in Tennessee were affordable to a household with the AMI, according to Tennessee’s Annual Sales Price Data. In 2022, 43% of homes sold affordable to a household with the AMI. During focus groups, many Tennesseans reported that purchasing a home seems out of reach, and they are increasingly constrained to housing that does not meet their needs.
- **Populations with special housing needs are increasingly vulnerable.** Housing-related service providers expressed grave concerns about meeting the housing needs of special populations, like Tennesseans who are elderly, disabled, have young children, have HIV/AIDS, have a substance use disorder (SUD), were formerly incarcerated, and/or are veterans.
- **The number of people experiencing homelessness in Tennessee is high.** In the 2024 Point-in-Time Count (PITC), 8,280 people were identified as experiencing sheltered or unsheltered homelessness. While this total is a decrease from the maximum of 10,567 people identified in the 2022 PITC, the number of people experiencing homelessness in 2024 remained well above pre-pandemic levels.
- **Tennessee needs repairs and upgrades of its existing housing and infrastructure.**

¹ ACS Five-year estimates for 2013-2017 and 2018-2022

² ACS Five-year estimates for 2018-2022

³ CHAS Five-year estimates for 2017-2021

⁴ ACS Five-year estimates for 2013-2017 and 2018-2022

- Tennessee had 8,200 owner-occupied and 14,620 renter-occupied substandard units with incomplete kitchen and/or plumbing facilities. Most substandard units were occupied by low-income households (with incomes of 80% or less of AMI); low-income households occupied 55.5% of owner-occupied substandard housing units and 72.7% of renter-occupied substandard housing units.⁵
- The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) identified at least \$77.7 billion needed for public infrastructure improvements in Tennessee for 2023-2028, a \$9.5 billion (or 14%) increase from the year before.

Framework

Ideally, all Tennesseans would have a full continuum of housing options available in their communities, from supportive housing to market-rate homeownership.



Section NA-05, Figure 2 – Community Housing Continuum
Visual adapted from Kentucky’s Housing Supply Gap Analysis Presentation in 2024

A full continuum of housing options available enables households to more easily move rightward toward greater levels of housing stability and wealth. In addition, a full continuum of housing options ensures hardships do not necessitate housing instability.

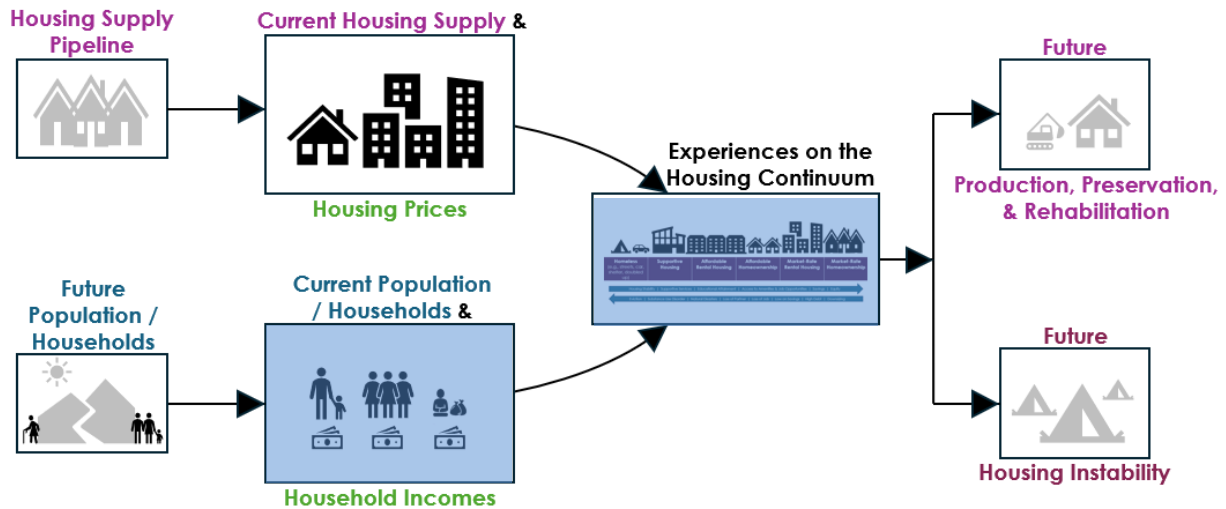
The Consolidated Plan’s Needs Assessment and Market Analysis utilize the framework below to analyze factors influencing Tennesseans’ housing needs. Tennesseans’ **experiences on the housing continuum** largely depend on how well the **current population/households and their incomes** align with the **current housing supply and prices**. The number and types of households experiencing housing problems illuminate Tennesseans’ housing needs and inform how the State of Tennessee can use its resources to produce, preserve, and rehabilitate housing and address future housing instability.

⁵ CHAS Five-year estimates for 2017-2021

- Section NA-15, NA-20, and NA-25 detail disproportionate experiences of housing problems by households' incomes as a percentage of Area Median Income (AMI) and households' race and ethnicity categories.
- Section NA-30 discusses the regions in Tennessee experiencing disproportionate housing problems by race and ethnicity.
- Section NA-35 discusses the extensive waitlists for public housing units.
- Section NA-40 and NA-45 explore the number and types of households who are experiencing homelessness and/or who need specialized housing opportunities.
- Section MA-65 considers hazard mitigation after recent natural disasters and estimations of regional risk for future disasters.
- Future Production, Preservation, and Rehabilitation
 - Section NA-50 details the needs for infrastructure and facility improvements
 - Section MA-40 discusses challenging market conditions that are impacting the production, preservation, and rehabilitation of affordable housing.

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)

Summary of Housing Needs



Section NA-10, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section NA-10 focuses on Tennessee's estimated population, number of households, their household incomes, and households' experiences of housing problems.

Some of the housing problems considered include cost burden, overcrowding, and substandard living conditions.

Overview

The following table shows the population, number of households, and median income for the State of Tennessee over a Five-year period.⁶

Demographics	Base Year: 2017	Most Recent Year: 2022	% Change
Population	6,597,381	6,923,772	4.9%
Households	2,547,194	2,713,635	6.5%
Median Income	\$48,708	\$64,035	31.5%

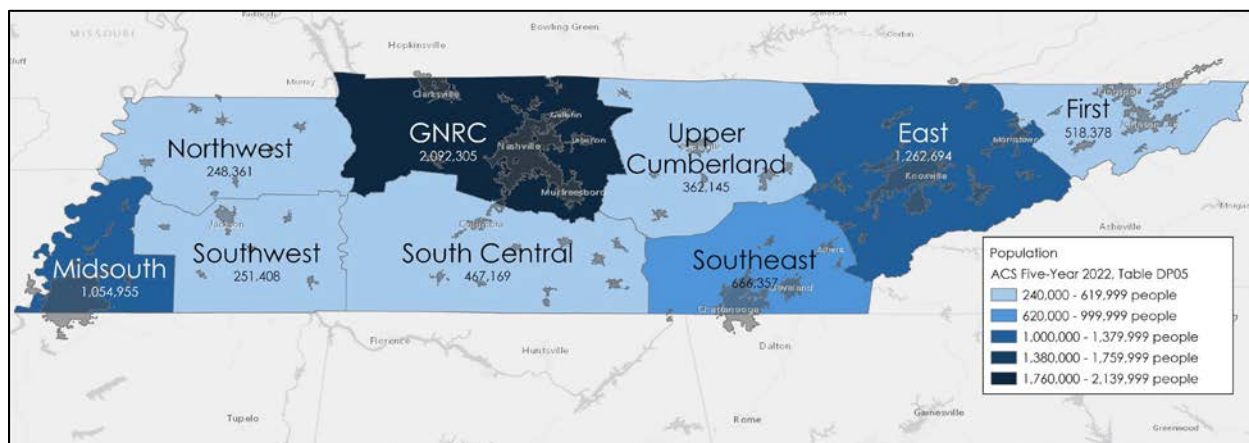
Section NA-10, Figure 2 - Table of Comparison of Population, Households, and Median Income
ACS Five-year Estimates for 2013-2017 and 2018-2022, Tables DP05 (Population) and S2503 (Households and Median Income)

⁶ ACS Five-year estimates for 2013-2017 and 2018-2022

Between these Five-year periods, Tennessee’s population grew by an estimated 326,391 people, an increase of 4.9%. The number of households, as measured by occupied housing units, grew by an estimated 166,441 households, an increase of 6.5%. The median income also increased by an estimated \$15,327, an increase of 31.5%.

Population

Population density and population change are unevenly distributed in Tennessee. The following maps show Tennessee’s nine development districts, their estimated populations, and population changes over the past five years.



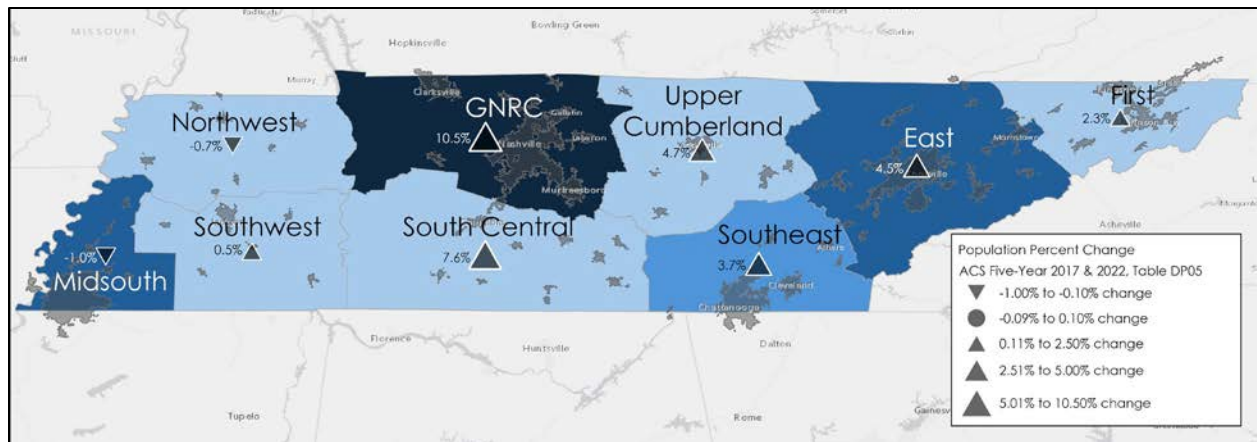
Section NA-10, Figure 3 – Map of Estimated Population by Development District
ACS Five-year Estimates for 2018-2022, Table DP05

The Greater Nashville Regional Council (GNRC) development district is the most populous (containing the cities of Nashville, Murfreesboro, and Clarksville), followed by the East Tennessee development district (containing Knoxville and Morristown) and the Midsouth development district (containing much of Memphis).

The Southeast development district (containing Chattanooga and Cleveland) and the First development district (containing Johnson City) are moderately populous.

The less populous development districts are South Central (containing Columbia), Upper Cumberland (containing Cookeville), Southwest (containing Jackson), and Northwest (containing Dyersburg).

Population Change



Section NA-10, Figure 4 - Map of Percent Changes in Estimated Population by Development District
ACS Five-year Estimates for 2013-2017 and 2018-2022, Table DP05

The GNRC and South Central development districts have grown rapidly, and the Upper Cumberland, East, Southeast, and First development districts have also experienced significant population growth. These growth rates contrast with the development districts in West Tennessee, which have experienced either population stagnancy or decline; the Southwest development district's population has slightly grown, and the Northwest and Midsouth development districts' populations have slightly declined. (Note: The parts of the City of Memphis in Arkansas and Mississippi have been growing.)

See the visual appendix for each development district's map showing county-level populations and population growths.

Median Income

Over a Five-year period, Tennessee had a statewide increase in its Area Median Income (AMI) of

\$15,327, a 31.5% change.⁷



Section NA-10, Figure 5 – Graphs of Tennessee’s Household Income Distributions
ACS Five-year Estimates for 2013-2017 and 2018-2022, Table S2503

Like the regional changes in population, regional changes in median income were unevenly distributed. For example, the following table shows regional AMI changes from 2017 to 2022, as calculated by the U.S. Department of Housing and Urban Development (HUD), for each development district’s most populous city. The AMIs of all cities increased from 2017 to 2022, but some cities’ AMIs had much greater growth rates than others.

Development District Region	MSA/City	Base Year: 2017	Most Recent Year: 2022	% Change
GNRC	Greater Nashville	\$68,700	\$96,700	40.8%
East	Greater Knoxville	\$63,900	\$84,400	32.1%
Midsouth	Greater Memphis	\$60,000	\$77,300	28.8%
Southeast	Chattanooga	\$59,500	\$75,200	26.4%
First	Johnson City	\$51,800	\$75,300	45.4%
South Central	Columbia	\$66,600	\$87,300	31.1%
Upper Cumberland	Cookeville	\$50,800	\$73,100	43.9%
Southwest	Jackson	\$53,400	\$64,500	20.8%
Northwest	Dyersburg	\$55,800	\$62,000	11.1%

Section NA-10, Figure 6 – Table of Regional Percent Changes in AMI by MSA/City
HUD Median Family Income for Fiscal Year (FY) 2017 and FY 2022

Area Median Income (AMI): Definitions and Distribution

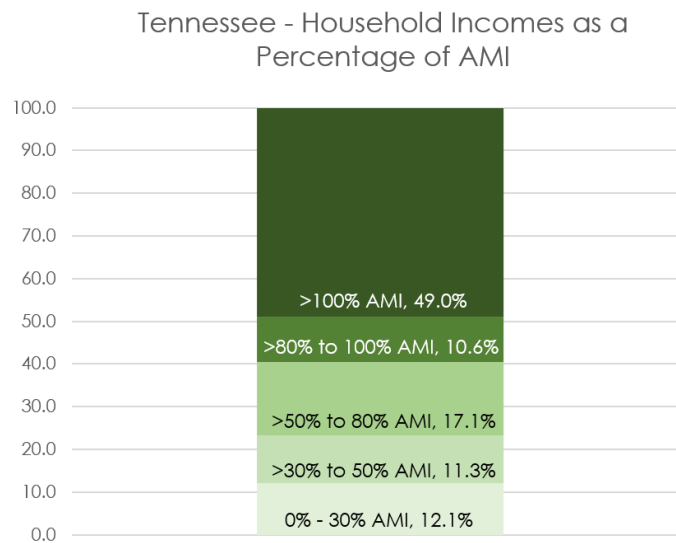
A useful way to categorize incomes across the state to account for varying costs of living is to compare

⁷ ACS Five-year estimates for 2013-2017 and 2018-2022

individual households' incomes to a regional AMI. HUD has defined the following income categories:

- Extremely low-income households have incomes at or below 30% of the AMI.
- Very low-income households have incomes above 30% to at or below 50% of the AMI.
- Low-income households have incomes above 50% to at or below 80% of the AMI.
- Lower middle-income households have incomes above 80% to at or below 100% of the AMI.
- Upper middle and upper-income households have incomes above the AMI.

The following distribution shows Tennesseans' household incomes compared to their regional AMIs. This distribution uses CHAS's Five-year estimates for 2017-2021, which was the latest CHAS dataset available at the time of this analysis. It is for a timeframe a year earlier than the ACS data used to make the population and income graphs above.



Section NA-10, Figure 7 – Graph of Tennessee's Household Incomes as a Percentage of AMI
CHAS Five-year Estimates for 2017-2021, Table 8

Size and Age Characteristics of Households and Their Incomes as a Percentage of AMI

The table below shows the estimated number of households in each income category, as well as the number of household types in each category.

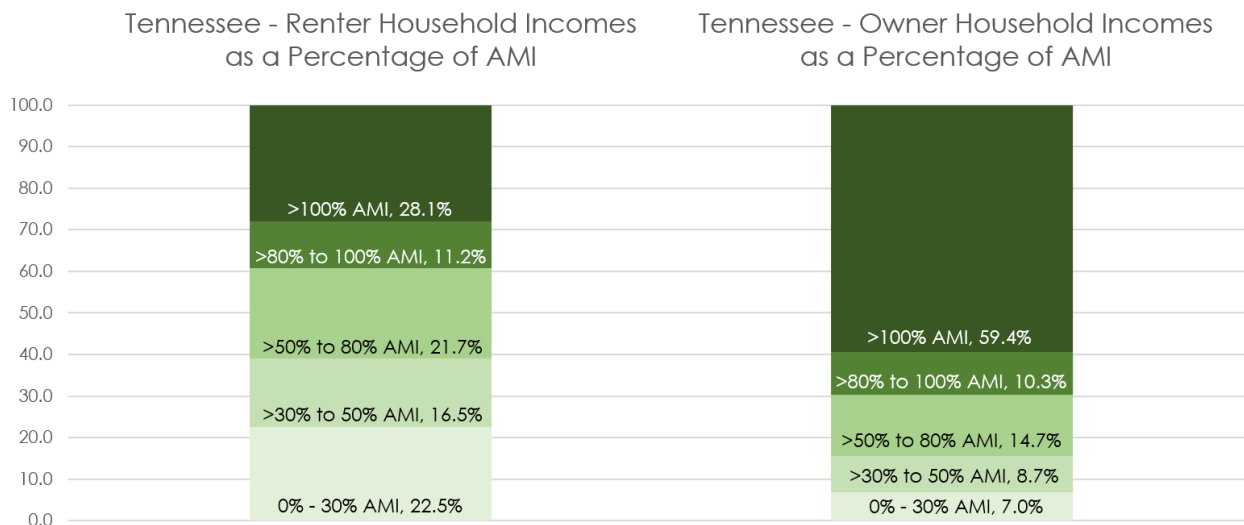
	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	>80% to 100% HAMFI	>100% HAMFI
Total Households	322,395	300,130	454,460	281,375	1,306,435
Small Family Households (Family of 4 people or less, including families with elderly members)	112,835	127,130	230,530	158,325	914,365

Large Family Households (Family of 5 people or more with elderly status of household members undefined)	17,585	19,565	33,465	20,975	101,595
Households with Elderly Member(s) Age 62 – 74 Years (One or more household member is 62 - 74 years of age)	73,120	81,630	115,505	68,980	318,280
Households with Elderly Member(s) Age 75+ Years (One or more household member is 75+ years of age)	43,195	56,000	64,680	32,960	104,410
Households with Young Child(ren) (Households with one or more children 6 years old or younger)	48,665	43,555	67,105	40,050	178,225

Section NA-10, Figure 8 – Table of Household Characteristics by Household Incomes as a Percentage of AMI
CHAS Five-year Estimates for 2017-2021, Tables 5 (Households with Elderly Member), Table 7 (Households & Household Sizes), and Table 13 (Households with Young Children)

AMI Distributions by Tenure

Homeownership is currently the dominant tenure type in Tennessee. Roughly twice as many households are homeowners as renters. Tennessee had an estimated 1,783,275 owner households and an estimated 881,515 renter households.⁸ However, households from low-income categories (with incomes of 80% or less of AMI) are more likely to be renters, which has implications for the prevalence of their experiences of housing problems. The following charts show Tennesseans' household incomes as a percentage of AMI for each type of tenure.



Section NA-10, Figure 9 – Graph of Tennessee's Household Incomes as a Percentage of AMI by Tenure
CHAS Five-year Estimates for 2017-2021, Table 8

⁸ CHAS Five-year estimates for 2017-2021

Housing Problems 1: Households with one of the listed needs

The following table shows the estimated number of Tennessean households that experienced one of several housing problems, arranged in order of severity. Most households, including 369,235 renter households and 269,165 owner households, were struggling with a single housing problem. The most vulnerable households experienced several housing problems and are not represented in this table.

As previously mentioned, renter households tended to have lower incomes than owner households. As a result, more renter households than owner households experienced housing problems.

	Renter					Owner				
	0% to 30% AMI	>30% to 50% AMI	>50% to 80% AMI	>80% to 100% AMI	Total <=100%	0% to 30% AMI	>30% to 50% AMI	>50% to 80% AMI	>80% to 100% AMI	Total <=100%
NUMBER OF HOUSEHOLDS										
Substandard Housing (Lacking complete plumbing or kitchen facilities)	4,735	2,445	3,455	1,405	12,040	1,580	1,040	1,930	900	5,450
Severe Overcrowding (With >1.51 people per room, and complete kitchen and plumbing)	1,720	1,910	1,980	885	6,495	505	470	790	630	2,395
Moderate Overcrowding (With 1.01-1.5 people per room, and none of the above problems)	4,780	4,610	5,160	2,750	17,300	1,045	2,175	2,820	1,500	7,540
Severe Cost Burden (Housing cost burden greater than 50% of income, and none of the above problems)	110,435	41,675	10,535	1,055	163,700	61,930	31,010	16,700	4,710	114,350

	Renter					Owner				
	0% to 30% AMI	>30% to 50% AMI	>50% to 80% AMI	>80% to 100% AMI	Total <=100%	0% to 30% AMI	>30% to 50% AMI	>50% to 80% AMI	>80% to 100% AMI	Total <=100%
Moderate Cost Burden (Housing cost burden greater than 30% to 50% of income (and none of the above problems))	20,585	61,515	72,770	14,900	169,700	21,125	36,700	57,790	23,815	139,430
Zero/negative Income (And none of the above problems)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Section NA-10, Figure 10 – Table of Housing Problems by Household Income Category as a Percentage of AMI and by Tenure
CHAS Five-year Estimates for 2017-2021, Table 3

Housing Problems 2: Households with one or more Severe Housing Problems

The following table shows the number of households who experienced one or more severe housing problems, which include lacking a kitchen or complete plumbing, severe overcrowding, or severe cost burden. Regardless of tenure, households with lower incomes were more likely to experience severe housing problems than households with higher incomes.

	Renter					Owner				
	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	>80% to 100% HAMFI	Total <=100%	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	>80% to 100% HAMFI	Total <=100%
NUMBER OF HOUSEHOLDS										
Severe Housing Problems (Having 1 or more of four severe housing problems)	121,665	50,635	21,125	6,095	199,520	65,065	34,690	22,240	7,745	129,740

	Renter					Owner				
	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	>80% to 100% HAMFI	Total <=100%	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	>80% to 100% HAMFI	Total <=100%
No Severe Housing Problems (Having none of four severe housing problems)	76,795	94,640	170,465	92,440	434,340	58,870	120,165	240,625	175,095	594,755
Negative Income (Household has negative income, but none of the other severe housing problems)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Section NA-10, Figure 11 – Table of Severe Housing Problems by Household Income Category as a Percentage of AMI and by Tenure
CHAS Five-year Estimates 2017-2021, Table 2

Housing Problems 3: Moderate Cost Burden

Moderate cost burden occurs when a household spends more than 30% but less than 50% of its income on housing costs. The following table shows the number of households that experienced moderate cost burden by household type, tenure, and income category. Fewer extremely low-income households (with incomes 30% or less of AMI) experienced moderate cost burden because most of these households were experiencing severe cost burden, which is shown in the next table, Figure 13. For both small and large families, more renters than homeowners experienced moderate cost burden. However, among households with elderly members, more owner households experienced moderate cost burden, most likely because older people are more likely to be homeowners than younger people.

Generally, owner households are less likely to experience cost burden than renter households because many own their homes outright; if they have a mortgage, they were approved to purchase a home with mortgage costs aligned to their incomes at the time of purchase.

	Renter				Owner			
	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	Total <=100%	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	Total <=100%
NUMBER OF HOUSEHOLDS								
Small Related	5,970	27,690	27,820	61,480	4,255	10,920	22,205	37,380
Large Related	1,695	5,365	3,310	10,370	955	3,330	4,700	8,985

	Renter				Owner			
	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	Total ≤100%	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	Total ≤100%
Elderly	7,580	13,085	10,585	31,250	13,085	18,400	20,295	51,780
Other	6,885	19,585	33,250	59,720	3,575	5,135	11,365	20,075
Total need by income	22,130	65,725	74,965	162,820	21,870	37,785	58,565	118,220

Section NA-10, Figure 12 – Table with Distribution of Moderately Cost-Burdened Households by Household Income as a Percentage of AMI and by Tenure
CHAS Five-year Estimates for 2017-2021, Table 7

Housing Problems 4: Severe Cost Burden

Severe cost burden occurs when a household spends more than 50% of its income on housing costs. The following table shows the number of households that experienced severe cost burden by household type, tenure, and income category in 2021. As expected, more extremely low-income households (with incomes of 30% of AMI or less) experienced severe cost burden than other low-income households, which were more likely to experience moderate cost burden, as shown in the prior table, Figure 11. For both small and large families, more renters than homeowners experienced severe cost burden. However, among households with elderly members, more owners experienced severe cost burden. (For an explanation of why this may be the case, see Housing Problems 3: Moderate Cost Burden.)

	Renter				Owner			
	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	Total ≤100%	0% to 30% HAMFI	>30% to 50% HAMFI	>50% to 80% HAMFI	Total ≤100%
NUMBER OF HOUSEHOLDS								
Small Related	42,675	14,180	2,255	59,110	15,845	8,875	5,205	29,925
Large Related	8,055	1,755	180	9,990	2,710	1,745	1,085	5,540
Elderly	22,380	9,950	3,110	35,440	30,130	15,350	7,935	53,415
Other	44,300	17,780	5,750	67,830	14,300	5,315	2,770	22,385
Total need by income	117,410	43,665	11,295	172,370	62,985	31,285	16,995	111,265

Section NA-10, Figure 13 – Table with Distribution of Severely Cost-Burdened Households by Household Income as a Percentage of AMI and by Tenure
CHAS Five-year Estimates for 2017-2021, Table 7

Housing Problems 5: Crowding

The following table shows the estimated number of households experiencing crowding, which HUD defines as more than one person per room of the home. Generally, renter households were more likely to experience overcrowding than owner households for every income category. Single-family

households can include multigenerational families where household members are related.

	Renter					Owner				
	0% to 30% AMI	>30% to 50% AMI	>50% to 80% AMI	>80%to 100% AMI	Total <=100%	0% to 30% AMI	>30% to 50% AMI	>50% to 80% AMI	>80% to 100% AMI	Total <=100%
NUMBER OF HOUSEHOLDS										
Single-family households (hh)	6,015	5,530	5,620	2,745	19,910	1,335	1,955	2,510	1,530	7,330
Multiple, unrelated family hh	345	785	1,020	770	2,920	215	655	1,230	645	2,745
Other, non-family hh	320	310	700	200	1,530	30	55	95	0	180
Total need by income	6,680	6,625	7,340	3,715	24,360	1,580	2,665	3,835	2,175	10,255

Section NA-10, Figure 14 – Table with Distribution of Overcrowded Households by Household Income as a Percentage of AMI and by Tenure

CHAS Five-year Estimates for 2017-2021, Table 10

Housing Problems 6: Public Survey on Housing Experiences by Income Group

The following table shows the results of a survey administered to the public in Tennessee in the summer of 2024. The Tennessee Housing Development Agency (THDA) received 1,179 complete responses. While respondent sample size was very small compared to Tennessee’s population and no attempt was made to collect a representative sample, some results mirrored those findings from the previous quantitative analysis tables. For example, respondents with lower incomes reported experiencing housing-related needs more often than respondents with higher incomes. Struggling to pay one’s rent/mortgage or utilities bills were the most prevalent problems for respondents in the \$0 - \$50,000 income category.

Reponses Options	All Public Respondents		Respondents with incomes of \$0 to \$50K		Respondents with incomes of >\$50K to \$100K		Respondents with incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Found it difficult to pay my rent and/or mortgage.	41.6%	490	55.7%	323	39.0%	129	15.4%	31
Had plumbing, electrical, or home appliance problems.	39.4%	464	35.2%	204	47.1%	156	41.3%	83
Found it difficult to pay my utility bills.	38.1%	449	53.1%	308	34.4%	114	9.5%	19

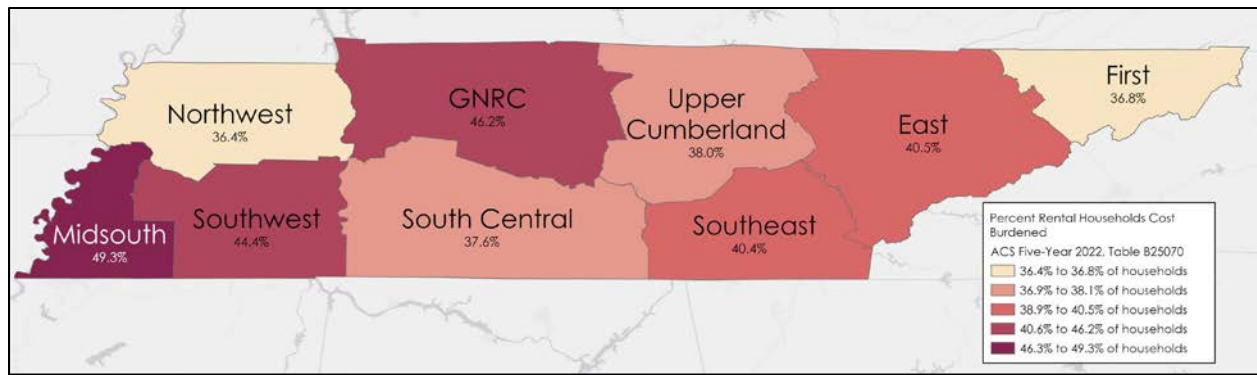
Reponses Options	All Public Respondents		Respondents with incomes of \$0 to \$50K		Respondents with incomes of >\$50K to \$100K		Respondents with incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Seen homes in poor condition in my neighborhood.	31.6%	372	30.7%	178	36.3%	120	28.7%	58
Been unable to make needed repairs or improvements to my home.	30.0%	354	28.8%	167	36.6%	121	22.4%	45
Had a landlord/owner who was unwilling to make repairs to my home.	15.2%	179	21.7%	126	12.7%	42	2.5%	5
Had too many people living in my home.	6.5%	77	8.5%	49	5.4%	18	4.0%	8
TOTAL COMPLETE RESPONSES		1,179		580		331		201

Section NA-10, Figure 15 – Table of Respondent-Reported Housing Needs by Income Level
Section NA-15, Figure 9 – Table of Respondent-Reported Housing Needs by Income Level and by Racial Group
State of Tennessee Housing Needs Survey 2024

What are the most common housing problems?

Renter households being cost burdened is the most prevalent problem in Tennessee, even though renting is less common than homeownership. In Tennessee, 388,088 (or 43.3%) of renter households were cost burdened.⁹ The following map shows the shares of renter households that were cost burdened in each development district.

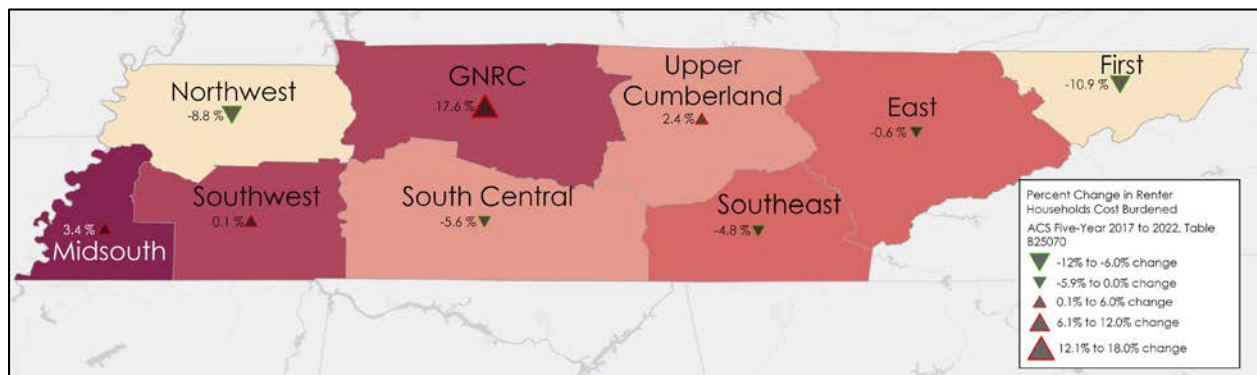
⁹ ACS Five-year estimates for 2018-2022



Section NA-10, Figure 16 - Map of Percentage of Rental Households Experiencing Cost Burden
ACS Five-year Estimates for 2018-2022, Table B25070

The highest rate of rental cost burden was in the Midsouth development district, where nearly half of all renter households experienced cost burden. The GNRC and Southwest development districts also had elevated portions of their renter households experiencing cost burden.

The following map shows the percent change in the number of renter households experiencing cost burden by development district over a Five-year period.¹⁰



Section NA-10, Figure 17 - Map of Percent Changes in Number of Renter Households Experiencing Cost Burden
between 2013-2017 and 2018-2022
ACS Five-year Estimates for 2013-2017 and 2018-2022, Table B25070

The GNRC development district saw the greatest percent change in the number of renter households experiencing cost burden, perhaps driven by the rapid population growth the region has experienced in the past five years. The Midsouth and Southwest development districts, despite having large portions of their renter populations experiencing cost burden, did not have sharp increases; these regions have had stagnant population growth. Despite this, the percents of renter households experiencing cost burden in

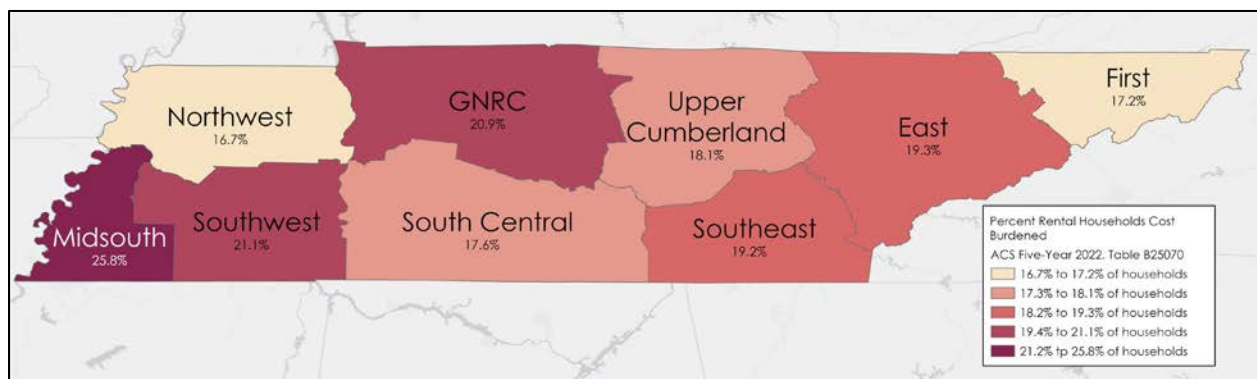
¹⁰ ACS Five-year estimates for 2013-2017 and 2018-2022

these regions were among the highest levels in the state. Finally, the number of renter households seemed to have decreased in some regions.

To understand why changes in rental cost burden occurred in a particular region, more research is required. The number of households experiencing cost burden can change for multiple reasons, some of which include:

- Population changes in an area (e.g., people moving in, people moving away)
- Growth in the housing supply (e.g., new developments) or reduction in the housing supply (e.g. widespread disrepair/vacancy, natural disaster)
- Increases in housing prices (e.g., increased building supply costs and labor costs) or decreases in housing prices (e.g., decreased building supply costs and labor costs, innovation in housing development techniques)
- Changes in regional households' incomes

Evaluating the mechanisms that increase cost burden are critical because it is a risk factor for households who experience housing instability, like eviction and/or homelessness. In Tennessee, 185,390 (or 20.7%) of renter households were experiencing severe cost burden.¹¹ The following map shows what percents of renter households were severely cost burdened in each development district.



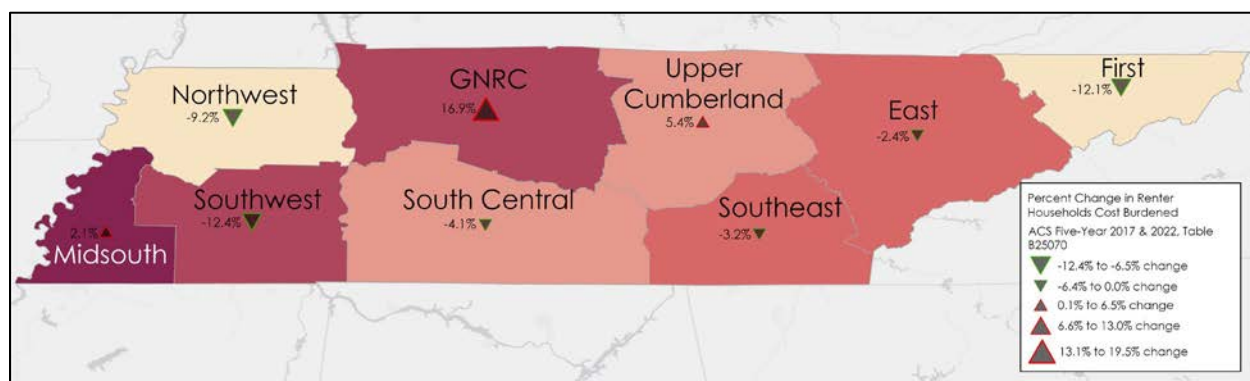
Section NA-10, Figure 18 - Map of Percentage of Rental Households Experiencing Severe Cost Burden
ACS Five-year Estimates for 2018-2022, Table B25070

About one in four renter households experienced severe rental cost burden in the Midsouth development district. In addition, about one in five households experienced it in the Greater Nashville and Southwest development districts.

Unsurprisingly, the relative levels of renter households who experienced cost burden across regions mimic the relative levels of rental households who experienced cost burden in general. This is true of the percent changes in severe rental cost burden over a Five-year period, which are shown in Figure 19

¹¹ ACS Five-year estimate for 2018-2022

below.¹² The only region where this assertion was not true was the Southwest development district, which seemed to have had little change in the number of households who experienced cost burden overall but had a significant decrease in the number of households who experienced severe cost burden. More research is needed to pinpoint the combination of factors that caused this.



Section NA-10, Figure 19 - Map of Percent Changes in Number of Rental Households Experiencing Severe Cost Burden between 2013-2017 and 2018-2022
 ACS Five-year Estimates for 2013-2017 and 2018-2022, Table B25070

It is important to note the measurement of rental cost burden considers the costs of rent and utilities. THDA hosted regional focus groups on housing needs in August of 2024. Due to utility costs' seasonality and month-to-month unpredictability, several participants shared that households with lower incomes struggled to afford these bills. In the housing needs survey, 577 (or 65.8%) of 886 respondents to a question about housing needs chose "[c]hanges to make energy use more affordable or efficient for renters" as a high need.

See Section MA-15 for more information about how problems with Tennessee's rental housing supply are likely contributing to the high levels of renter cost burden.

See the visual appendix for county-level maps for each development district showing renter cost burden.

Are any populations/household types more affected than others by these problems?

Yes, lower income households are more affected by these problems. This is especially true for extremely low-income households. See Section MA-15 for more analysis of housing problems by income category.

In addition, some minority racial and/or ethnic groups are also more affected by these problems. See Sections NA-20, NA-25, and NA-30 for analysis of housing problems by race and ethnicity. Section NA-30 includes specific analysis of Black renter households' experiences with cost burden. Black Tennesseans

¹² ACS Five-year estimates for 2013-2017 and 2018-2022

represent the largest racial minority group in the state, and Black households are overrepresented among Tennessee's homeless population in every Continuum of Care (CoC) region compared to that region's overall population. See Section NA-40 for more details about this.

Tennessee's disabled population also disproportionately experiences housing problems, and they are disproportionately represented among Tennessee's homeless population. See Section NA-40 for more details on this.

Renter cost burden likely disproportionately impacts other populations and household types than those mentioned above. However, further analysis of the experiences of these sub-populations was beyond the scope of this Needs Assessment. Please contact THDA's Research and Planning Team at research@thda.org if there are specific populations you think would benefit from further analysis.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Renters with low incomes, particularly those with extremely low incomes, are more likely to face homelessness due to their increased levels of cost burden. In addition, Tennessee has an absolute shortage of rental units affordable to extremely low-income households. See Section MA-15 for a detailed analysis of this.

Additionally, in some regions of Tennessee, housing is disproportionately aging and in poor condition. Households living in substandard housing also are at increased risk of housing instability and homelessness. See Section MA-20 for a detailed analysis of this.

Describe the number and type of single person households in need of housing assistance.

Tennessee was home to an estimated 785,656 single person households, which made up 28.9% of households in the state.¹³ Approximately 313,117 (or 39.9%) of those living alone were 65 years or older.

The exact number and type of single person households in need of housing assistance is unknown. Single person households are at risk of housing instability because they do not have the in-home support of other household members to mitigate challenges. Some attributes that may make a single person household more vulnerable to housing insecurity include living in poverty, experiencing unemployment, having a declining or fixed income, being elderly and/or disabled, living with HIV/AIDS, having a substance use disorder (SUD), being a victim of domestic violence, a veteran, a young adult aging out of foster care, or a person who was previously incarcerated. See Section NA-45 for detailed descriptions of how individuals and households with these attributes are more vulnerable to housing insecurity. See Section NA-40 for discussion of single person households being over-represented among people experiencing homelessness during HUD's Point-in-Time Count (PITC), which tries to count the

¹³ ACS Five-year estimates for 2018-2022, Table S1101

number of people experiencing sheltered and unsheltered homelessness on a single night in January each year.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)).

The most important housing stability factor for any household, including those with children, is to live in an affordable unit, which HUD defines as costing 30% or less of a household's income. However, for extremely low-income households, affordable rental units are in short supply and are often occupied by households with higher incomes. See Section MA-10 for more details.

If affordable units are currently unavailable, a household must increase its income to increase its housing stability. The difficulty of increasing income for each household will depend on the educational attainment(s) of its members, employment opportunities available in the area, the household's access to reliable transportation, and—for those with children—childcare options.

For example, households with reliable transportation, whether a personal vehicle or quick access to public transportation, are more likely to find employment with adequate earnings to cover housing costs. In addition, maintaining stable employment when the household has young children often requires reliable and affordable childcare. Sometimes households with multiple adults can arrange their schedules to share work and childcare responsibilities, and many households rely on friends and family for help with childcare. However, these options are not open to all households, and those without them are more likely to struggle with maintaining employment and, as a result, with housing stability.

Some households may face additional challenges based on the household members' personal circumstances. Section NA-45 describes some of the unique housing challenges faced by people who are elderly, disabled, recovering from a substance use disorder (SUD), fleeing domestic violence, exiting foster care, re-entering society after being incarcerated, veterans, and living with HIV/AIDS.

Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance.

First and foremost, households nearing the end of rapid re-housing assistance need sufficient incomes to afford rents and utilities after the rental subsidies end. Some households struggle to attain the income necessary to afford housing costs, due to the factors outlined in the previous section.

During focus group, homelessness service providers also explained that losing case management services at the same the household loses rental subsidies can cause some families to struggle with financial management during the transition. Providers focus on finding jobs for households during the program so that they have adequate income to maintain housing stability when assistance ends, in addition to problem-solving for individual household's issues.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

See Section NA-45 for details about households in need of assistance who include a disabled person and/or who are victims of domestic violence, dating violence, sexual assault and stalking.

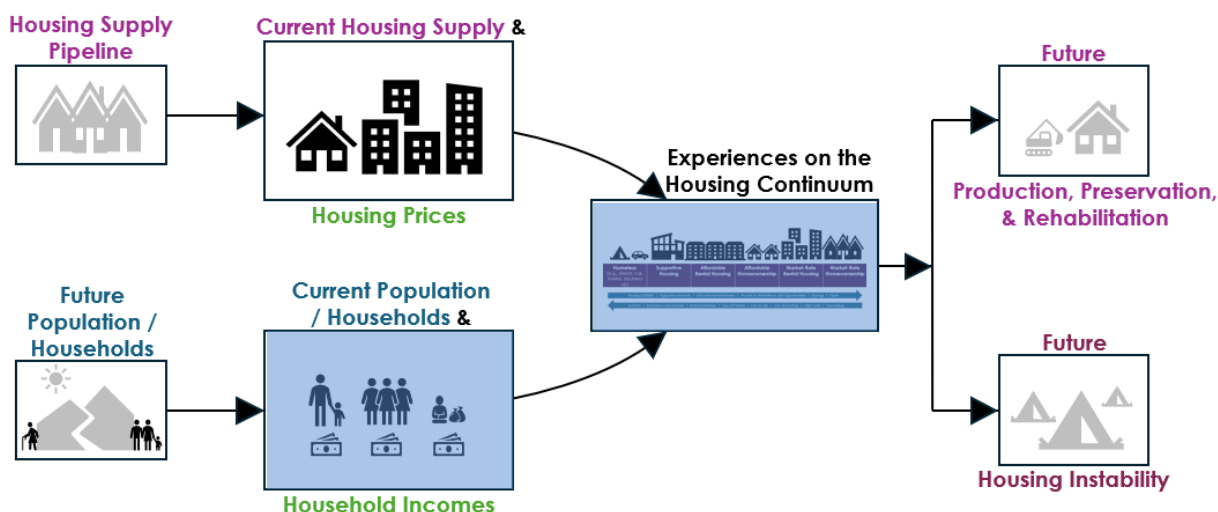
If a jurisdiction provides estimates of the population(s) at risk for experiencing homelessness, it should also include a description of the operational definition of the at risk group and the methodology used to generate the estimates:

The State recognizes households with extremely low incomes are at risk for experiencing homelessness, as well as households who are severely cost burdened. The State relies on HUD's PITC data and on-the-ground information from CoC partners to identify populations at risk for experiencing homelessness. Currently, the State does not provide additional estimates of populations at risk of homelessness.

NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction



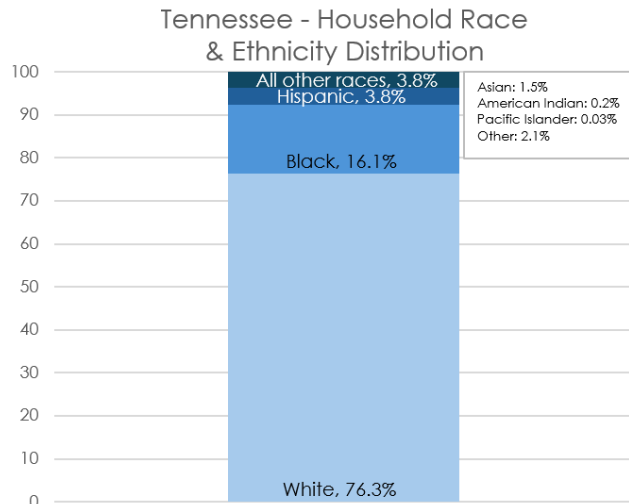
Section NA-15, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Several sections of this needs assessment, including NA-15, NA-20, and NA-25, analyze whether any racial or ethnic group has disproportionately greater need. The U.S Department of Housing and Urban Development (HUD) defines a disproportionate housing need as occurring when the housing need percentage for any racial and/or ethnic group is at least 10 points higher than that of the overall category.

As required by HUD, these sections primarily utilize the Comprehensive Housing Affordability Strategy (CHAS) Five-year data from 2017-2021, since this is the most recent dataset available. However, the findings of this analysis may not accurately represent the present reality because they are out of date.

Section NA-15 analyzes differences in the number of households experiencing (both moderate and severe) housing problems by race and/or ethnicity category. Overall, Tennessee's largest racial group is White. However, in the Midsouth development district, the largest racial group is Black.

The following graph shows the distribution of households' racial and ethnic categories in Tennessee.



Section NA-15, Figure 2 – Graph of Tennessee’s Household Race and Ethnicity Distribution 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 9

The tables below show the number of housing problems experienced by households in each racial category. Housing needs are identified in the columns labeled “Has one or more of 4 housing problems,” and the four housing problems are defined as:

- Lacking complete kitchen facilities
- Lacking complete plumbing facilities
- The household is overcrowded (having more than one person per room of the home)
- The household is cost burdened (spending more than 30% of the household’s income on housing costs)

In addition, the tables show the housing problems experienced by households of different income categories, defined as follows:

- Extremely low-income households have incomes at or below 30% of the Area Median Income.
- Very low-income households have incomes above 30% to at or below 50% of the Area Median Income.
- Low-income households have incomes above 50% to at or below 80% of the Area Median Income.
- Lower middle-income households have incomes above 80% to at or below 100% of the Area Median Income.
- Upper middle and upper-income households have incomes above the area median income.

Number of Housing Problems Experienced by Extremely Low-Income Households (30% or less

of AMI)

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	228,440	93,955	N/A
White	139,190	63,190	N/A
Black / African American	68,940	22,980	N/A
Asian	2,065	1,520	N/A
American Indian, Alaska Native	540	285	N/A
Pacific Islander	115	40	N/A
Hispanic	11,620	2,900	N/A

Section NA-15, Figure 3 – Table of Extremely Low-income Households by Race and Ethnicity with Housing Problems in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 1

Number of Housing Problems Experienced by Very Low-income Households (>30% to 50% of AMI)

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	183,540	116,590	0
White	117,075	94,765	0
Black / African American	46,155	15,040	0
Asian	1,920	875	0
American Indian, Alaska Native	375	245	0
Pacific Islander	124	0	0
Hispanic	13,540	3,650	0

Section NA-15, Figure 4 – Table of Very Low-income Households by Race and Ethnicity with Housing Problems in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 1

Number of Housing Problems Experienced by Low-income Households (>50% to 80% of AMI)

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	173,930	280,525	0
White	115,385	215,490	0

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Black / African American	42,000	44,940	0
Asian	2,500	2,100	0
American Indian, Alaska Native	280	505	0
Pacific Islander	60	95	0
Hispanic	9,610	11,790	0

Section NA-15, Figure 5 – Table of Low-income Households by Race and Ethnicity with Housing Problems in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 1

Number of Housing Problems Experienced by Lower Middle-income Households (>80% to 100% of AMI)

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	52,550	228,825	0
White	38,405	175,115	0
Black / African American	8,530	37,160	0
Asian	980	2,555	0
American Indian, Alaska Native	45	275	0
Pacific Islander	25	24	0
Hispanic	3,245	8,825	0

Section NA-15, Figure 6 – Table of Lower Middle-income Households by Race and Ethnicity with Housing Problems in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 1

Number of Housing Problems Experienced by All Households with Incomes in Lower Half of Income Distribution (0% to 100% of AMI)

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	638,460	719,895	0
White	410,055	548,560	0

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Black / African American	165,625	120,120	0
Asian	7,465	7,050	0
American Indian, Alaska Native	1,240	1,310	0
Pacific Islander	324	159	0
Hispanic	38,015	27,165	0

Section NA-15, Figure 7 – Table of Households in the Lower Half of the Income Distribution by Race and Ethnicity with Housing Problems in 2017-2021
CHAS Five-year Estimates 2017-2021, Table 1

Racial and Ethnic Groups Experiencing Disproportionately Greater Housing Problems by Income Category

Racial and/or Ethnic Category	0% to 30% of AMI	>30% to 50% of AMI	>50% to 80% of AMI	>80% to 100% AMI
Tennessee	70.9%	61.2%	38.3%	18.7%
White	68.8%	55.3%	34.9%	18.0%
Black / African American	75.0%	<u>75.4%</u>	<u>48.3%</u>	18.7%
Asian	57.6%	68.7%	<u>54.3%</u>	27.7%
American Indian, Alaska Native	65.5%	60.5%	35.7%	14.1%
Pacific Islander	74.2%	<u>100.0%</u>	38.7%	<u>51.0%</u>
Hispanic	80.0%	<u>78.8%</u>	44.9%	26.9%

Section NA-15, Figure 8 – Table of Racial and/or Ethnic Groups Experiencing Disproportionately Greater Housing Problems by Income Category in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 1

Discussion

Figures 3-8 above show that housing problems became less prevalent as households' incomes increased. However, most extremely low-income and very low-income households were experiencing at least one housing problem.

White households experienced the highest number of housing problems, in keeping with them being the state's racial majority. Black households experienced the second-greatest number of housing problems, in keeping with them being the second-largest racial group in the state.

However, several minority racial and ethnic groups experienced disproportionate housing problems, as defined by HUD, with a ten-percentage point gap (or greater) than the category as a whole. These disproportionalities include very low-income and low-income Black households, low-income Asian households, very low-income and lower middle-income Pacific Islander households, and very low-income Hispanic households.

Finally, the percentages of Black, Pacific Islander, and Hispanic households experiencing housing problems were consistently greater than the percentages for the category as a whole, regardless of the group's income category. However, these disproportionalities did not consistently cross HUD's threshold.

See Section MA-15 for a more detailed look at housing affordability by income category.

Public Survey on Housing Experiences by Income Group and Race

The Tennessee Housing Development Agency (THDA) administered a Housing Needs Survey to the public in June and July of 2024, receiving 1,179 complete responses. Of those responses, 580 (or 49.2%) were from respondents with reported household incomes of \$0 to \$50,000 per year. The survey asked respondents about whether had experienced different types of housing problems, and the table below compares lower income respondents' answer by some racial categories. Respondents from racial groups other than Black or White are grouped together, since there were fewer responses.

The respondent sample size is small compared to Tennessee's population, and THDA did not attempt to collect a representative sample. Therefore, these results should not be interpreted as being generalizable to all Tennesseans earning \$0 to \$50,000 per year or generalizable to any racial or ethnic group. In addition, even though the racial and ethnic groups with smaller numbers are grouped together in the table, there may be significant differences in the groups' experiences of housing needs across the state.

Both Black respondents and those of other races, except White, reported higher levels of need related to paying rent, mortgages, and utilities, while White respondents reported more difficulties with home repairs. This may reflect that Black Tennesseans and most of those of other races, except White, are more likely to be renters, whereas White Tennesseans are more likely to be homeowners. See the Fair Housing appendix for graphs showing tenure by racial group.

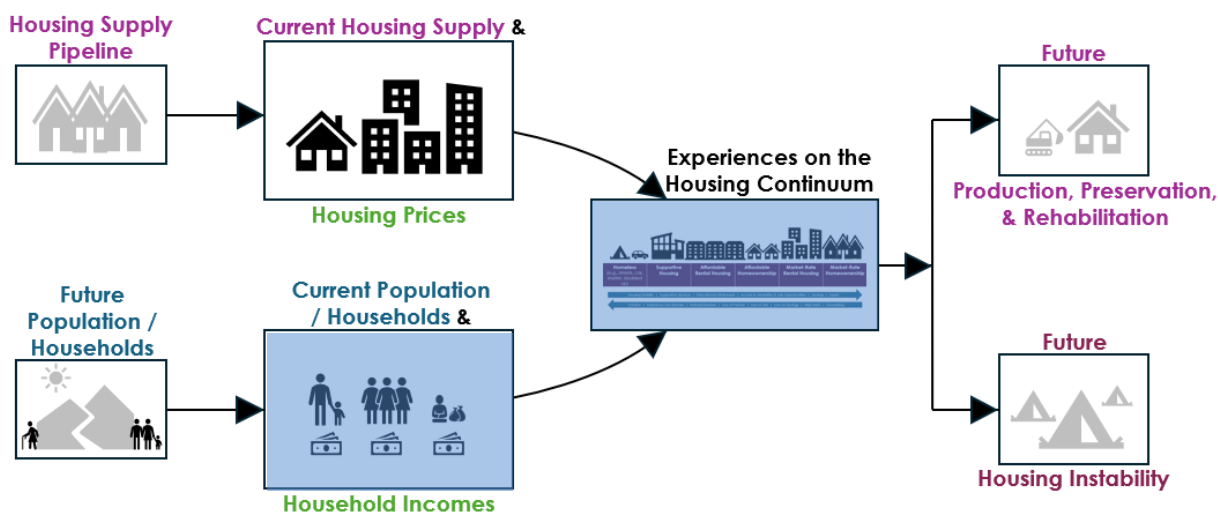
Reponses Options	All Public Respondents with Incomes from \$0 to \$50K		Black Public Respondents with Incomes from \$0 to \$50K		Public Respondents of Other Races with Incomes from \$0 to \$50K		White Public Respondents with Incomes from \$0 to \$50K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Found it difficult to pay my rent and/or mortgage.	55.7%	323	59.5%	72	60.9%	28	54.1%	217
Found it difficult to pay my utility bills.	53.1%	308	56.2%	68	60.9%	28	51.6%	207
Had plumbing, electrical, or home appliance problems.	35.2%	204	24.0%	29	28.3%	13	38.9%	156
Seen homes in poor condition in my neighborhood.	30.7%	178	29.8%	36	37.0%	17	30.4%	122
Been unable to make needed repairs or improvements to my home.	28.8%	167	22.3%	27	19.6%	9	31.7%	127
Had a landlord/owner who was unwilling to make repairs to my home.	21.8%	126	20.7%	25	30.4%	14	21.5%	86
Had too many people living in my home.	8.5%	49	10.7%	13	4.4%	2	8.5%	34
TOTAL COMPLETE RESPONSES		580		121		46		401

Section NA-15, Figure 9 – Table of Respondent-Reported Housing Needs by Income Level and by Racial Group
State of Tennessee Housing Needs Survey 2024

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction



Section NA-20, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Several sections of this needs assessment, including NA-15, NA-20, and NA-25, analyze whether any racial or ethnic group has disproportionately greater need. The U.S Department of Housing and Urban Development (HUD) defines a disproportionate housing need as occurring when the housing need percentage for any racial and/or ethnic group is at least 10 points higher than that of the overall category.

As required by HUD, these sections primarily utilize the Comprehensive Housing Affordability Strategy (CHAS) Five-year data from 2017-2021, since this is the most recent dataset available. However, the findings of this analysis may not accurately represent the present reality because they are out of date.

Section NA-20 analyzes differences in the number of households who experienced **severe** housing problems by race/ethnicity and income categories. See the introduction of Section NA-15 for Tennessee's household distribution by race/ethnicity categories and definitions of the income categories in comparison with Area Median Income (AMI).

The tables below show the number of severe housing problems experienced by households in each race/ethnicity category. Severe housing problems are identified in the columns labeled "Has one or more of 4 severe housing problems," and the four **severe** housing problems are defined as:

- Lacking complete kitchen facilities
- Lacking complete plumbing facilities
- The household is severely overcrowded (having an average of more than 1.5 persons per room of the home)
- The household is severely cost burdened (spending more than 50% of the household's income on housing costs)

Number of Severe Housing Problems Experienced by Extremely Low-income Households (30% or less of AMI)

Household Category	Has one or more of four severe housing problems	Has none of the severe four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	186,730	135,665	N/A
White	111,155	91,225	N/A
Black / African American	58,045	33,875	N/A
Asian	1,935	1,655	N/A
American Indian, Alaska Native	360	470	N/A
Pacific Islander	115	40	N/A
Hispanic	10,245	4,275	N/A

Section NA-20, Figure 2 – Table of Extremely Low-income Households by Race and Ethnicity with Severe Housing Problems in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 2

Number of Severe Housing Problems Experienced by Very Low-income Households (>30% to 50% of AMI)

Household Category	Has one or more of four severe housing problems	Has none of the severe four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	85,325	214,805	0
White	53,640	158,205	0
Black / African American	21,465	39,725	0
Asian	1,030	1,765	0
American Indian, Alaska Native	175	445	0
Pacific Islander	104	20	0
Hispanic	6,935	10,250	0

Section NA-20, Figure 3 – Table of Very Low-income Households by Race and Ethnicity with Severe Housing Problems in 2017-2021

Number of Severe Housing Problems Experienced by Low-income Households (>50% to 80% of AMI)

Household Category	Has one or more of four severe housing problems	Has none of the severe four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	43,365	411,090	0
White	29,770	301,105	0
Black / African American	8,950	77,985	0
Asian	900	3,695	0
American Indian, Alaska Native	60	730	0
Pacific Islander	15	140	0
Hispanic	2,835	18,565	0

Section NA-20, Figure 4 – Table of Low-income Households by Race and Ethnicity with Severe Housing Problems in 2017-2021

CHAS Five-year Estimates for 2017-2021, Table 2

Number of Severe Housing Problems Experienced by Lower Middle-income Households (>80% to 100% of AMI)

Household Category	Has one or more of four severe housing problems	Has none of the severe four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	13,840	267,535	0
White	9,600	203,915	0
Black / African American	1,930	43,760	0
Asian	395	3,140	0
American Indian, Alaska Native	4	320	0
Pacific Islander	25	24	0
Hispanic	1,615	10,465	0

Section NA-20, Figure 5 – Table of Lower Middle-income Households by Race and Ethnicity with Severe Housing Problems in 2017-2021

CHAS Five-year Estimates 2017-2021, Table 2

Number of Housing Problems Experienced by All Households with Incomes in Lower Half of

Income Distribution (0% to 100% of Area Median Income)

Household Category	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Tennessee	329,260	1,029,095	0
White	204,165	754,450	0
Black / African American	90,390	195,345	0
Asian	4,260	10,255	0
American Indian, Alaska Native	599	1,965	0
Pacific Islander	259	224	0
Hispanic	21,630	43,555	0

Section NA-20, Figure 6 – Table of Households with Incomes in the Lower Half of the Income Distribution by Race and Ethnicity with Severe Housing Problems in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 2

Racial and Ethnic Groups Experiencing Disproportionately Greater Severe Housing Problems by Income Category

Household Category	0% to 30% of AMI	>30% to 50% of AMI	>50% to 80% of AMI	>80% to 100% AMI
Tennessee	57.9%	28.4%	9.5%	4.9%
White	54.9%	25.3%	9.0%	4.5%
Black / African American	63.1%	35.1%	10.3%	4.2%
Asian	53.9%	36.9%	<u>19.6%</u>	11.2%
American Indian, Alaska Native	43.4%	28.2%	7.6%	1.2%
Pacific Islander	<u>74.2%</u>	<u>83.9%</u>	9.7%	<u>51.0%</u>
Hispanic	<u>70.6%</u>	<u>40.4%</u>	13.2%	13.4%

Section NA-20, Figure 7 – Table of Racial and Ethnic Groups Experiencing Disproportionately Greater Severe Housing Problems by Income Category in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 2

Discussion

The tables above show severe housing problems became less prevalent as households' incomes increased, like the tables showing (moderate and severe) housing problems in Section NA-15. Most extremely low-income households experienced at least one severe housing problem.

White households experienced the highest number of housing problems, in keeping with them being the state's racial majority. Black households experienced the second-greatest number of housing problems, in keeping with them being the state's second largest racial group.

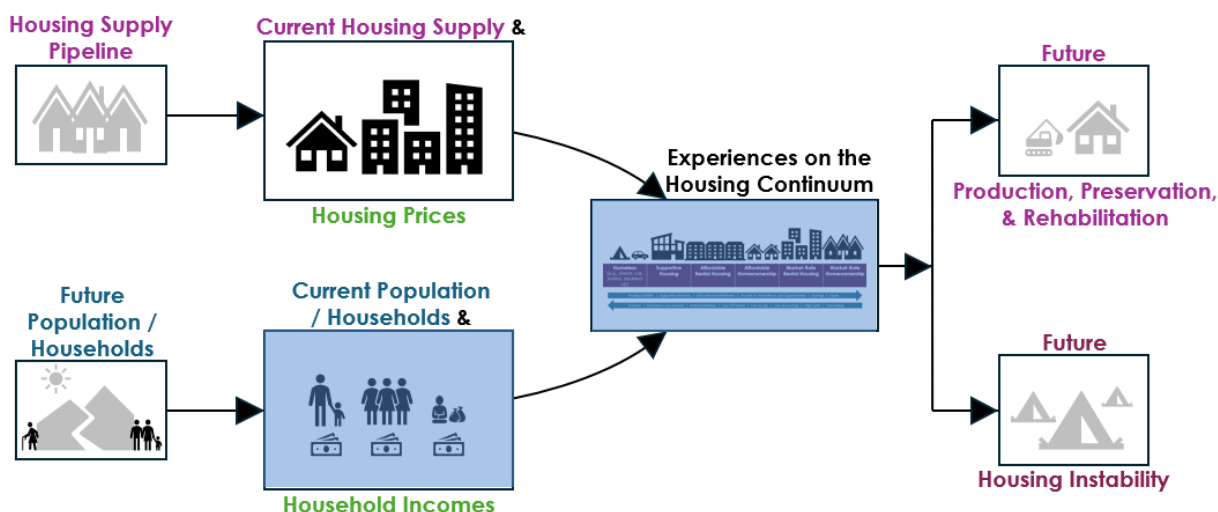
However, several minority racial and ethnic groups experienced disproportionate severe housing problems, as defined by HUD, with a ten-percentage point gap (or greater) than the category as a whole. These disproportionalities include low-income Asian households, extremely low-income, very low-income, and lower middle-income Pacific Islander households, and extremely low-income and very low-income Hispanic households.

Finally, the percentages of low-income Black, Pacific Islander, and Hispanic households experiencing severe housing problems were consistently greater than the percentages for the category as a whole, regardless of income group. However, these disproportionalities did not consistently cross HUD's threshold.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction



Section NA-25, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Several sections of this needs assessment, including NA-15, NA-20, and NA-25, analyze whether any racial or ethnic group has disproportionately greater need. The U.S Department of Housing and Urban Development (HUD) defines a disproportionate housing need as occurring when the housing need percentage for any racial and/or ethnic group is at least 10 points higher than that of the overall category.

As required by HUD, these sections primarily utilize the Comprehensive Housing Affordability Strategy (CHAS) Five-year data from 2017-2021, since this is the most recent dataset available. However, the findings of this analysis may not accurately represent the present reality because they are out of date.

Section NA-25 analyzes differences in the number of households who experienced cost burden by racial or ethnic category. See the introduction of Section NA-15 for Tennessee's household distribution by race and ethnicity.

The tables below show the number of households experiencing levels of cost burden in Tennessee, which are defined as follows:

- A household who is not cost burdened spends less than or equal to 30% of its income on housing costs.

- A household who is moderately cost burdened spends greater than 30% and up to 50% of its income on housing costs.
- A household who is severely cost burdened spends greater than 50% of its income on housing costs.

Housing Cost Burden

Household Category	Not Cost Burdened (≤30% of household income spent on housing costs)		Moderately Cost Burdened (>30-50% of household income spent on housing costs)		Severely Cost Burdened (>50% of household income spent on housing costs)		No / negative income (not computed)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tennessee (all races and ethnicities)	1,966,630	73.8%	362,475	13.6%	295,240	11.1%	40,439	1.5%
White	1,578,700	77.6%	244,855	12.0%	185,780	9.1%	24,310	1.2%
Black / African American	251,805	58.7%	83,020	19.3%	82,865	19.3%	11,380	2.7%
Asian	29,640	76.5%	4,750	12.3%	3,190	8.2%	1,180	3.0%
American Indian, Alaska Native	3,430	71.6%	750	15.7%	510	10.6%	94	2.0%
Pacific Islander	495	60.7%	115	14.1%	175	<u>21.5%</u>	25	3.1%
Hispanic	63,695	63.0%	19,895	19.7%	15,530	15.4%	2,040	2.0%

Section NA-25, Figure 2 – Table of Racial and Ethnic Groups Experiencing Cost Burden in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 9

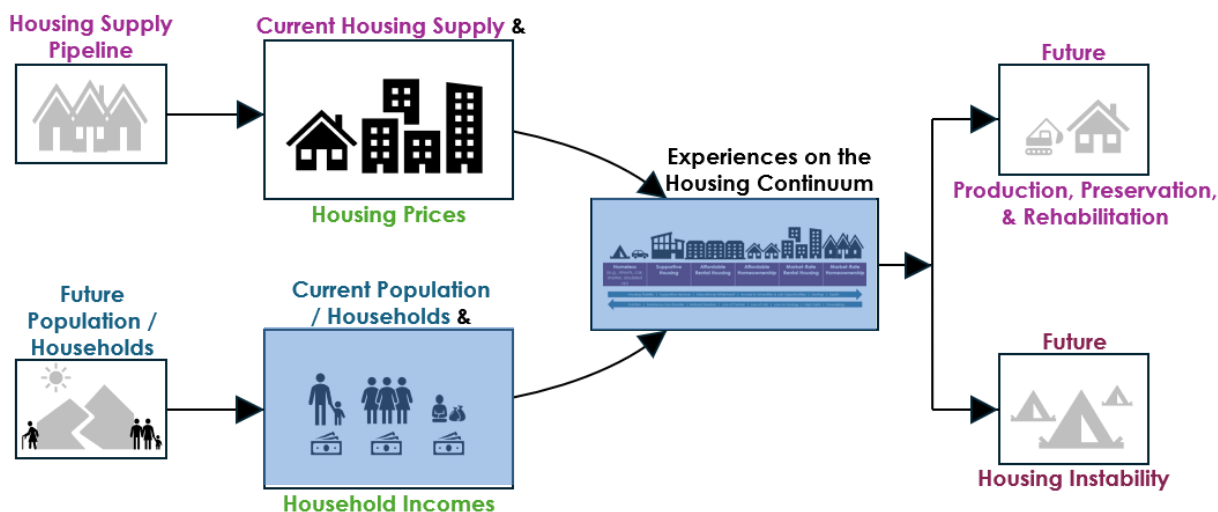
Discussion

The only racial group that met HUD's disproportionality threshold was Pacific Islander households with an estimated 21.5% of households who experienced **severe** rental cost burden while the category as a whole was 11.1%. However, Black and Hispanic households consistently had a higher share of households experiencing moderate cost burdened and severe cost burden than the category as a whole, even though these racial and ethnic groups did not meet HUD's disproportionality threshold.

Finally, the 11.1% of all households who experienced severe cost burden may be at significant risk of experiencing housing insecurity, like eviction, foreclosure, and homelessness.

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?



Section NA-30, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section NA-30 examines some of the disproportionately greater needs of Black households in Tennessee.

As discussed previously in Section NA-15, some racial and ethnic minority groups had housing problems that were worse than the category as a whole with a greater than ten-percentage point gap. Groups experiencing these disproportionalities included very low-income and low-income Black households, low-income Asian households, very low-income and lower middle-income Pacific Islander households, and very low-income Hispanic households.

In addition, as shown in Section NA-20, several minority racial and ethnic groups experienced disproportionate severe housing problems, as defined by HUD. Groups experiencing these disproportionalities included low-income Asian households, extremely low-income, very low-income, and lower middle-income Pacific Islander households, and extremely low-income and very low-income Hispanic households.

The percentages of low-income Black, Pacific Islander, and Hispanic households experiencing housing problems were consistently greater than the percentages for the category as a whole, regardless of income group. However, these disproportionalities did not consistently cross HUD's threshold.

Finally, Section NA-25, which focuses on cost burden, shows Pacific Islander households were the only racial group meeting HUD's disproportionality threshold; 21.5% of these households faced severe rental

cost burden compared to 11.1% for the category as a whole. However, Black and Hispanic households consistently experienced moderate cost burden and severe cost burdens at higher rates than the category as a whole, even though these racial and ethnic groups did not meet HUD’s disproportionality threshold.

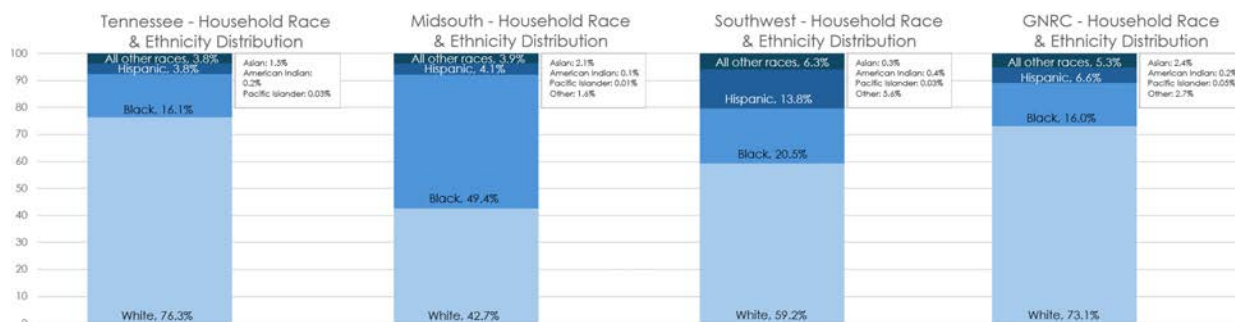
As required by HUD, these sections primarily utilize the Comprehensive Housing Affordability Strategy (CHAS) Five-year data from 2017-2021, since this is the most recent dataset available. However, the findings of this analysis may not accurately represent the present reality because they are out of date.

If they have needs not identified above, what are those needs?

In addition to needing additional units affordable to households with extremely low and very low-incomes, Tennesseans from minority racial and ethnic groups need expanded opportunities for homeownership for low- and moderate-income homebuyers. Rapid increases in home sale prices mean affordable homeownership opportunities have shrunk considerably. See Section MA-15, which analyzes costs of housing, for further discussion of shrinking affordable homeownership opportunity and how this trend disproportionately impacts minority racial and ethnic groups.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

The racial or ethnic groups experiencing disproportionate housing problems, including disproportionate rental cost burden, are minority groups. However, racial and ethnic distributions are not uniform throughout the state. For example, the race and ethnicity distributions for households below show Black households were the majority racial group in the Midsouth development district.¹⁴ Black households also made up approximately one fifth of the household population in the Southwest development district and 16.0% of the Greater Nashville Regional Council (GNRC) development district, which was (and still is) the most populous district.



Section NA-30, Figure 2 – Graphs of Regional Race and Ethnicity Distributions in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 9

¹⁴ CHAS five-year estimates for 2017-2021

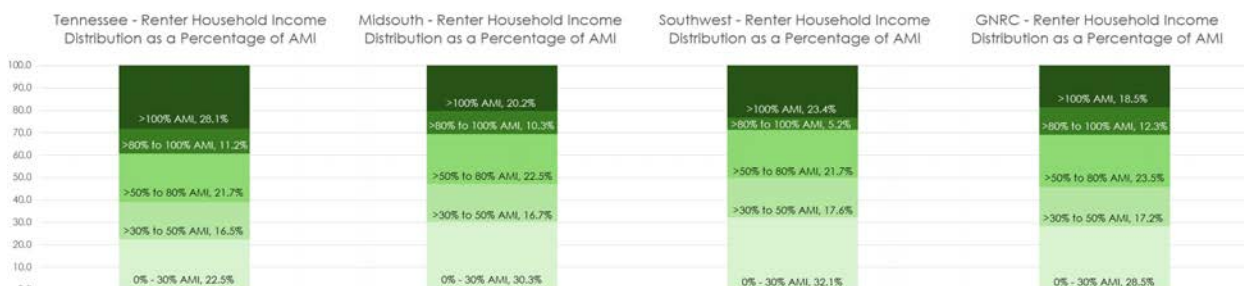
Altogether, approximately 81% of Tennessee’s Black households lived in these three development districts, a trend that roughly continues. As a result, the trends in these regional housing markets will have disproportionate racial impacts.

Black households in these development districts were (and still are) more likely to be renters than owners compared to the state’s population. The following graphs show the tenure distribution for Tennessee’s population alongside the Black (but not Hispanic) tenure distributions for the Midsouth, Southwest, and GNRC development districts.



Section NA-30, Figure 3 – Graphs of Regional Tenure in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 9

Renters tend to have lower incomes than owners. Tennessee’s distribution of renter households’ incomes (as a percentage of AMI) is below, alongside the renter income distributions for Black households in each of the development districts.



Section NA-30, Figure 4 – Graphs of Regional Income Distributions as a Percentage of AMI in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 1

Compared to the income distribution for all of Tennessee’s renter households, Black renter households’ were skewed toward lower incomes in these development districts, which made them more vulnerable to experiencing housing instability, like eviction and homelessness.

In the State of Tennessee, 40.9% of all renter households were cost burdened. However, 51.9% of Black renter households were in the Midsouth development district, 49.7% in the Southwest development district, and 48.9% in the GNRC development district.

Households with extremely low-income also exhibited this trend. About 71.7% of Tennessee’s extremely low-income households experienced at least one housing problem, as defined by HUD. (The most prevalent housing problem is cost burden.) However, 76.9% of Black extremely low-income renter households experienced at least one housing problem in the Midsouth development district, 75.3% in the Southwest development district, and 74.9% in GNRC. These disproportionalities may be due to shortages in affordable rental units for extremely low-income renters in these regions. See the regional rental affordability graphs in the MA-15 appendix.

Concentrated Areas of Poverty

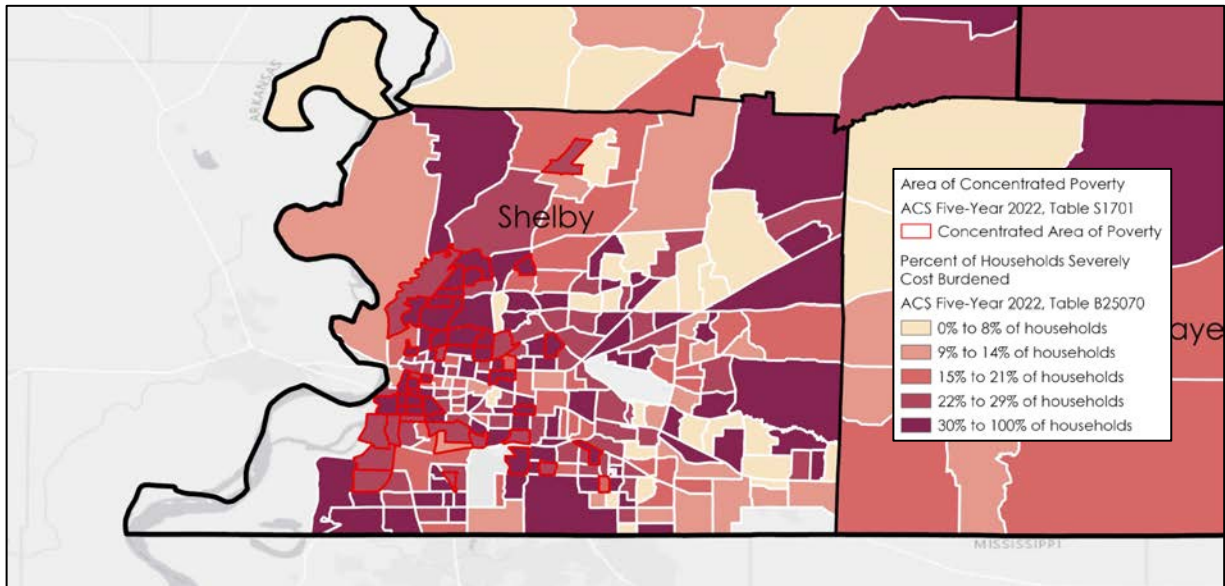
Households with extremely low incomes, regardless of their races or ethnicities, experience disproportionate housing problems, like rental cost burden. However, Black households are more likely than other racial groups to live in concentrated areas of poverty (CAPs), which are Census tracts where 40% or more of households live in poverty. If 50% or more of a CAP’s household population are Black, Hispanic, Asian, American Islander, Pacific Islander, or another race (including mixed race), the Census tract is classified as a racially/ethnically concentrated area of poverty (R/ECAP).

In 2022, Tennessee had 65 Census tracts classified as CAPs, and 55 of these were R/ECAPs. However, in keeping with the uneven distribution of racial and ethnic groups throughout the state, the number of CAPs and R/ECAPs in each of Tennessee’s development districts was not evenly distributed.

Development District Region	Number of CAPs (including R/ECAPs)	Number of R/ECAPs	Number of Cost Burdened Renter Households Living in R/ECAPs	Percent of Renter Households Living in R/ECAPs that are Severely Cost Burdened
Midsouth	40	40	14,982	57.3%
GNRC	9	9	3547	46.1%
Southwest	4	4	1422	57.6%
East	8	1	837	42.3%
Southeast	2	1	397	38.9%

Section NA-30, Figure 5 – Table of Regional CAPs and R/ECAPs by Development District in 2018-2022
ACS Five-year Estimates for 2018-2022, Table S1701

The following map shows the CAPs in Shelby County, which contains the City of Memphis. Many households who live in these neighborhoods are severely cost burdened and, thus, are at risk of experiencing housing insecurity, like eviction and homelessness.

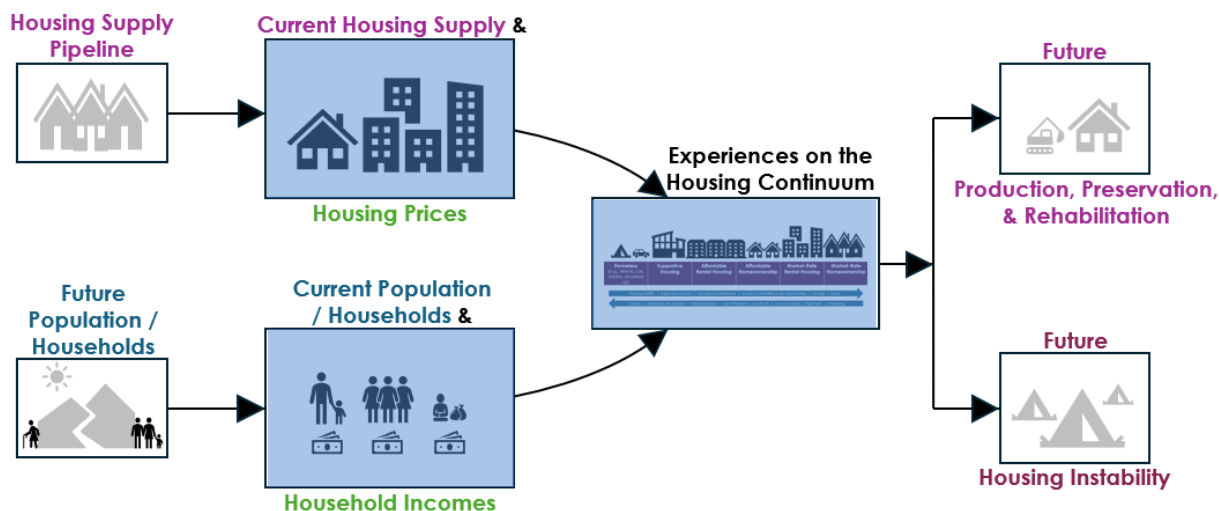


Section NA-30, Figure 6 – Map of Census Tracts, Concentrated Areas of Poverty, and Levels of Severe Cost Burden in Shelby County in 2018-2022
ACS Five-year Estimates for 2018-2022, Tables S1701 and B25070

Although the number of R/ECAPs across the state has fluctuated over time, R/ECAPs have consistently been located in the same six counties, including Shelby (pictured in the map above), Davidson (City of Nashville), Knox (City of Knoxville), Hamilton (City of Chattanooga), Montgomery (City of Clarksville), and Madison (City of Jackson). One tract in Lauderdale County has moved in and out of R/ECAP status over the years. See the Section NA-30 visual appendix for maps of the other R/CAPs in the state.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction



Section NA-40, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

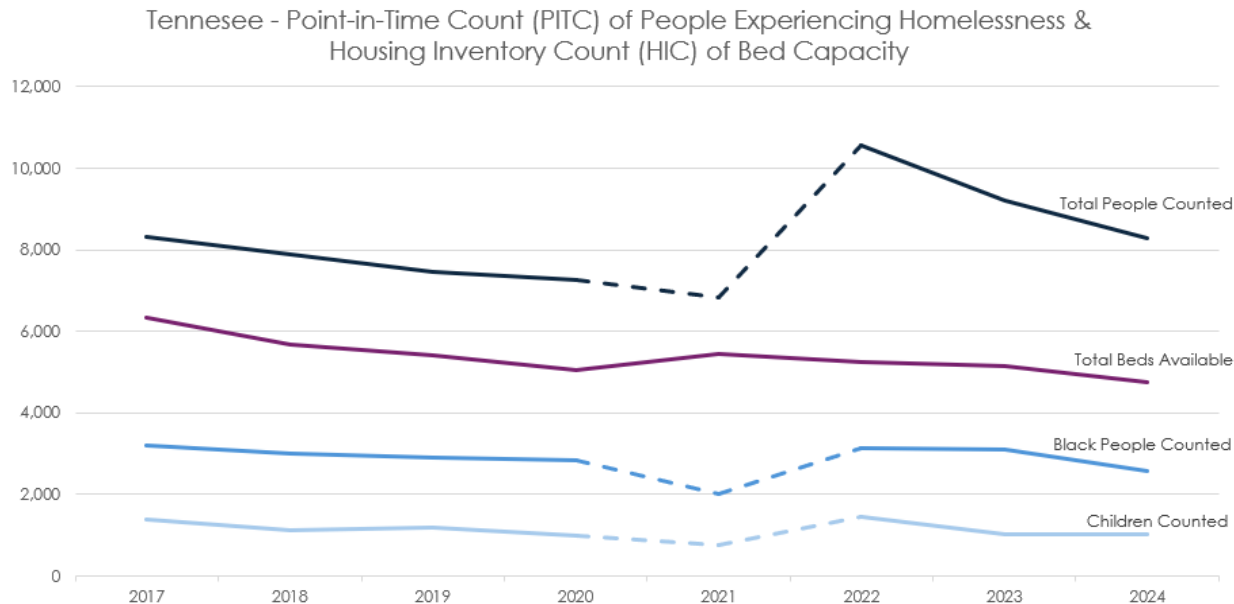
Section NA-40 captures some of the needs of Tennesseans experiencing homelessness. Data about these needs primarily comes from the federal Annual Homeless Assessment Report, which is based on the Point-In-Time Count (PITC) data submitted to the U.S. Department of Housing and Urban Development (HUD) by Tennessee's Continuums of Care (CoCs) as part of their CoC Program application. The PITC provides an unduplicated count of sheltered and unsheltered people experiencing homelessness on a single night in January. The PITC always undercounts the number of people experiencing homelessness. Many people experiencing homelessness are not counted because they are difficult to identify. They might be residing in substandard or vacant buildings, in their vehicles, or with family and friends, a practice known as "doubling up" or "couch surfing." Thus, the PITC data should be understood as a measure of people *visibly* experiencing homelessness, and this analysis will continually refer to the number of people *counted* to emphasize this.

Data from the PITC has been available for each year since 2007, and the number of people counted who were experiencing homelessness steadily declined overall from 2007 to 2020. However, as shown in the graph below, the number of people counted who were experiencing homelessness increased starkly during the COVID-19 pandemic. Tennessee saw a 46% increase in the number of people counted from the 2020 PITC to the 2022 PITC. While the number of people counted declined from the 2022 PITC to the 2023 PITC—and again from the 2023 PITC to the 2024 PITC—the number remained higher than pre-pandemic levels.

In addition, Tennessee has a higher number of people counted who were experiencing homelessness than the number of year-round (emergency and transitional) beds available. The number of beds available did not increase at the same rate as the people counted who were experiencing homelessness. Tennessee saw only a 4% increase in beds available from the 2020 Housing Inventory Count (HIC) to the 2022 HIC, the same period when Tennessee experienced a 46% increase in the number of people counted who were experiencing homelessness.

Most emergency shelters are not continuously at capacity. However, none of the CoCs have enough year-round beds for every person who may need one when circumstances, like extreme heat or cold, require it. [Some emergency shelters experience uncertainty about adequate bed capacities during inclement and severe weather](#), and many [people experiencing homelessness must utilize overflow shelter spaces](#).

The following graph shows the number of people counted who were experiencing homelessness during the PITCs from 2017 to 2024, as well as the year-round beds available during that same period. In addition to total people counted and beds available, Black people counted are included in the graph below because they are disproportionately represented in the PITC for every Continuum of Care region. The graph also includes the number of children counted who were experiencing homelessness during the PITC. They are not disproportionately represented compared to the general population, but they are included because they are extremely vulnerable to exploitation, like human/sex trafficking.



Section NA-40, Figure 2 – Graph of State Housing Inventory Count (HIC) of Bed Capacity and Point-in-Time Count (PITC) of People Experiencing Homelessness in Tennessee 2017-2024
HUD PITC & HIC 2017-2024

Nature and Extent of Homelessness by Racial and Ethnic Group

The table below shows the number of people experiencing sheltered and unsheltered homelessness by race and ethnicity. Data from 2024 was used because it was the latest available.

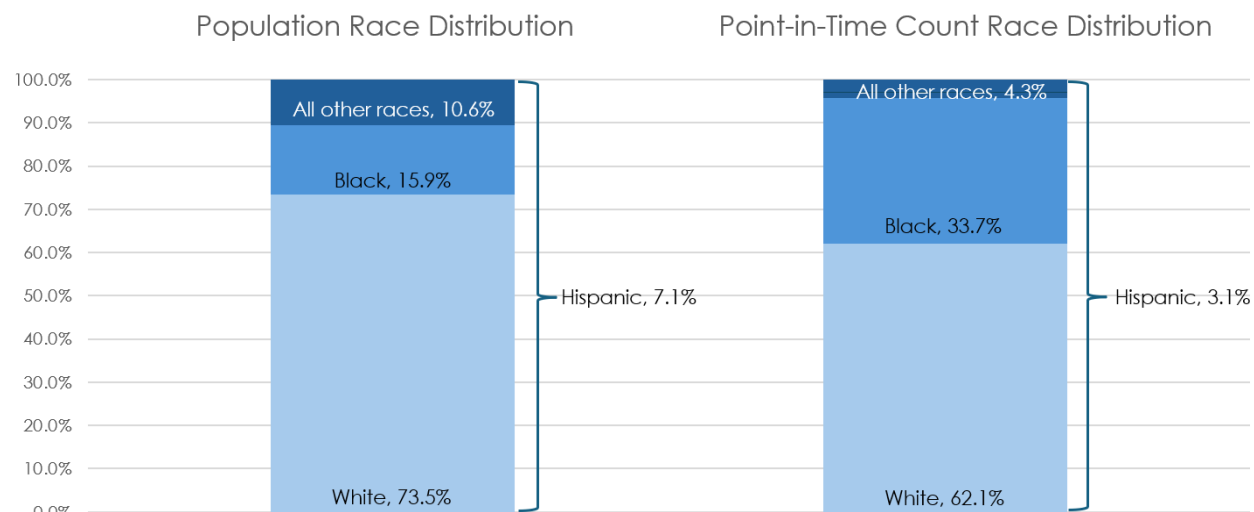
Race	Number Sheltered	% Share of Sheltered Total	Number Unsheltered	% Share of Unsheltered Total
White only	2,018	51.3%	3,006	69.1%
Black or African American only	1,587	40.5%	943	21.7%
Hispanic (all races)	205	5.2%	152	3.5%
Multiple Races (but not Hispanic)	78	2.0%	178	4.1%
Asian only	16	0.4%	3	0.1%
American Indian or Alaska Native only	19	0.5%	55	1.3%
Pacific Islander only	9	0.2%	9	0.2%
Middle Eastern or North African only	0	0.0%	0	0.0%
Ethnicity	Number Sheltered	Share of Sheltered Total	Number Unsheltered	Share of Unsheltered Total
Hispanic	205	5.2%	152	3.5%
Not Hispanic	3,723	94.8%	4,196	96.5%

Section NA-40, Figure 3 – Table of State of Tennessee’s Continuum of Care Homeless Assistance Programs
Homeless Populations and Subpopulations Report 2024
HUD PITC 2024

The 2024 PITC recorded White people had the greatest numbers of people counted experiencing homelessness, in keeping with this group being the state’s racial majority. However, the PITC also recorded a disproportionate number of Black people experiencing homelessness. For 2024, this was most pronounced among people who were utilizing emergency shelter or transitional housing.

The following graph shows the race/ethnicity distribution of Tennessee’s population in the five-year period of 2019-2023 compared to the state’s PITC race/ethnicity distribution in 2023. Data from 2023 was used because it is the latest available for both population and PITC data. As previously mentioned,

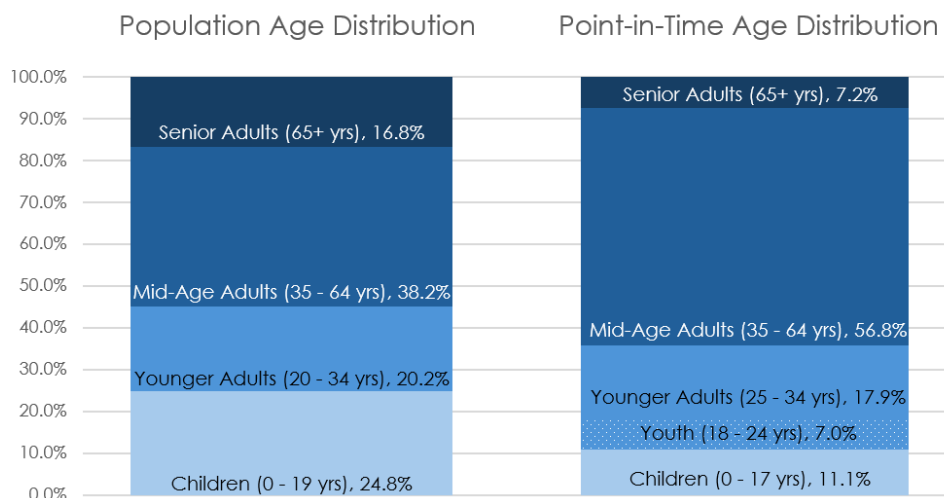
Black people were disproportionately represented among the people counted in the PITC.



Section NA-40, Figure 4 – Graph of Tennessee’s Race/Ethnicity Distribution in 2019-2023 and the PITC Race/Ethnicity Distribution in 2023
ACS Five-year 2019-2023, Table DP05, & HUD PITC 2023

Nature and Extent of Homelessness by Age

The following graph shows the age distribution of Tennessee’s population in the Five-year period of 2019-2023 compared to the state’s PITC age distribution in 2023. Middle-aged adults were disproportionately represented among the people counted.



Section NA-40, Figure 5 – Graph of Tennessee’s Race/Ethnicity Distribution in 2019-2023 and the PITC Race/Ethnicity Distribution in 2023

Homeless Needs Assessment

The following table captures more information about people counted who experienced homelessness, as identified during the 2024 PITC.

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered (Emergency + Transitional)	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	1,111	529				
Persons in Households with Only Children	6	9				
Persons in Households with Only Adults	2,815	3,810				
Chronically Homeless persons in households without children	442	1,133				
Chronically Homeless persons in households with at least one adult and one child	73	73				
Veterans	398	172				
Unaccompanied Youth (Adults ages 18-24 yrs)	166	233				
Persons with HIV	23	44				

Section NA-40, Figure 6 – Table of Tennessee’s Continuum of Care Homeless Assistance Programs Homeless

Populations Subpopulations Report
HUD PITC 2024

Indicate if the homeless population is:

- ☐ All Rural Homeless
☒ Partially Rural Homeless
☐ Has No Rural Homeless

Rural Homeless Needs Assessment

The following table captures information about people counted in the 2024 PITC who experienced homelessness in Tennessee’s CoCs classified as “largely rural.” These CoCs include:

- TN-500: Chattanooga/Southeast Tennessee CoC
- TN-503: Central Tennessee CoC
- TN-506: Upper Cumberland CoC
- TN-507: Jackson/West TN CoC
- TN-509: Appalachian Regional CoC
- TN-512: Morristown/Blount, Sevier, Campbell, Cock Counties CoC

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered (Emergency + Transitional)	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	126 51 74 14 55 117 Total: 437	37 2 53 165 70 193 Total: 520				
Persons in Households with Only Children	0 0 0 0 2 0 Total: 2	0 0 0 0 0 9 Total: 9				
Persons in Households with Only Adults	169 130 198 40 216 63	643 93 269 600 345 402				

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered (Emergency + Transitional)	Unsheltered				
	Total: 816	Total: 2,352				
Chronically Homeless persons in households without children	16 12 28 1 7 4 Total: 68	118 20 74 73 77 42 Total: 404				
Chronically Homeless persons in households with at least one adult and one child	26 0 0 2 4 9 Total: 41	6 0 20 47 0 0 Total: 73				
Veterans	19 0 14 2 27 2 Total: 64	18 3 21 11 13 13 Total: 79				
Unaccompanied Youth (Adults ages 18-24 yrs)	12 9 14 7 13 13 Total: 68	30 0 16 51 15 36 Total: 148				
Persons with HIV	8 0 1 0 0 3 Total: 12	1 1 2 10 0 1 Total: 15				

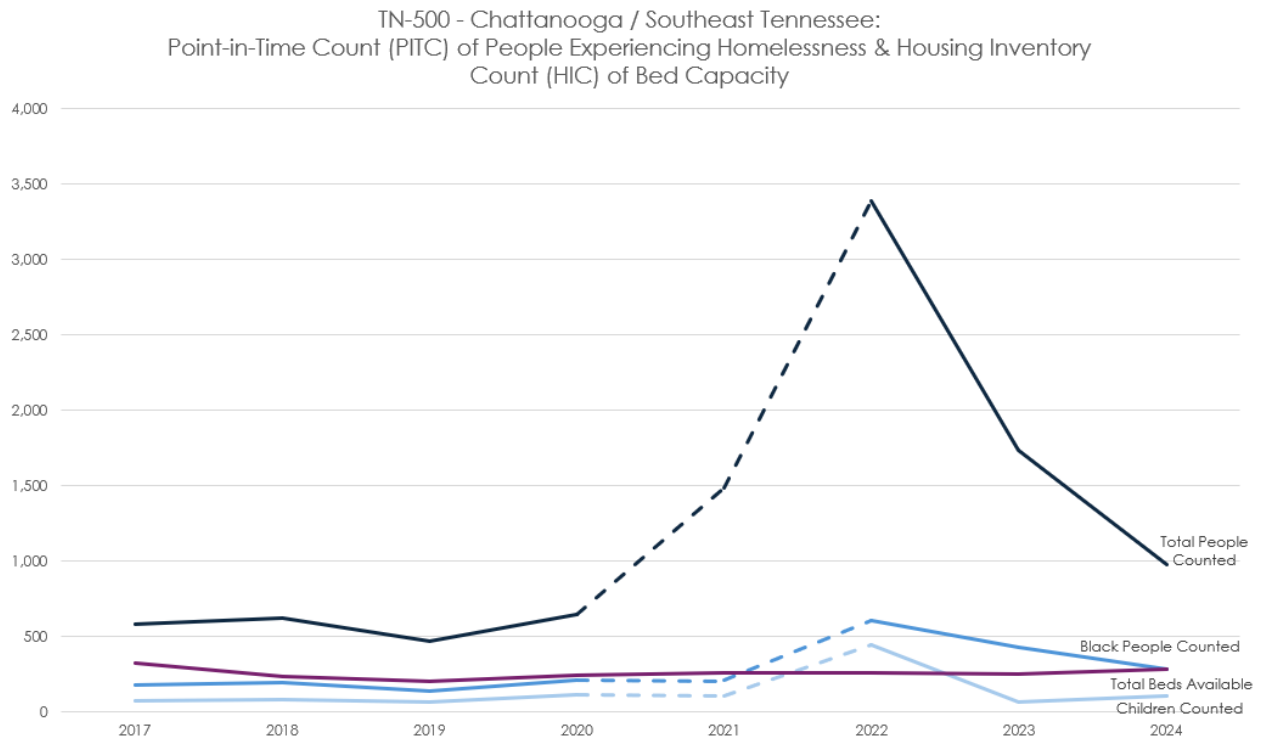
Section NA-40, Figure 7 – Table of Tennessee’s Continuum of Care Homeless Populations and Subpopulations Reports for “Largely Rural CoCs”
HUD PITC 2024

For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction:

The PITC recorded a higher number of people experiencing homelessness in urban or suburban CoCs, in keeping with these places' larger populations. However, rural CoCs recorded a disproportionate share of people counted who were experiencing unsheltered homelessness. For instance, largely rural CoCs recorded 2,352 (or 61.7%) of the 3,810 people counted in adult-only households who were unsheltered. In addition, largely rural CoCs recorded 520 (or 98.3%) of the 529 people counted in households composed of adults and children who were unsheltered. Finally, of the 73 people counted as unsheltered and chronically homeless in households composed of both adults and children, all of them were recorded in largely rural CoCs.

During focus groups, homelessness services providers expressed that assessing the number of people experiencing homelessness in rural areas may be more difficult than in suburban and urban areas because people experiencing homelessness in rural areas often do not sleep in visible places. Focus group participants reported that people experiencing homelessness often live in substandard/vacant housing, barns or garages, tents, or cars/campers, which may be distant from roadways and/or obscured by trees.

In addition, homelessness service providers in TN-500, which serves people in the City of Chattanooga and Southeast Tennessee, said they tried to more comprehensively count people in rural areas experiencing homelessness in the 2022 PITC. Their efforts resulted in a large spike in the number of people counted who were experiencing homelessness, as depicted in the graph below. However, the services providers said they were unable to utilize the same methodology in the following years, which likely partially contributed to the decline in the number of people counted who experienced homelessness in 2023 and 2024.



Section NA-40, Figure 8 – Graph of TN-500: Chattanooga/Southeast Tennessee’s Housing Inventory Count (HIC) for Bed Capacity and Point-in-Time Count (PITC) of People Experiencing Homelessness
HUD HIC & PITC 2017-2024

In addition, focus group participants highlighted that people experiencing homelessness in rural areas often face a lack of transportation, which prevents them from accessing CoC resources. In addition, even when they have some transportation available, accessing CoC resources often requires people to travel long distances, which some are reluctant to do. For example, homelessness service providers in TN-507, which serves people in the City of Jackson and much of rural West Tennessee, said people often reported being unable to travel to emergency shelter resources.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Chronically Homeless: The 2024 PITC counted 1,723 individuals experiencing chronic homelessness; 1,206 (or 70.0%) of those were unsheltered. HUD has defined chronic homelessness as when an individual or member(s) of a family with one or more disabling conditions has been continuously homeless for a year or more or has had at least four episodes of homelessness in the past three years. Disabling conditions include developmental disabilities and other physical, mental, or emotional

impairments, including impairment caused by alcohol or drug abuse, post-traumatic stress disorder, brain injury or a chronic physical illness. In focus groups, homelessness service providers said people experiencing chronic homelessness are often more difficult to stably house. Those with physical impairments often need access to affordable units with accessibility features, which are in short supply. People with mental illnesses and/or substance use disorders (SUDs) face additional challenges. Although homelessness service providers generally practice “housing first,” which means housing assistance is not conditional on treatment for mental illnesses or SUDs, people with mental illnesses and/or SUDs are sometimes more reluctant to access emergency shelters, which is the usual entry point for accessing housing assistance. Some people with mental illnesses experience intense feelings of paranoia and avoid other people. Some people with SUDs avoid emergency shelters because they would have to limit their substance use; others are expelled from emergency shelters for public substance use.

Families with Children: The 2024 PITC reported 549 households with children experiencing homeless; 198 (or 36.1%) of those were unsheltered. According to the National Alliance to End Homelessness, most families with children who experience homelessness and access an emergency shelter are there for a short period and do not become homeless again. Typically, a housing or financial crisis causes these families to utilize the shelter system until the problem is resolved and they can be rehoused in permanent housing. Focus group participants said assistance with childcare for young children is helpful for these families to gain/maintain employment and remain stably housed. However, a significant portion of households with children who experience homelessness are chronically homeless; the 2024 PITC counted 47 households. These households may require more intensive services and longer-term assistance. Lastly, the number of households with children who experience homelessness but “double up” or “couch surf” with family and friends is unclear. Although “doubling up” or “couch surfing” meet HUD’s definition of homelessness, households in these situations are not visibly homeless and are not well represented in the PITC count.

Veterans: HUD estimates about 5% of all adults experiencing homelessness in the United States are veterans; in Tennessee, the estimate is 6.9%. The 2024 PITC reported 570 veterans experiencing homelessness in Tennessee; 172 (or 30.1%) of those were unsheltered. Most of these veterans reside in urban areas and are single. During focus groups, homelessness service providers reported some veterans struggle to transfer military occupations and training to the civilian workforce, which contributes to unemployment among veterans. In addition, many veterans, especially those who are chronically homeless, struggle with post-traumatic stress disorder (PTSD) and/or SUDs.

Unaccompanied Youth: HUD’s definition of an unaccompanied youth is twofold. First, an unaccompanied youth (child) is anyone under the age of 18 who is not accompanied by a parent or guardian; the 2024 PITC recorded 15 unaccompanied children, and 9 (60%) of them were unsheltered. Second, an unaccompanied youth (young adult) is a person aged 18-24 years who is not accompanied by a parent or guardian; the 2024 PITC recorded 384 unaccompanied young adults, and 224 (58.3%) of them were unsheltered. Focus group participants emphasized unaccompanied youth are often difficult to count because they frequently “double up” or “couch surf” with other family members or friends. Unaccompanied children who are unable to stay with family or friends usually avoid accessing

homelessness services because they would rather not live in youth homes and/or foster care. Unaccompanied youth are vulnerable to exploitation, like human and/or sex trafficking, especially when unsheltered.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

As previously discussed, the 2024 PITC reported 549 households with children experiencing homeless, and 198 (or 36.1%) of those were unsheltered. Families with young children often need access to childcare and assistance with those costs to maintain stable employment and housing. In addition, the 2024 PITC reported 570 veterans experiencing homelessness in Tennessee, and 172 (or 30.1%) of those were unsheltered. Veterans are usually single and often need physical and mental healthcare to treat PTSD and/or SUDs. Veterans with families will need resources to address the needs of the other members of the family as well, which will vary by family.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Persons in households made up of only adults compose the largest portion of both unsheltered and sheltered households experiencing homelessness. However, certain circumstances were more prevalent among people counted who were experiencing unsheltered homelessness in the 2024 PITC. The table below details some of those circumstances.

Circumstance Category	Number Sheltered	% Share of Category Total	Number Unsheltered	% Share of Category Total
Chronic substance abuse	431	25.1%	1,175	74.9%
Severely mentally ill	731	38.6%	1,162	61.4%
Unaccompanied young adult (18 – 24 yrs)	160	41.6%	224	58.4%

Section NA-40, Figure 9 – Table of Circumstances More Prevalent Among Unsheltered Homeless Population in 2024 in Tennessee
HUD PITC 2024

While the number of people counted who were experiencing homelessness decreased from 9,215 in the 2023 PITC to 8,280 in the 2024 PITC, the share of people counted who were experiencing unsheltered homelessness increased from 49.1% in 2023 to 54.3% in 2024.

Discussion

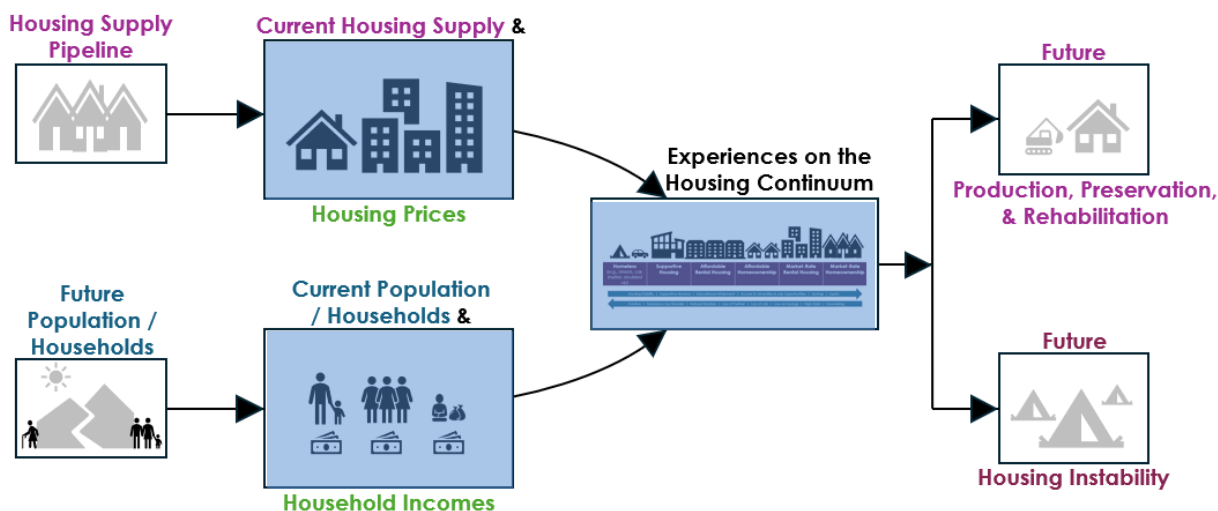
Tennessee saw an increase in the number of people who were experiencing homelessness, as measured by the PITC in 2020 and 2022, likely the result of the COVID-19 pandemic. The number of people counted who were experiencing homelessness has begun to decline but has not returned to pre-pandemic levels. Focus group participants noted the additional federal resources for homelessness services provided through the Emergency Solutions Grant – Coronavirus (ESG-CV) were helpful in responding to the increases in the number of people experiencing homelessness during this time. Some

expressed concern that the number of people experiencing homelessness may begin to increase again, since most of these resources are no longer available but a shortage of affordable housing remains.

During focus groups, homelessness service providers noted affordable rental units are generally in short supply, which usually makes finding housing for people experiencing homelessness difficult. However, they cited several other factors that make finding housing for people experiencing homelessness uniquely challenging. Participants in the First and East development districts said many people experiencing homelessness prefer to rent one-bedroom apartments because they feel more secure in their own spaces, but one-bedroom apartments are less common than two-bedroom apartments. In addition, two-bedroom apartments often do not meet HUD's affordability requirements unless more than one household is contributing to the rent. Most participants also mentioned that some local landlords are hesitant to rent apartments to homeless individuals. As a result, the supply of affordable rental units is further limited for people working with homelessness service providers. Also, participants in the Northwest and East development districts shared that affordable rental units sometimes do not pass inspections for housing safety and quality, and landlords are sometimes unwilling to remediate these findings. As result, some affordable apartments are not available to people experiencing homelessness because they do not meet quality standards. Finally, participants mentioned additional challenges households face that can re-create housing instability even after the household has secured permanent housing. These challenges include finding a job with a wage that can support their rental payments without assistance, finding reliable transportation to and from work and/or school, and obtaining other essentials of stability, like childcare, food, clothing, laundry, household items, and basic furniture for their new homes.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)

Introduction



Section NA-45, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section NA-45 describes the housing needs of people who are not homeless but may require supportive housing services to remain stably housed. Non-homeless populations with special needs include elderly people, disabled individuals, victims of domestic violence, dating violence, or sexual assault, and people living with HIV/AIDS.

HUD's definition of disabled people who are experiencing homelessness include people with mental, physical, and developmental disabilities, as well as people who chronically abuse drug and alcohol.

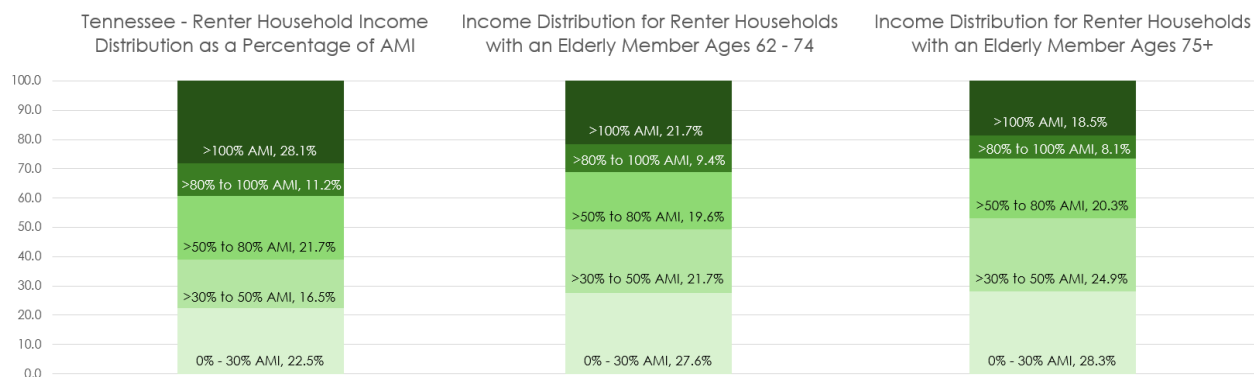
Describe the characteristics of special needs populations in your community:

Elderly Population: Tennessee has an estimated 1,172,730 residents who are 65 years or older, which is 16.8% of the total population. Households with elderly members are more likely to be homeowners than renters, and 81.9% of elderly people are homeowners compared to 18.1% renters.¹⁵ However, renter households with elderly members tend to have lower incomes, and many are cost burdened.

The following graphs show the household income distribution as a percentage of AMI for renter households in Tennessee, as well as these same distributions for households with at least one person

¹⁵ ACS five-year estimates for 2019-2023

ages 62-74 and for households with at least one person ages 75+.¹⁶ Renter households with elderly members are more likely to have lower incomes than renter households in the general population.



Section NA-45, Figure 2 – Graph of Household AMI Distributions for Renter Households with an Elderly Member by Age Range in Tennessee
CHAS five-year estimates for 2017-2021, Table 8 and Table 5

In Tennessee, 43.8% of all renter households were experiencing a housing problem, as defined by HUD, but the percentages are slightly higher for households with elderly members. For renter households with at least one person ages 62-74, 44.7% were experiencing a housing problem, and for renter households with at least one person ages 75+, 51.7% were experiencing a housing problem. Given that cost burden is the most common issue across both groups, many of these households are likely experiencing it.

For elderly renters, increases in rents also increase the chance that their households will experience housing instability, especially if the households have fixed or declining incomes.

While elderly homeowners are often more financially secure than renters because they have some wealth in the form of home equity, they still may struggle with housing instability if homeownership costs suddenly increase, like the costs of home insurance and/or property taxes, or if they face another large cost, like bills for healthcare. In addition, elderly homeowners may have difficulty maintaining residence in their homes if they experience ambulatory difficulties that require modifications to the home or require an in-home care person to assist them to safely continue residing there. Finally, elderly homeowners sometimes struggle to maintain and repair their homes, which can lead to substandard housing conditions that make their homes unsafe and/or degrade the homes' quality and value.

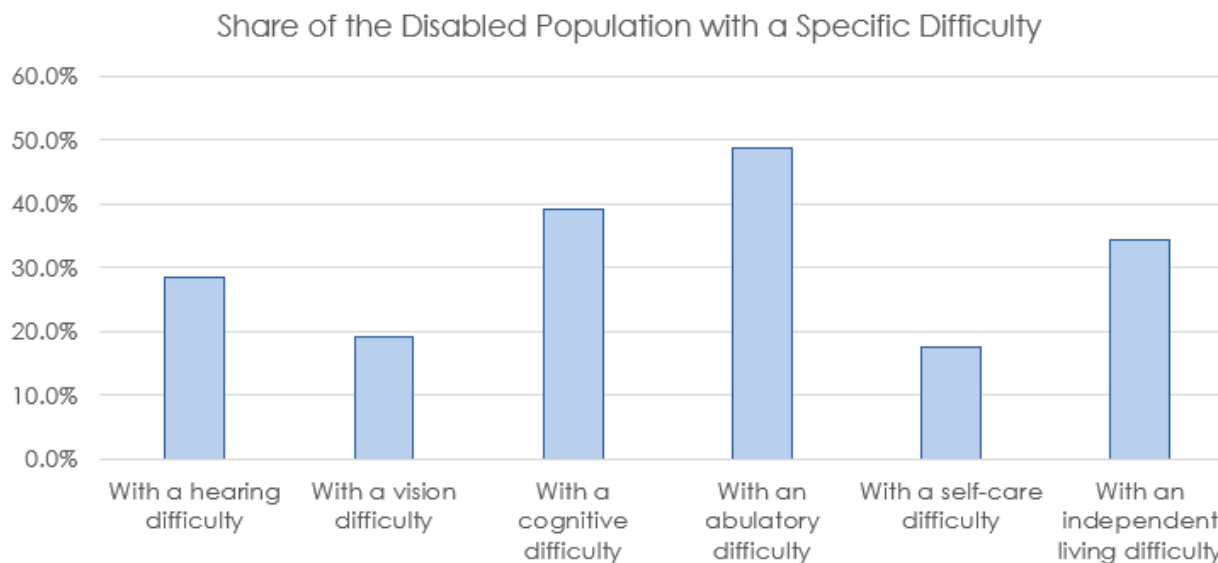
During the focus groups, a participant shared that a local hotline sometimes received more than 90 calls per day related to housing challenges for elderly Tennesseans, including needs for assistance with maintenance and repairs, accessibility features, and in-home care. The participant shared that problem-

¹⁶ CHAS five-year estimates for 2017-2021

solving with households in these situations was often complex, and staff struggled to respond to more than two or three calls per day.

Disabled Population: Tennessee had an estimated 1,034,275 people who were disabled, which was 15.3% percent of the state’s civilian noninstitutionalized population.¹⁷

The following graph shows the share of the disabled population with specific difficulties, which can be co-occurring.



Section NA-45, Figure 3 – Graph of Share of the Disabled Population with a Specific Difficulty in Tennessee in 2019-2023

Data Source: ACS Five-year Estimates for 2019-2023, Table S1810

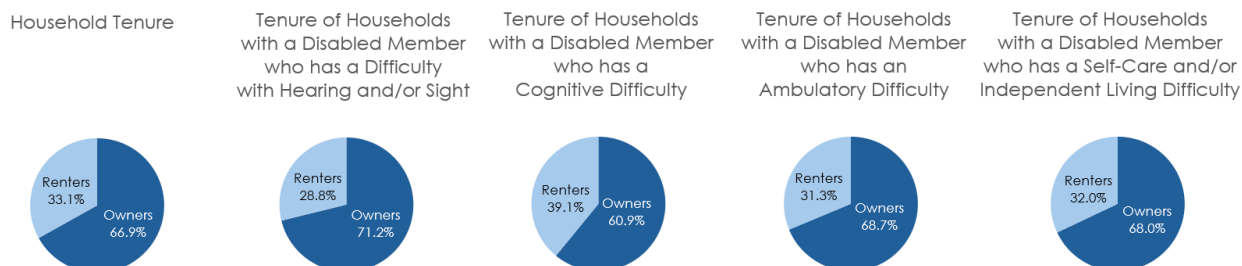
People with disabilities can face several types of housing challenges. Some of these challenges stem from having reduced opportunities for education, employment, and income. For example, 72.9% of disabled people ages 25 years and older had a high school diploma or equivalent compared with 91.9% of the same population without a disability.¹⁸ For a bachelor’s degree, the comparison was 17.5% to 35.2%. This disparity likely contributes to differences in employment rates, as 28.1% of disabled people ages 16 years and older were employed in comparison with 67.5% of the same population without a disability. Reduced rates of educational attainment and employment contribute to disabled people earning lower incomes. The median annual income of people with a disability was \$31,218, which was \$10,942 lower than the median income of people without a disability. (These amounts are the median annual earnings for a disabled individual, not the total for their households.) Reduced earnings likely

¹⁷ ACS five-year estimates for 2019-2023

¹⁸ ACS five-year estimates for 2019-2023

contribute to households with a member who is disabled being at greater risk for experiencing cost burden and/or housing insecurity.

The following graphs show the tenure distributions for households with a disabled member by type of difficulty compared to the general population.¹⁹



Section NA-45, Figure 4 – Graph of Tenure Distributions of Households with a Disabled Member by Type of Difficulty Compared to the General Population in Tennessee
CHAS five-year estimates for 2017-2021, Table 6

Although some households with a disabled member have a higher homeownership rate than the general population, renter households with a disabled member have disproportionately lesser incomes than the general population, which means they are more likely to experience housing problems.

The graphs below show the AMI distributions for renter households with a disabled member by type of difficulty compared to the AMI distribution for the general population.²⁰



Section NA-45, Figure 5 – Graph of Income Distributions as a Percentage of AMI for Renter Households with a Disabled Member by Type of Difficulty Compared to the General Population in Tennessee
CHAS five-year estimates for 2017-2021, Table 6

Extremely low-income renter households with a disabled member seemed to experience housing problems at similar rates to all extremely low-income renter households in the general population.

¹⁹ CHAS five-year estimates for 2017-2021

²⁰ CHAS five-year estimates for 2017-2021

The following table shows the percentage of extremely low-income renter households who experienced at least one housing problem.

Tennessee's Extremely Low-income Renter Households	Extremely Low-income Renter Households with a disabled member who has a difficulty with hearing and/or sight	Extremely Low-income Renter Households with a disabled member who has an ambulatory difficulty	Extremely Low-income Renter Households with a disabled member who has a cognitive difficulty	Extremely Low-income Renter Households with a disabled member who has a difficulty with self-care and/or independent living
71.7%	69.5%	69.3%	72.1%	71.3%

Section NA-45, Figure 6 – Table of Housing Problems Experienced by Extremely Low-Income Renter Households with a Disabled Member by Type of Difficulty Compared to the General Population in Tennessee
CHAS five-year estimates for 2017-2021, Table 6

However, compared to the general population, disabled people have some unique housing difficulties, stemming from the need for accessibility features in their homes. For example, some owner households with a disabled member struggle to make or afford necessary modifications to their homes. Some renter households with a disabled member also struggle to obtain accessibility features, [including those required by law](#), from their landlords for their units. In addition, renter households with a disabled member often struggle to secure (or even find) affordable rental units with appropriate accessibility features.

In June and July of 2024, the Tennessee Housing Development Agency (THDA) administered a housing needs survey for the public. Respondents were provided the opportunity to identify whether their households included a disabled person. 399 respondents (33.8%) answered yes. Of these, 125 (31.3%) said their current housing was meeting all needs of the disabled person. 99 (or 24.8%) said their housing met most needs. 87 (or 21.8%) said the housing met some needs. 70 (or 17.5%) said their housing did not meet any needs, and 18 (or 4.5%) preferred not to answer. The survey also asked what improvements they would make to their current housing to better support the disabled person in their household. Of the 259 respondents, 109 described accessibility features, such as ramps, chair lifts, grab rails, accessible showers/tubs/closets/kitchens, wider doorways, wider hallways, a single-story space, and accessible sidewalks.

Finally, disabled people face housing discrimination more than the general population. During focus groups, participants described how some landlords will say they do not accept disability benefits as a form of payment. See the Fair Housing Brief in the appendix for more information.

Population of People with Alcohol and Drug Substance Use Disorders: The population of people with an alcohol or drug substance use disorder (SUD) are difficult to measure. However, the Treatment Episode Data Set (TEDS) from the Substance Abuse and Mental Health Services Administration (SAMHSA) tracks the number of admissions to substance use treatment programs. The following table

shows the number of admissions in Tennessee for the latest five years of available data. TEDS provides information on the demographic and substance abuse characteristics of admissions to treatment for abuse of alcohol and drugs in facilities that report to individual state administrative data systems. (Note: TEDS is an admission-based system, and TEDS admissions do not represent unique individuals. For example, an individual admitted to treatment twice within a calendar year would be counted as two admissions.)

	2018	2019	2020	2021	2022
Number of admissions	20,677	20,061	16,954	16,834	16,908
Percent change in admissions from previous year	+13.7%	-3.0%	-15.5%	-0.7%	+0.4%

Section NA-45, Figure 7 – Table of Admissions to Substance Use Treatment Programs in Tennessee 2018-2022
SAMHSA TEDS 2018-2022

In 2022, Tennessee had 16,908 admissions to substance use treatment programs. Of these, 24.6% of those admissions were for alcohol treatment, 19.5% for methamphetamine, 18.8% for heroin, 16.5% for other opiates/synthetics, 10.1% for marijuana/hashish, and 6.4% for cocaine.

While the number of admissions in Tennessee declined from 2019 to 2020, this decrease in admissions was at least partially due to the impacts of the COVID-19 pandemic, as some substance use treatment providers and facilities temporarily discontinued their services.

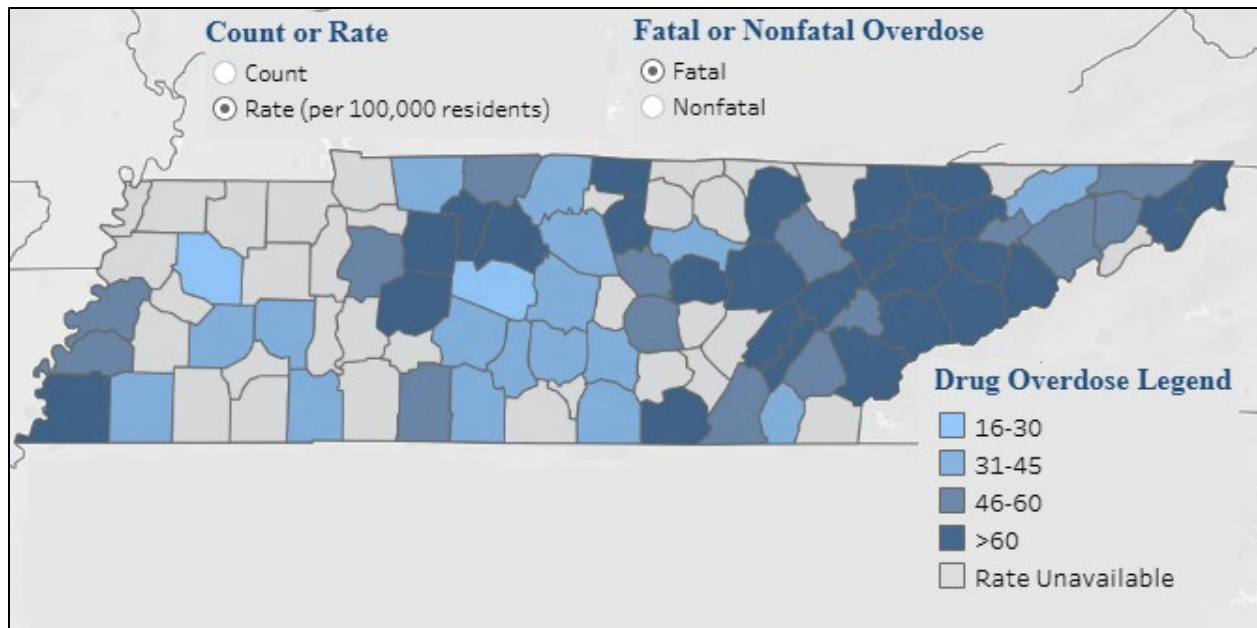
People's inability to access substance use treatment during this time may have partially contributed to a rise in overdose deaths. The table below shows that in the same period when admissions for substance use treatment declined, fatal drug overdoses rose, according to the State of Tennessee's Department of Health.

	2018	2019	2020	2021	2022
Number of admissions	1,818	2,138	3,091	3,814	3,826
Percent change in admissions from previous year	+2.4%	+17.6%	+44.6%	+23.4%	+0.3%

Section NA-45, Figure 8 – Table of Fatal Drug Overdoses in Tennessee 2018-2022
Tennessee Department of Health 2018-2022

In addition to the 3,826 fatal drug overdoses shown in the table above, the State of Tennessee also recorded 6,473 non-fatal overdose inpatient stays and 19,738 non-fatal overdose outpatient visits in 2022.

The following map shows Tennessee's counties and the rate of fatal overdoses in 2022. The counties with the highest fatal overdose rates at more than 60 deaths per 100,000 residents were Tennessee's three most populous counties—Davidson, Shelby, and Knox counties—as well as many less populous counties, including a large cluster in Eastern Tennessee.



Section NA-45, Figure 9 – Map of Fatal Drug Overdose Rate by County in Tennessee 2022
Tennessee Department of Health, Drug Overdose Dashboard, Accessed in January 2025
<https://www.tn.gov/health/health-program-areas/pdo/pdo/data-dashboard.html>

People with SUDs are more likely to experience homelessness than the general population, and they are disproportionately represented in the chronically homelessness population. See Section NA-40 for more information.

The U.S. Congress passed the SUPPORT Act in 2018, recognizing that people recovering from SUDs often need supportive housing in a drug-free environment to regain stability and independent housing. This law created the CDBG-Recovery Housing Program (RHP) to fund the creation of supportive housing for people recovering from SUDs. The development of several of these supportive housing projects is currently in progress in Tennessee.

People who experience domestic violence, dating violence, sexual assaults, and stalking: Domestic violence is a pattern of behavior in a relationship used to gain or maintain power and control over an intimate partner or household member. People experiencing domestic violence may endure physical, sexual, emotional, economic, or psychological abuse, including actions or threats of actions intended to frighten, intimidate, terrorize, manipulate, hurt, humiliate, blame, injure, wound and/or influence them. Domestic violence can impact people of all ages and backgrounds. However, victims are most commonly female.

The following table shows the overall number of cases and the overall number of homicides the Tennessee Bureau of Investigation attributed to domestic violence. Of the 60,479 cases related to domestic violence in 2023, 71.3% impacted female victims and 28.7% impacted male victims.

	2018	2019	2020	2021	2022	2023
Number of DV-related cases	73,572	70,946	69,646	67,732	61,685	60,479
Number of DV-related homicides	98	95	98	87	99	89

Section NA-45, Figure 10 – Table of Domestic Violence Cases and Related Homicides 2018-2023 in Tennessee
Tennessee Bureau of Investigation, 2023

The Violence Against Women Act (VAWA) provides some housing protections for victims of domestic violence, including the ability for the victim to leave a public housing lease (at a public housing authority (PHA), at a unit subsidized with a Housing Choice Voucher (HCV), or another federally subsidized rental agreement) without threat of eviction or penalty. In addition, they can complete an emergency transfer to a new unit without losing benefits. In addition to these protections, many people experiencing domestic violence require housing assistance to escape abusers and gain independent, stable housing.

On September 6, 2023, the National Network to End Domestic Violence (NNEDV) conducted a national count of domestic violence services. Of Tennessee’s identified domestic violence programs, 33 out of 40 (or 83%) participated. These domestic violence programs reported serving 1,123 victims of domestic violence on September 6, 2023 in emergency rooms, transitional housing, hotels, motels, or other housing provided by local programs. The count identified 67% of Tennessee’s programs provided emergency shelter, 36% provided support or advocacy related to housing and/or a landlord relationship, and 33% provided transitional or other housing.

To protect victims, the locations of emergency shelters and transitional housing are carefully controlled, and domestic violence programs usually utilize organization-specific data collection systems to maintain the anonymity of people seeking assistance.

Despite the efforts of these programs, some people who experience domestic violence also experience homelessness.

Youth aging out of foster care: Youth in foster care often struggle to maintain employment and stable housing after exiting the program, since they often must make the transition to adult independence without the support of a family. The Tennessee Department of Children’s Services recognized the need for extended support for youth in foster care and extended the program from 18 to 21 years of age.

The Annie. E. Casey Foundation Kids Count Data Center reported the number of Tennessee youth in foster care each year, as well as the number who left foster care due to emancipation or “aging out.” The following table details the number of youths in each category for years 2018-2021, which were the most recent years available.

	2018	2019	2020	2021
Number of youths in foster care	8,929	9,290	8,839	9,227
Percent change from previous year	+4.3%	+4.0%	-4.9%	+4.4%
Number of youths who exited foster care due to emancipation	388	337	422	335
Percent of exits attributed to emancipation	8%	7%	8%	7%

Section NA-45, Figure 11 – Table of Youth in Foster Care and Youth who Exited Foster Care Due to Emancipation in Tennessee 2018-2021

Annie. E. Casey Foundation Kids Count Data Center 2018-2021

In 2021, 335 youth aged out of foster care, which was the lowest number of youths aging out in 10 years.

In 2020, the Tennessee Housing Development Agency (THDA) launched a HOME-funded pilot program providing tenant based rental assistance (TBRA) for youth aging out of foster care who were at risk of experiencing homelessness. This program will not continue into the 2025-2029 Consolidated Planning cycle, although providing TBRA will still be an allowable activity for the HOME program and this may resume in the future.

Formerly Incarcerated People: People who have been incarcerated often face housing challenges when they re-enter society. Some can stay with family or friends until they find work and stable housing, but not all. Some landlords are also hesitant to sign leases with individuals who have been incarcerated. However, having stable housing appears to impact the likelihood that they will commit more crimes; a [randomized experiment in Maryland in 2017](#) found formerly incarcerated people who were offered a voucher for six months of free housing after leaving prison were less likely to recidivate.

According to the Bureau of Justice Statistics, 25,463 people were incarcerated in Tennessee between July 1, 2023 – June 30, 2024, and 9,998 people were released from correctional facilities during this same period. In addition, Tennessee had 62,697 people on probation as of June 30, 2024.

According to Tennessee’s Office of Reentry, the recidivism rate in 2021 was roughly 46%. The State of Tennessee created the Office of Re-entry to support formerly incarcerated people with the re-entry process to hopefully reduce this rate.

Tennessee provides some housing services for veterans who were formerly incarcerated. In February 2019, the Tennessee Department of Corrections opened two new incarcerated veterans housing units. They also partnered with the Department of Veterans Services and Veterans Affairs (VA) to provide re-entry and other services.

Veterans: An estimated 406,307 people (or 7.5%) of Tennessee’s civilian population aged 18 years or older were veterans.²¹ Nearly half of veterans (47.5%) were age 65 or older, and 32.6% of all veterans were estimated to have a disability, which is about twice the rate as Tennessee’s general population.

Veterans are also more likely to have symptoms of post-traumatic stress disorder (PTSD), a substance use disorder (SUDs), and/or brain injuries, all of which can make them more prone to experiencing homelessness. The State of Tennessee has coordinated with HUD and the VA to reduce veteran homelessness. Tennessee saw a 24.9% reduction in veterans experiencing homelessness between 2023 and 2024, according to the annual PITCs. The State of Tennessee also operates several Veterans Homes across the state, located in Humboldt, Murfreesboro, Clarksville, Knoxville, and Cleveland.

Persons living with HIV/AIDS and their families: The Tennessee Department of Health reported the following information about Tennesseans living with HIV/AIDS.

	2017	2018	2019	2020	2021
Number of people with HIV/AIDS	17,375	17,848	18,113	19,220	19,523
Number of people with new diagnoses during the calendar year	722	755	771	650	843
Number of people with HIV/AIDS who died during the calendar year	304	399	301	414	N/A

Section NA-45, Figure 12 – Table of Tennesseans with HIV/AIDs from 2017-2021
Tennessee Department of Health, 2018-2021

Tennessee had a rate of 14 new HIV diagnoses per 100,000 people in 2022, which is a lower rate diagnoses than the Southern region of the United States at 18 new HIV diagnoses per 100,000 people. However, Tennessee’s rate is slightly higher than the United States at 13 new diagnoses per 100,000 people.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the State:

According to Emory University’s AidsVu location profiles, males in Tennessee are more likely than females to be newly diagnosed with HIV, making up 78.3% of cases in 2022. Black Tennesseans also are more likely than people of other races to be newly diagnosed with HIV, at 50.9% of cases. In addition, younger people are more likely to be newly diagnosed with HIV; 24.7% of cases are in people ages 13 to 24, and 36.5% of cases are in people ages 25 to 34.

The highest rates of new diagnoses occurred in the following counties in 2022:

- Shelby: 45 diagnoses per 100,000 people

²¹ ACS five-year estimates for 2019-2023

- Henry: 21 diagnoses per 100,000 people
- Madison: 20 diagnoses per 100,000 people
- Davidson: 19 diagnoses per 100,000 people
- Knox: 19 diagnoses per 100,000 people

Housing Needs (of HOPWA Grantees Only)

The Housing Opportunities for Persons with HIV/AIDS (HOPWA) program receives annual federal funding and is one of the programs funded through this Consolidated Plan. This program was established under the AIDS Housing Opportunities Act in 1990 and addresses the housing needs of people living with HIV/AIDS and their families. The program helps these families maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. The program has a dual goal: 1) helping people already diagnosed with HIV/AIDS live more stable and healthy lives, and 2) reducing the further spread of HIV/AIDS, especially among vulnerable populations, like those experiencing homelessness.

According to the 2023-2024 Consolidated Action Performance Evaluation Report (CAPER), HOPWA served 658 eligible individuals and their family members. The individuals identified as the following races: 378 (or 57.4%) were White, 247 (or 37.5%) were Black, 1 (or 0.2%) was American Indian or American Native, and 32 (or 5.3%) were another race or multiracial. In addition, 21 (or 3.2%) of the individuals were Hispanic.

HOPWA assisted most households (280) with short-term rent, mortgage, and utility assistance (STRMU).

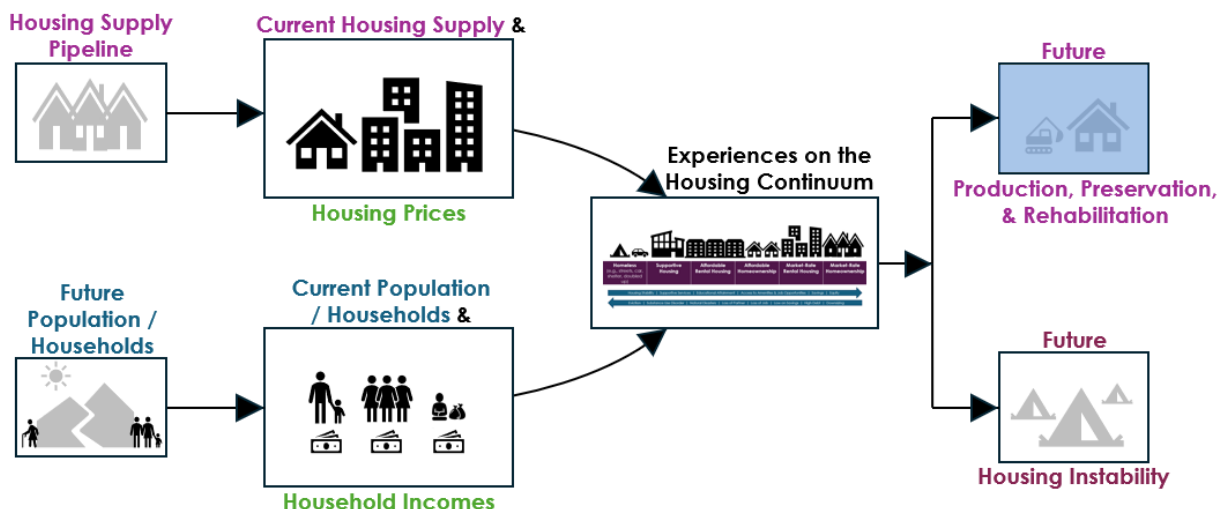
What are the housing and supportive service needs of these populations and how are these needs determined?

The housing and supportive service needs of these populations are described above.

These needs were determined through population-specific data collection, as well as the feedback received through focus groups and a public housing needs survey.

NA-50 Non-Housing Community Development Needs - 91.315 (f)

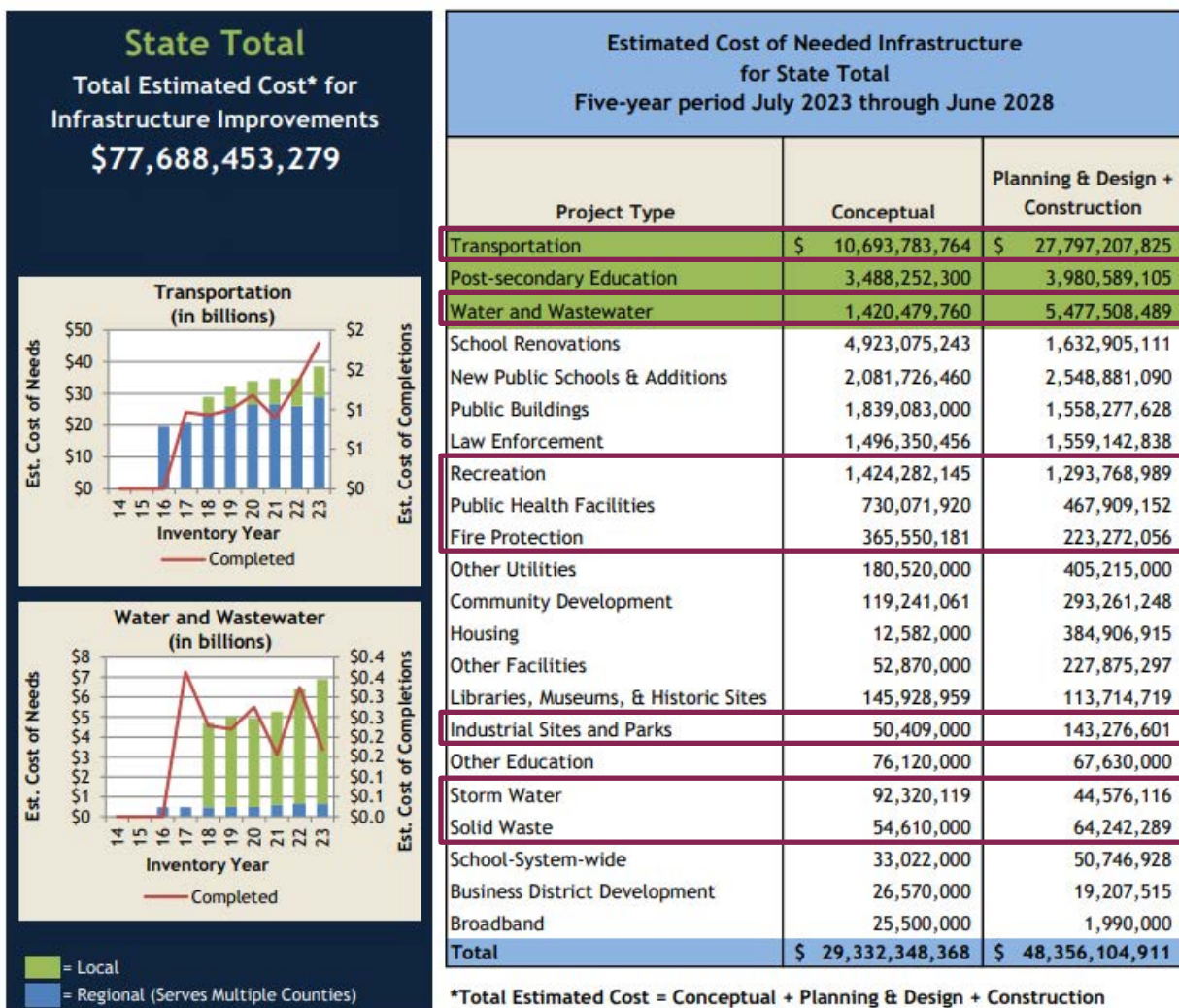
Introduction:



Section NA-50, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section NA-50 details non-housing community development needs in Tennessee.

The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) completes an annual study of the state's infrastructure needs for a five-year horizon. The most recent report for 2023-2028 identified at least \$77.7 billion needed for public infrastructure improvements in Tennessee, a \$9.5 billion (or 14%) increase from the year before and a \$22.9 billion (or 42%) increase from the 2018-2023 report, the findings of which were summarized in the 2020-2024 Consolidated Plan. TACIR's most recent findings break down infrastructure needs in Tennessee by project type. Tennessee's Community Development Block Grant (CDBG) program uses federal funding for community infrastructure improvements, and the program's focus areas are boxed below for reference.



Section NA-50, Figure 2 – Graphs and Table of Estimated Costs of Tennessee’s Infrastructure Needs by Project Type for 2023-2028

TACIR, Building Tennessee’s Tomorrow: Anticipating the State’s Infrastructure Needs 2023-2028

TACIR assessed these needs through a Public Infrastructure Needs Inventory, which used two forms—one related to the needs of school facilities and one related to the needs for public infrastructure—to collect information from local government officials. Commission staff provided local officials with supplemental information to ensure all known needs were captured in the inventory. Supplemental information included capital improvement requests state officials had submitted to the governor’s budget office, bridge and road needs from project listings provided by the Tennessee Department of Transportation (TDOT), and capital needs projects from the Tennessee Board of Regents (TBR).

In addition to the TACIR study, the Tennessee Housing Development Agency (THDA) conducted a Housing Needs Survey in the summer of 2024, which included questions about infrastructure needs and public services. The survey received 1,179 complete responses from the public. The respondent sample was small compared to Tennessee’s population, and THDA did not try to ensure the respondents were a

representative sample. In addition, responses to some questions were optional. As a result, the findings should not be generalized as representing the needs of all Tennesseans. However, the results provide some insights into the ways respondents assessed infrastructure needs and public service needs in their communities.

The CDBG program’s “regular round” makes funding available for water line extensions, sewer line extensions, water system improvements, sewer system improvements, housing rehabilitation, and community livability. Community livability projects include any activity eligible for funding under the federal legislation. Popular community livability projects include rural fire protection, primary health care, drainage or street improvements, and other similar projects related to health and safety conditions in the community. Tennessee’s CDBG program does not distribute its funding based on the findings of TACIR’s report or the results of THDA’s Housing Needs Survey. Rather, it distributes funding proportionally to the applications for eligible activities it receives each year to ensure it is responding proportionately to communities’ immediate needs.

Describe the jurisdiction’s need for Public Improvements, Facilities, and Services:

Public improvements, as defined by the U.S. Department of Housing and Urban Development (HUD), include street improvements, sidewalks, water/sewer improvements, flood drainage improvements, park facilities, and tree planting.

In THDA’s Housing Needs Survey, respondents rated the following public improvements as high need in their communities:

Response Options	All Public Respondents		Respondents from West Tennessee (Northwest, Midsouth, and Southwest development districts)		Respondents from Middle Tennessee (GNRC, Upper Cumberland, and South Central development districts)		Respondents from East Tennessee (East, Southeast, and First development districts)	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Better or additional sidewalks/walkways	60.3%	455	53.1%	43	60.7%	195	59.0%	217
Better streets/roads	58.9%	448	66.7%	54	61.1%	196	53.8%	198
Better water drainage	40.7%	307	45.7%	37	43.9%	141	35.1%	129
Better internet access for homes/apartments	40.5%	307	54.3%	44	37.1%	119	39.1%	144
Better or additional streetlights/lighting	38.5%	291	44.4%	36	37.4%	120	36.7%	135
Better or additional parks	34.5%	260	56.8%	46	33.3%	107	29.1%	107
Better accessibility (ADA) to community buildings for people with disabilities	31.7%	239	34.6%	28	33.0%	106	28.5%	105
Better water systems	31.5%	239	37.0%	30	34.9%	112	26.4%	97
Better sewer systems	30.9%	232	37.0%	30	33.0%	106	26.1%	96
More trees	28.5%	213	22.2%	18	26.8%	86	29.6%	109
Sewer lines in new areas	27.8%	209	32.1%	26	29.9%	96	23.6%	87

Response Options	All Public Respondents		Respondents from West Tennessee (Northwest, Midsouth, and Southwest development districts)		Respondents from Middle Tennessee (GNRC, Upper Cumberland, and South Central development districts)		Respondents from East Tennessee (East, Southeast, and First development districts)	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Water lines in new areas	24.7%	188	32.1%	26	27.7%	89	19.8%	73
Renovation of business storefronts or centers	24.0%	181	32.1%	26	21.8%	70	23.1%	85
TOTAL COMPLETE RESPONSES		770		81		321		368

Section NA-50, Figure 3 – Table of Public Infrastructure Needs by Region
THDA Housing Needs Survey 2024

Public facilities, as defined by HUD, include senior centers, centers for people with disabilities, homeless facilities, youth centers, childcare centers, neighborhood facilities, fire stations/equipment, health facilities, parks and recreational facilities, and facilities for special populations. THDA's Housing Needs Survey did not ask respondents to indicate the need for facilities in their communities, but it did ask respondents to indicate the need for services.

Public services, as defined by HUD, include homeless/AIDS patients programs, senior services, services for people with disabilities, legal services, youth services, transportation services, substance abuse services, services for people who have experienced domestic violence, employment training, crime awareness/prevention, housing counseling, childcare services, health services, services for abused/neglected children, mental health services, and services for other special populations.

In THDA's Housing Needs Survey, respondents rated the following public services as high need in their communities:

Response Options	All Public Respondents		Respondents from West Tennessee (Northwest, Midsouth, and Southwest development districts)		Respondents from Middle Tennessee (GNRC, Upper Cumberland, and South Central development districts)		Respondents from East Tennessee (East, Southeast, and First development districts)	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Mental health services	69.4%	465	68.3%	56	65.1%	181	71.7%	228
Health and dental services	67.5%	450	67.1%	55	60.8%	169	71.1%	226
Affordable childcare	65.8%	442	68.3%	56	61.5%	171	67.6%	215
Emergency/overnight shelter services	60.7%	408	64.6%	53	60.8%	169	58.5%	186
Youth services/activities	57.5%	385	65.9%	54	60.8%	169	50.9%	162
Utility bill assistance	55.5%	373	64.6%	53	53.2%	148	54.1%	172
Drug addiction treatment services	52.9%	354	57.3%	47	50.7%	141	52.2%	166
Food insecurity services	52.8%	355	57.3%	47	50.7%	141	52.5%	167
Public transportation services	52.3%	350	56.1%	46	53.2%	148	49.1%	156
Disability services	51.6%	345	63.4%	52	50.7%	141	47.8%	152

Response Options	All Public Respondents		Respondents from West Tennessee (Northwest, Midsouth, and Southwest development districts)		Respondents from Middle Tennessee (GNRC, Upper Cumberland, and South Central development districts)		Respondents from East Tennessee (East, Southeast, and First development districts)	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Affordable internet access	50.8%	342	61.0%	50	50.0%	139	48.1%	153
Employment services	48.1%	322	62.2%	51	46.4%	129	44.7%	142
Financial education services	45.8%	307	56.1%	46	46.4%	129	41.5%	132
Senior services/activities	41.9%	281	56.1%	46	40.6%	113	38.4%	122
Homebuyer education services	41.6%	278	48.8%	40	41.7%	116	38.4%	122
Legal services	41.4%	275	57.3%	47	42.4%	118	34.6%	110
Parks and green space	31.2%	208	37.8%	31	30.6%	85	28.9%	92
Language services	30.7%	205	46.3%	38	30.6%	85	25.8%	82
Public safety services	28.1%	188	42.7%	35	24.8%	69	26.4%	84
Public libraries	23.5%	157	28.0%	23	21.9%	61	23.0%	73
Health services for people with HIV/AIDS	18.9%	126	31.7%	26	16.5%	46	17.0%	54
TOTAL COMPLETE RESPONSES		678		82		278		318

Section NA-50, Figure 4 – Table of Public Services Needs by Region
THDA Housing Needs Survey 2024

Disaster Recovery Needs

From 2019-2024, the State of Tennessee experienced 24 federally declared disasters. Four of these were emergency declarations, and 20 were disaster declarations. Eleven declarations were for the impacts of severe storms, three for tornadoes, two for flooding, one for a biological hazard, one for a tropical storm, one for a winter storm, and one for a severe ice storm.

Tennessee received approximately \$85 million in federal funds for the Community Development Block Grant – Disaster Recovery (CDBG-DR) program to respond to three federally declared disasters in 2020 and 2021. These disasters included:

- A storm on March 3, 2020, which brought tornadic activity, heavy rain, hail, and powerful winds to Davidson, Wilson, and Putnam counties. As a result of the storm, 25 people died, many homes and businesses were destroyed, localities experienced widespread power outages, and educational facilities were significantly damaged.
- A storm on April 12, 2020, which brought (F3) tornadic activity, heavy rain, hail, and powerful winds to Hamilton, Bradley, and Marion counties. As a result of the storm, four people died, dozens of homes and businesses were damaged, and localities experienced widespread power outages.
- A storm on August 21, 2021, which brought catastrophic flooding and flash flooding to Dickson, Hickman, Houston, and Humphreys counties. As a result of the storm, at least sixteen people died, homes were destroyed, water services were interrupted, and major damage occurred at Waverly Elementary School and Waverly Junior High, rendering them uninhabitable.

Tennessee's Department of Economic and Community Development (ECD) manages these funds and coordinates with the Tennessee Emergency Management Agency (TEMA) and the eligible counties to determine any recovery needs.

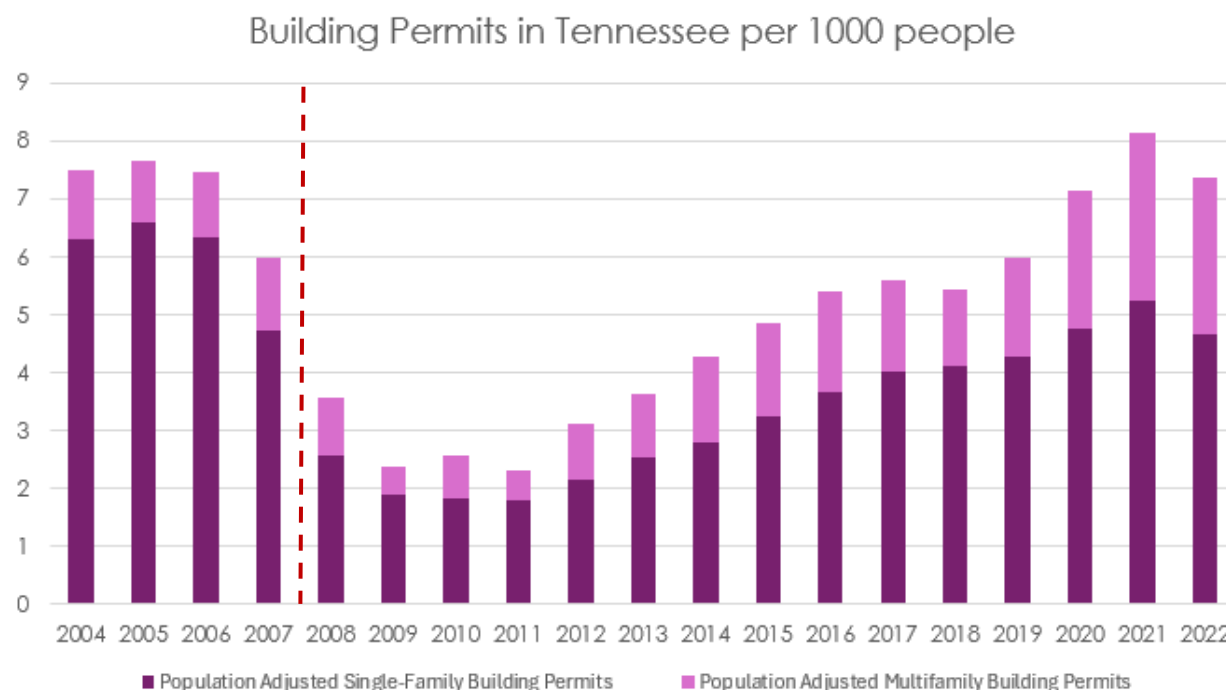
In addition, Tennessee experienced another catastrophic disaster, beginning on October 2, 2024. Hurricane Helene brought a deluge of tropical storm rains to eight counties in East Tennessee, including Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi, and Washington counties. The disaster brought flooding, flash flooding, and landslides. The State of Tennessee has not received federal funds for this disaster through CDBG-DR, although funding may be forthcoming. However, \$8 million in HOME Investment Partnership funds have been allocated to rehabilitate single-family homes in the eight impacted counties.

Housing Market Analysis

MA-05 Overview

A housing shortage is partially driving Tennessee's current housing needs.

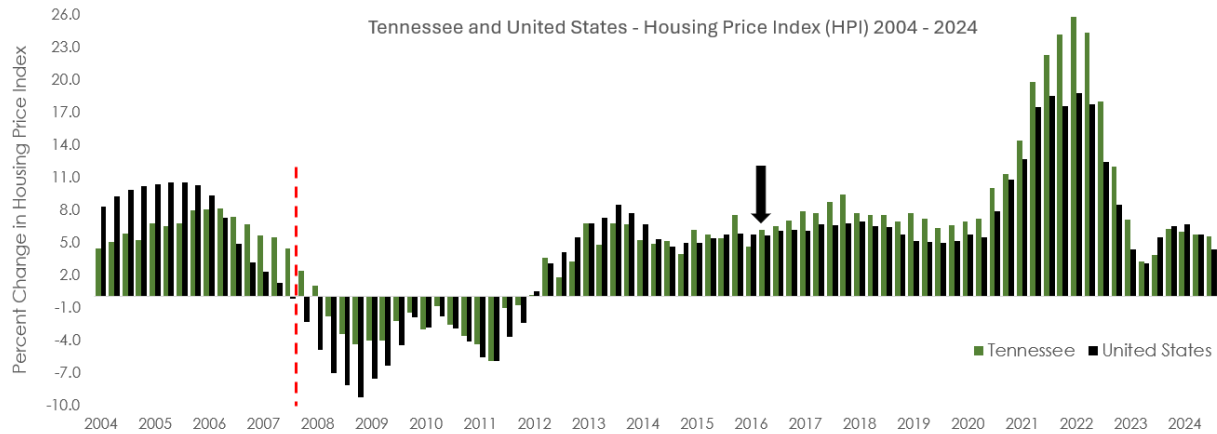
Tennessee, like most states across the United States, had a sudden decline in home building that occurred after the mortgage and financial crisis beginning in 2007. The following graph shows the number of single-family and multifamily building permits in Tennessee per 1,000 people.



Section MA-05, Figure 1 – Population-Adjusted Building Permits in Tennessee 2004-2022
U.S. Census Bureau Building Permits Survey

The initial impact of the mortgage and financial crisis on Tennessee's housing market was not as stark as its impact on many states in the United States. Leading up to the crisis, Tennessee's housing prices, as measured by the Housing Price Index (HPI), increased more slowly than housing prices in many other states. As a result, when the "housing bubble" burst in 2007 and national housing prices rapidly declined, Tennessee's housing prices did not decline as much as those of many other states in the country.

The following graph compares the changes in the HPI in Tennessee and the United States overall. Positive percentages indicate increases in housing prices, while negative percentages indicate decreases in housing prices.



Section MA-05, Figure 2 – Housing Prices Index (HPI) in Tennessee and the United States 2004-2024
Federal Housing Finance Agency (FHFA) HPI 2004-2024

Following the 2007 mortgage and financial crisis, housing development in Tennessee lagged for approximately a decade, failing to keep up with the state’s growing population. As a result, Tennessee’s HPI in 2016 began to grow faster than many places in the United States. This culminated in rapid price increases for Tennessee’s single-family homes from 2020-2022. Tennessee’s housing market had been struggling to keep up with demand for several years, and the COVID-19 pandemic created a sudden spike in demand for single-family homes to accommodate social distancing, more people working from home, and more children homeschooling. The pandemic conditions also encouraged some people from highly dense, higher-cost areas to relocate to Tennessee, further boosting demand for housing. While the growth in prices of single-family homes slowed in 2023 and 2024, prices remain at high levels.

Rental prices also increased significantly from 2020 to 2022, although they have flattened or fallen slightly in some regions because a more robust number of new multifamily units have been built in recent years.

High Interest Rates Dampen Current Housing Market

High interest rates are complicating the financing of needed housing development. The following graph shows the average mortgage rates in the United States for the past ten years.



Section MA-05, Figure 3 – Graph of Weekly Averages of Primary Mortgage Market Survey in the United States for 10 Years
Freddie Mac Primary Mortgage Market Survey Accessed February 2023

A period of widespread price inflation began in 2021, causing the United States Federal Reserve to raise interest rates significantly beginning in 2022. Price inflation seems to have been driven by a combination of suppressed interest rates starting in 2020, prolonged supply shocks from the global pandemic, and simultaneous demand increases from stimulus spending through households and businesses. Inflation has slowed, and the Federal Reserve began cutting interest rates in 2024. However, interest rates remain relatively high, which has significantly weakened activity in the housing markets. Many households that purchased or refinanced their mortgages to lock in low interest rates (below 4%) before or during the pandemic are now reluctant to sell their homes while interest rates are higher (around 7%) because it is more expensive to buy a different home. As a result, renter households hoping to become homeowners face a low inventory of homes for sale, high prices for the inventory that is available, and high mortgage rates.

Even though a housing shortage still exists, price inflation and higher interest rates have dampened new housing development. Costs of building, like wages for labor in the construction industry and the prices of raw materials, have increased. Financing options for builders have higher interest rates. Additionally, increases in wages for property management personnel and the costs of property insurance have decreased profitability incentives for multifamily developers.

In short, most areas of Tennessee need more housing, but builders face a tough environment for building it and households face a tough environment for purchasing it.

Tennessee currently has a severe, absolute shortage of rental housing units affordable to extremely low-income households (with incomes at 30% or less of the AMI). Without access to affordable housing, these renters are at-risk of housing instability and homelessness. In addition, many middle-income renter households hoping to become homeowners cannot find “starter homes” to purchase, limiting their abilities to build wealth over time and to live in housing more suitable to middle and later phases of life. The inability of these households to transition from renting to owning a home also increases price pressures in the rental market. As such, higher income households must live in units that historically would have been available to lower income households, which further pushes extremely low-income renters toward housing instability.

This context is the backdrop that must be considered when examining Tennessee’s current housing needs and market.

Community Housing Continuum & Housing Needs Framework

As previously discussed in the Needs Analysis, Tennesseans ideally would have a full continuum of housing options available in their communities, from supportive housing to market-rate homeownership.

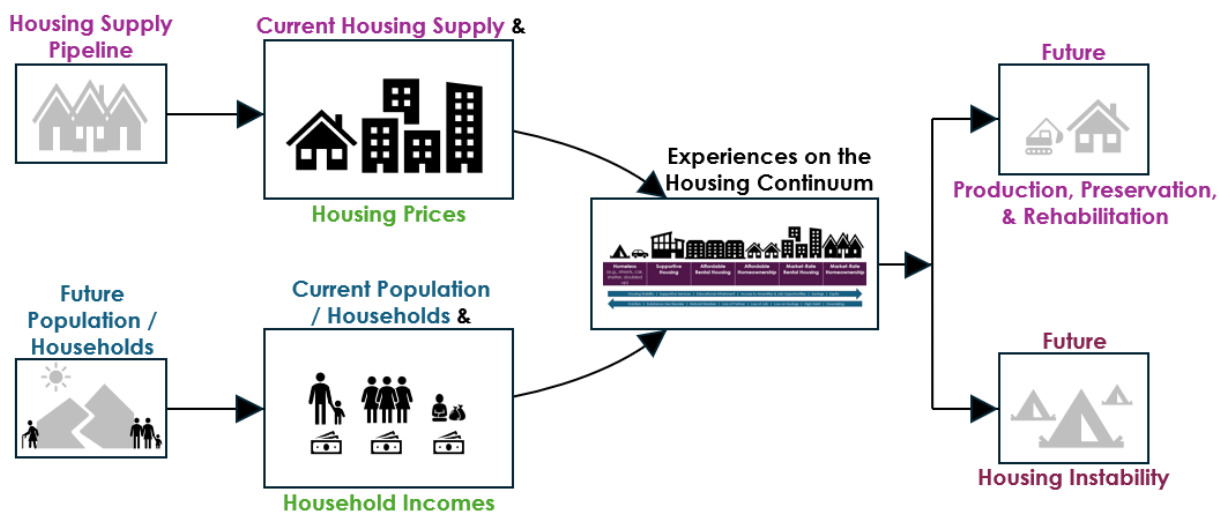


Section MA-05, Figure 4 – Community Housing Continuum
Visual adapted from Kentucky’s Housing Supply Gap Analysis Presentation in 2024

A full continuum of housing options available enables households to more easily move rightward toward greater levels of housing stability and wealth. In addition, a full continuum of housing options ensures hardships do not necessitate housing instability.

The Consolidated Plan’s Needs Assessment and Market Analysis utilize the framework below to analyze factors influencing Tennesseans’ housing needs. Tennesseans’ **experiences on the housing continuum**

largely depend on how well the **current population/households and their incomes** align with the **current housing supply and prices**. The number and types of households experiencing housing problems illuminate Tennesseans’ housing needs and inform how the State of Tennessee can use its resources to produce, preserve, and rehabilitate housing and infrastructure while addressing future housing instability.



Section MA-05, Figure 5 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan’s Housing Needs Framework 2025

The State of Tennessee recognizes a complete Needs Assessment and Market Analysis would also consider the state’s future population/households and housing supply pipeline. However, the State currently lacks complete information about these factors, so they are not robustly explored in the Consolidated Plan.

Needs Assessment & Market Analysis Key Findings

- **Tennesseans are feeling the impacts of a statewide housing shortage.**
- **Tennessee renters face higher prices and are increasingly at-risk of housing insecurity.**
 - Tennessee’s median gross rent increased by 29.6% over a five-year period to \$1,047.²²
 - Many renters are struggling with the costs of rent and utilities, putting them at-risk of housing insecurity. For example, 43.4% of all renters in Tennessee were cost burdened, spending more than 30% of their household incomes on rent and utilities.²³

²² ACS five-year estimates for 2013-2027 and 2018-2022

²³ ACS five-year estimates for 2018-2022

- In addition, 59.2% of extremely low-income renters (with incomes of 30% or less of AMI) were severely cost burdened (spending more than half of their incomes on rent and utilities).²⁴ This level of cost burden puts them at risk of experiencing homelessness.
- Tennessee faced an absolute shortage of 37,745 rental units affordable to extremely low-income households in 2022, according to analysis of the Public Use Microdata Sample (PUMS).
- **Many Tennesseans are priced out of homeownership.**
 - Tennessee’s median home value increased by 53% to \$232,100 over a five-year period.²⁵
 - Many Tennesseans who wish to purchase a home cannot afford it. The prices of single-family homes for sale are high relative to household incomes. In 2017, 71% of homes sold in Tennessee were affordable to a household with the AMI, according to Tennessee’s Annual Sales Price Data. In 2022, 43% of homes sold were affordable to a household with the AMI. During focus groups, many Tennesseans reported that purchasing a home seems out of reach, and they are increasingly constrained to housing that does not meet their needs.
- **Populations with special housing needs are increasingly vulnerable.** Housing-related service providers expressed grave concerns about meeting the housing needs of special populations, like Tennesseans who are elderly, disabled, have young children, have HIV/AIDS, have a substance use disorder (SUD), were formerly incarcerated, and/or are veterans.
- **The number of people experiencing homelessness in Tennessee is high.** In the 2024 Point-in-Time Count (PITC), 8,280 people were identified as experiencing sheltered or unsheltered homelessness. While this total is a decrease from the maximum of 10,567 people identified in the 2022 PITC, the number of people experiencing homelessness in 2024 remained well above pre-pandemic levels.
- **Tennessee needs repairs and upgrades of its existing housing and infrastructure.**
 - Tennessee had 8,200 owner-occupied and 14,620 renter-occupied substandard units with incomplete kitchen and/or plumbing facilities. Most substandard units were occupied by low-income households (with incomes of 80% or less of AMI); low-income households occupied 55.5% of owner-occupied substandard housing units and 72.7% of renter-occupied substandard housing units.²⁶
 - The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) identified at least \$77.7 billion needed for public infrastructure improvements in Tennessee for 2023-2028, a \$9.5 billion (or 14%) increase from the year before.

Needs Assessment & Market Analysis Section Preview

²⁴ CHAS five-year estimates for 2017-2021

²⁵ ACS five-year estimates for 2013-2022 and 2018-2022

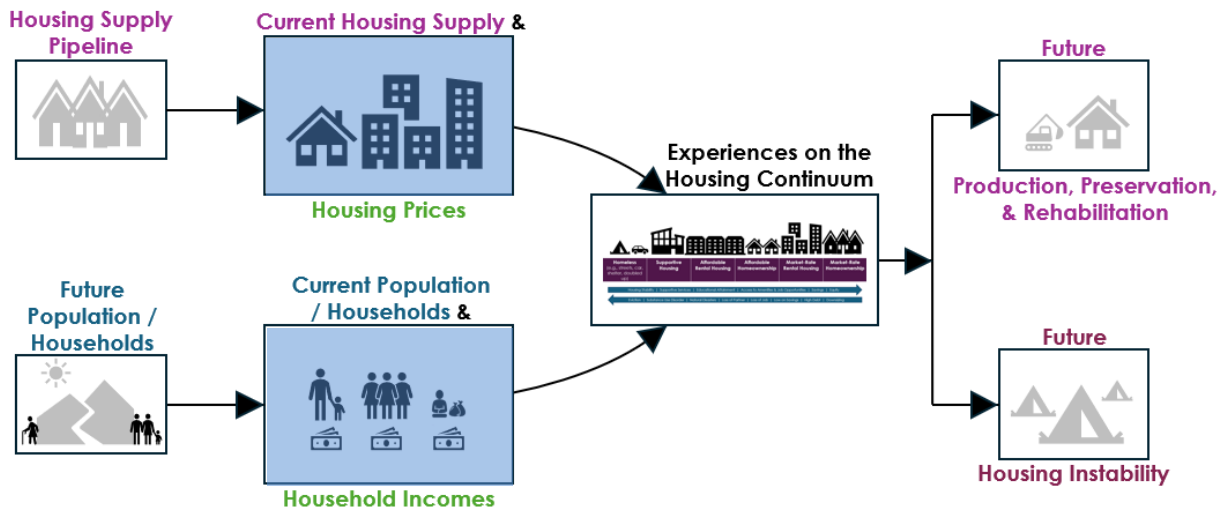
²⁶ CHAS five-year estimates for 2017-2021

Analysis of the factors shown in the Housing Needs Framework that influence Tennessee's housing needs and market are explored in the following sections:

- Current Population/Households & Household Income
 - Section NA-10 details Tennessee's current population, households, and their incomes.
 - Section MA-50 discusses other aspects of Tennessee's population, like educational attainment, employment opportunities, and regional industries.
- Current Housing Supply & Housing Prices
 - Section MA-05 discusses the current housing shortage in Tennessee.
 - Section MA-10 details the state's number and types of housing units.
 - Section MA-15 outlines the prices of housing.
 - Section MA-20 discusses the condition of housing in Tennessee and the need for rehabilitation of its quality and preservation of its affordability.
 - Section MA-25 gives more information about Tennessee's public housing units.
 - Section MA-30 and MA-35 outline the emergency housing available for people experiencing homelessness and/or specialized housing opportunities for households with specific needs.
- Experiences on the Housing Continuum
 - Section NA-15, NA-20, and NA-25 detail disproportionate experiences of housing problems by households' incomes as a percentage of Area Median Income (AMI) and households' race and ethnicity categories.
 - Section NA-30 discusses the regions in Tennessee experiencing disproportionate housing problems by race and ethnicity.
 - Section NA-35 discusses the extensive waitlists for public housing units.
 - Section NA-40 and NA-45 explore the number and types of households who are experiencing homelessness and/or who need specialized housing opportunities.
 - Section MA-65 considers hazard mitigation after recent natural disasters and estimations of regional risk for future disasters.
- Future Production, Preservation, and Rehabilitation
 - Section NA-50 details the needs for infrastructure and facility improvements
 - Section MA-40 discusses challenging market conditions that are impacting the production, preservation, and rehabilitation of affordable housing.

MA-10 Number of Housing Units – 91.310(a)

Introduction



Section MA-10, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Decennial Population Growth

The following tables shows Tennessee's growth in population and housing units.

	1970	1980	1990	2000	2010	2020	2023
Tennessee Population	3,926,018	4,591,120	4,877,185	5,689,283	6,346,286	6,910,840	7,126,489
Tennessee Population Change		+665,102	+286,065	+812,098	+656,822	+564,554	+215,649
Population Growth Rate		+16.9%	+6.2%	+16.7%	+11.5%	+8.9%	+3.1%

Section MA-10, Figure 2 – Table of Tennessee's Population, Population Change, and Growth Rate
Decennial Census, Profile of General Population and Housing Characteristics, 1970, 1980, 1990, 2000, 2010, 2020 & ACS One-Year 2023, Table DP05

Housing Unit Growth & Occupancy

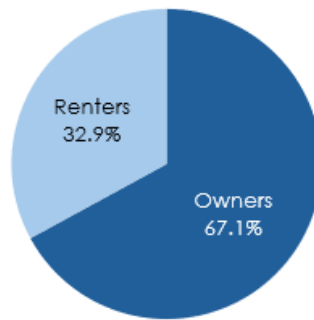
	2000	2010	2020	2023
Total Housing Units (occupied and unoccupied)	2,439,443	2,812,133	3,031,605	3,195,170
Total Housing Units Change		+372,690	+219,472	+163,565
Total Housing Units Percent Change		+15.3%	+7.8%	+5.6%
Housing Units Occupied	2,232,905	2,493,552	2,742,947	2,889,226
Housing Units Occupied Change		+260,647	+249,395	+146,279
Housing Units Occupied Percent Change		+11.7%	+10.0%	+5.3%
Occupancy Rate (Occupied / Total Housing Units)	91.5%	88.7%	90.5%	90.4%

Owner Units Occupied	1,561,461	1,700,592	1,797,875	1,943,282
Owner Units Occupied Percent Change		+8.9%	+5.7%	+8.1%
Renter Units Occupied	671,444	792,960	945,072	945,944
Multifamily Renter Unites Occupied Percent Change		+18.1%	+19.2%	+0.1%

Section MA-10, Figure 3 – Table of Tennessee’s Housing Inventory, Occupied Housing Units, Owner Occupied Units, and Renter Occupied Units
Decennial Census, Profile of General Population and Housing Characteristics, 1970, 1980, 1990, 2000, 2010, 2020 & ACS One-Year 2023, Table DP04

In Tennessee, homeownership is the more common type of tenure. There were approximately two owner households in Tennessee for every one renter household in 2023.

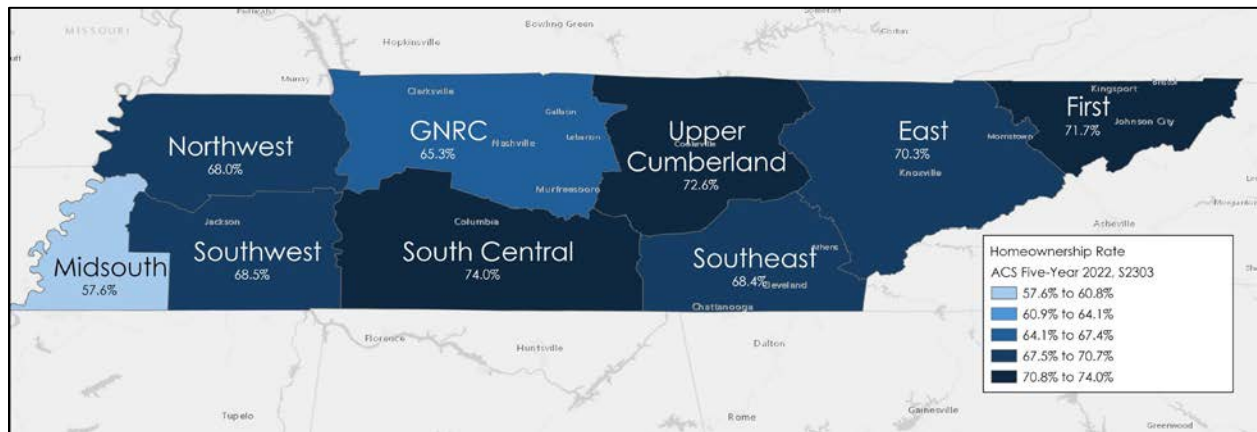
Tennessee - Household Tenure



Section MA-10, Figure 4 – Graph of Household Tenure in Tennessee
ACS One-year Estimates for 2023, Table S2503

However, homeownership is far more common in some regions of the state than others. The following

graph shows the homeownership rate in each of the development districts.²⁷



Section MA-10, Figure 5 – Map of Homeownership Rate in Tennessee by Development District
ACS Five-year Estimates for 2018-2022, Table S2503

All residential properties by number of units

Most homeowners lived in single-family homes that are detached from one another.²⁸

Property Type	Number	%
1-unit detached structure	2,176,576	68.1%
1-unit, attached structure	127,199	4.0%
2-4 units	177,265	5.5%
5-19 units	257,700	8.1%
20 or more units	197,236	6.2%
Mobile Home, boat, RV, van, etc.	259,194	8.1%
Total	3,195,170	100%

Section MA-10, Figure 6 – Table of Residential Properties by Unit Type
ACS One-Year Estimates for 2023, Table DP04

Unit Size by Tenure

While the table below groups units with two or three bedrooms together, most occupied rental units have two bedrooms or fewer, while most occupied owner units usually have three or more bedrooms.

	Owners		Renters	
	Number	%	Number	%
No bedroom	8,610	0.4%	35,943	3.8%
1 bedroom	31,290	1.6%	186,638	19.7%
2 or 3 bedrooms	1,342,460	69.1%	655,436	69.3%

²⁷ ACS five-year estimates for 2018-2022

²⁸ ACS one-Year Estimates for 2023

4 or more bedrooms	560,922	28.9%	67,927	7.2%
Total	1,943,282	100%	945,944	100%

Section MA-10, Figure 7 – Table of Unit Size by Tenure Type
ACS One-Year Estimates for 2023, Table S2504

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The State of Tennessee helps finance the development of affordable housing for low-income households (with incomes of 80% of AMI or less) using several funding sources.

Two of the State’s housing development and rehabilitation programs, the HOME Investments Partnerships program and the national Housing Trust Fund (HTF) program, utilize annual federal funds granted by the U.S. Department of Housing and Urban Development (HUD). The 2025-2029 Consolidated Plan is both an application and strategic plan for that funding.

HOME: The Tennessee Housing Development Agency (THDA) administers the federally funded HOME program to promote the production, preservation, and rehabilitation of single-family homes and rental housing (of 11 units or fewer) for low-income households. The amount of annual federal funding for the HOME program fluctuates from year to year, and projects take multiple years to complete. During the program years governed by the 2020-2024 Consolidated Plan, Tennessee’s HOME program was granted approximately \$72.5 million and completed the production of 84 new single-family homes for sale and the rehabilitation of 351 single-family homes for existing homeowners as of June 30, 2024. HOME funding for the construction and rehabilitation of rental units began in 2023; HOME projects take multiple years to complete, so the completion of rental units has not yet been reported. In addition, granted funds from this period do not directly align with the number and type of units produced.

In addition, the HOME program’s projects benefited households from the income categories in the table below. (The total number of households who benefited from HOME funds during the 2024-25 program year are not yet finalized and are not included in the table below.)

Income Category	Households
Extremely Low-Income (with incomes of 30% or less of AMI)	FY 2020-21: 28
	FY 2021-22: 28
	FY 2022-23: 36
	FY 2023-24: 39
	Total: 131 households
Very low-income and low-income households (with incomes greater than 30% but less than or equal to 80% of AMI)	FY 2020-21: 73
	FY 2021-22: 72
	FY 2022-23: 87
	FY 2023-24: 104
	Total: 336 households

Section MA-10, Figure 8 – Number of Households and Incomes as a Percentage of AMI Served by HOME
State of Tennessee CAPER Reports FY 20, 21, 22, 23

HTF: THDA administers the federally funded national Housing Trust Fund (HTF) to promote the production and preservation of affordable rental housing for households with extremely low incomes (with incomes of 30% of AMI or less). Grants may be used for housing acquisition, new construction, or rehabilitation across Tennessee. HTF projects take multiple years to complete, so granted funds from this period do not directly align with the number of units produced. For the upcoming program year, HTF grants will be combined with projects that also receive Low Income Housing Tax Credits (LIHTC).

The amount of annual federal funding for the HTF program fluctuates from year to year, and projects take multiple years to complete. During the program years governed by the 2020-2024 Consolidated Plan, Tennessee's HTF program was granted \$33.5 million and completed the production of 255 multifamily units and the rehabilitation of 99 multifamily units. The HTF program's projects benefited 403 extremely low-income households during this reporting period. (The total number of households who benefited from HTF funds during the 2024-25 program year are not yet finalized and are not included in the previous count.)

Income Category	Households
Extremely Low-Income (with incomes of 30% or less of AMI)	FY 2020-21: 161
	FY 2021-22: 163
	FY 2022-23: 45
	FY 2023-24: 34
	Total: 403 households

Section MA-10, Figure 9 – Number of Households and Incomes as a Percentage of AMI Served by HTF
State of Tennessee CAPER Reports FY 20, 21, 22, 23

Low-Income Housing Tax Credits (LIHTC): The Tennessee Housing Development Agency (THDA) administers the LIHTC program, which provides a credit against federal income tax liability each year for 10 years for owners/investors in low-income rental housing. The amount of tax credits is based on reasonable costs of development, as determined by THDA, and the number of qualified low-income units. Currently, to be eligible, a development must have a minimum of either 20% of its units occupied by households with incomes no greater than 50% of AMI or 40% of its units occupied by households with incomes no greater than 60% of AMI. Income limits are adjusted for household size. Maximum rents are established for each size of unit, not to exceed 30% of the area maximum income for specified household sizes. Utilities are considered part of rent if paid by the property owner. All requirements of the relevant Qualified Allocation Plan (QAP), which is developed by THDA and approved by the Governor must also be met.

Rental Assistance Housing Choice Voucher (HCV) program: The Housing Choice Voucher (HCV) program is a federal rental assistance program funded through HUD. Families receive a voucher to afford decent, safe, and sanitary housing in the private market. In general, the family's income may not exceed 80 percent of AMI for the county or metropolitan area in which the family chooses to live. Federal rules also require 75% of new households admitted each year to be extremely low-income. AMI levels are published by HUD annually and vary regionally. See Section NA-35 for more information.

Does the availability of housing units meet the needs of the population?

No, Tennessee is experiencing an affordable housing shortage.

Describe the need for specific types of housing:

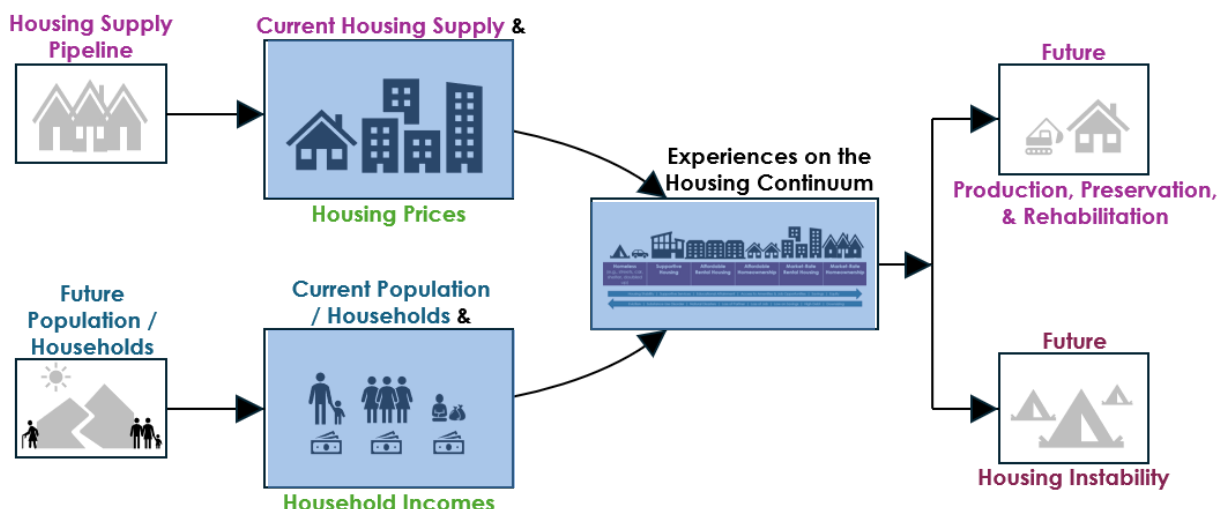
Tennessee is most in need of rental housing that is affordable to extremely low-income Tennesseans with incomes of 30% of AMI or less. The state currently had an estimated 37,745 absolute shortage of housing affordable to this income category in 2022, according to the 2022 Public Use Microdata Sample (PUMS).

In addition, Tennessee is in need of affordable single-family homes for sale. The number of homes sold in 2022 that would have been affordable to a household with the median income was 43% in 2022, which is an 28 percentage point decrease from 2017.

See Section MA-15 for further analysis of need for these housing types.

MA-15 Cost of Housing – 91.310(a)

Introduction



Section MA-15, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-15 analyzes the costs of housing and how they have changed. Tennessee saw significant increases in the median household income, median home value, and median gross rent over a five-year period.²⁹

	Base Year: 2017	Most Recent Year: 2022	% Change
Median Household Income	\$48,708	\$64,035	31.4%
Median Home Value	\$151,700	\$232,100	53.0%
Median Gross Rent	\$808	\$1,047	29.6%

Section MA-15, Figure 2 – Table of Median Household Income, Home Values, Goss Rent and Percent Changes
ACS Five-year Estimates for 2013-2017 and 2018-2022, Tables S2503, B25077, & B25064

The 31.4% increase in median household income was slightly greater than the 29.6% increase in median gross rent. However, increases in income and increases in rent vary by individual household and by rental unit, so even though the percent increase in median household income was greater than the percent increase in median gross rent, this difference did not necessarily mean rental housing overall became more affordable for households.

As discussed in section NA-10, affordability problems were widespread for renter households. For example, 40.9% of all renters were cost burdened, spending 30% or more of their incomes on rent, and

²⁹ ACS five-year estimates for 2013-2017 & 2018-2022

19.8% of renters were severely cost burdened, spending more than 50% of their incomes on rent.³⁰ Cost burden was especially acute for extremely low-income households; 59.2% of households making 30% or less of the Area Median Income (AMI) were severely cost burdened, putting them at great risk for housing insecurity. See Section NA-10 for more information on housing problems, including cost burden.

For homeownership costs, the 53% increase in the median home value was much greater than the 31.4% increase in median income. On one hand, current homeowners welcome the increase in their homes' values, as they can add these increases to their wealth when they sell. On the other hand, increasing home values create affordability problems. The sharp increase in home values influenced Tennessee's Homeowner Opportunity Index (HOI), which tracks the percentage of homes sold in a calendar year that would have been affordable to a household with the AMI. Statewide, the HOI declined sharply from 2017 to 2022. In 2017, 71% of homes sold would have been affordable to a household with the AMI, but in 2022 only 43% of homes would have been affordable, a 28-percentage point decline. See below for a regional analysis of HOIs.

The rest of this section looks at trends in rental prices and their impacts on affordability for renter households throughout Tennessee, followed by the trends in home values and their impacts on the affordability of homeownership.

Rent Paid

The following table shows the statewide distribution of gross rent in Tennessee.³¹

Rent Paid	Number of Households	% of Households
Less than \$500	74,466	9.0%
\$500-999	309,605	37.3%
\$1,000-1,499	276,364	33.3%
\$1,500-1,999	116,274	14.0%
\$2,000-2,499	33,949	4.1%
\$2,500 or more	18,750	2.2%
Total	829,408	100.0%

Section MA-15, Figure 3 – Table of Households and Rent Paid in 2022
ACS Five-year Estimates for 2018-2022, Tables DP04

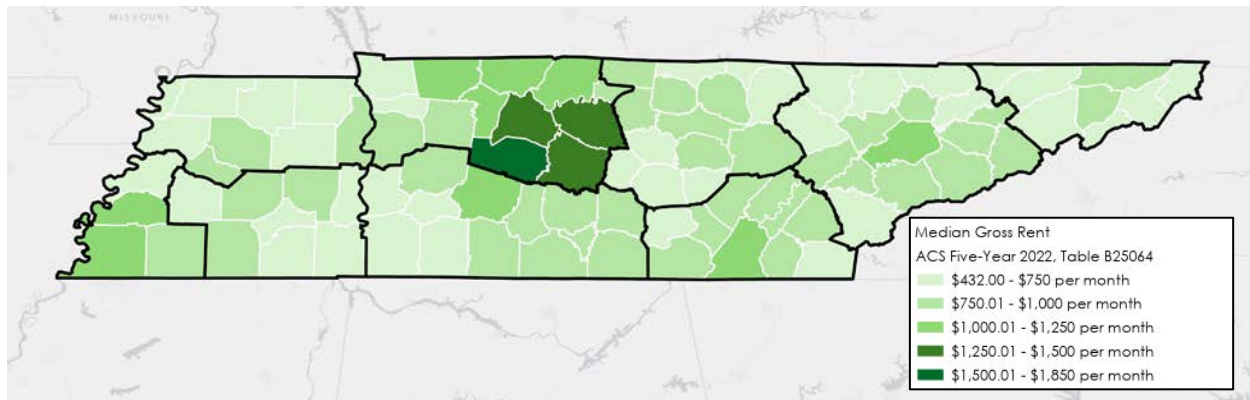
Median Gross Rent & Percent Changes

The following map shows median gross rents in Tennessee at the county level, illustrating how median rental prices varied regionally.³²

³⁰ CHAS five-year estimates for 2017-2021

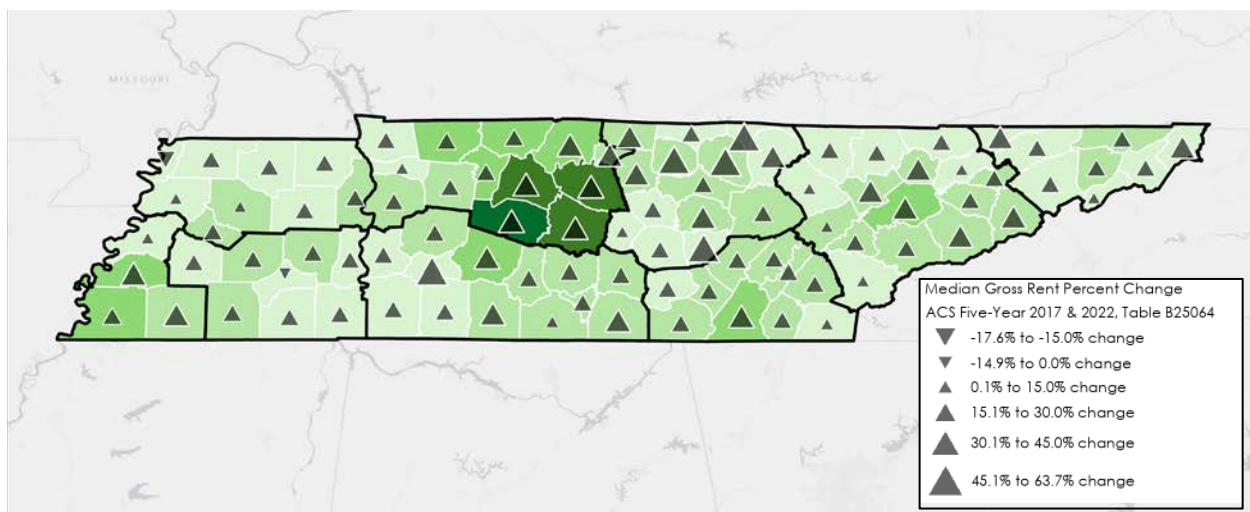
³¹ ACS five-year estimates for 2018-2022

³² ACS five-year estimates for 2018-2022



Section MA-15, Figure 4 – Map of Median Gross Renters by County
ACS Five-year Estimates for 2018-2022, Table B25064

While there were still significant differences in median gross rents across the state, most regions saw significant increases in rents over a five-year period.³³ The following map shows the percent increases in median gross rents.



Section MA-15, Figure 5 – Map Percent Changes in Median Gross Renters by County from 2017 to 2022
ACS Five-year Estimates for 2013-2017 and 2018-2022, Table B25064

During focus groups, participants from every region reported rents were rising quickly and becoming less affordable for households in their areas. For example, a participant from the Upper Cumberland development district reported rent for a two-bedroom apartment in the City of Sparta was the same amount per month as a mortgage for a three-bedroom house. Another participant from the Upper Cumberland development district shared many renters would like to become homeowners but struggle to save for a downpayment. Even when they save enough money, sometimes poor credit scores (or weak credit histories) keep them from qualifying for a mortgage. She speculated struggles with down

³³ ACS Five-year Estimates for 2018-2022

payments and credit histories may become increasingly common if prices, including rents, continue to rise.

Cost of Rental Housing & Affordability

The National Low-Income Housing Coalition’s (NLHC’s) Out of Reach Report puts these rental prices in context, noting that Tennessee’s Fair Market Rent (FMR) in 2024 for a two-bedroom apartment was \$1,264. A household would have had to earn \$4,214 per month or \$50,566 annually to afford \$1,264 in rent and utilities without being cost burdened. To afford that rent on a single income with a 40-hour work week, the head of household would have to earn \$24.31 per hour.

The following table shows regional two-bedroom FMRs, as well as the hourly wage need to afford the unit, the estimated average renter wage for the area, and number of full-time jobs the renter would need to work (at the average renter wage) to afford the unit without experiencing cost burden. The table shows this data for the state, the state’s non-metro areas, as well as the most populous area in each of the nine development districts.

Region	Area	2024 2-BR FMR:	Hourly wage needed to afford 2-BR FMR on a single-income with 40-hour work week:	Estimated average renter wage for the area:	Number of full-time jobs at average wage needed to afford 2-BR FMR
State	Tennessee – all	\$1,264	\$24.31	\$20.73	1.2
State	Combined Non-Metro Areas in TN	\$909	\$17.47	\$15.05	1.2
GNRC	Nashville-Davidson-Murfreesboro/Franklin HMFA	\$1,619	\$31.13	\$25.20	1.2
East	Knoxville HMFA	\$1,221	\$23.48	\$19.09	1.2
Midsouth	Memphis HMFA	\$1,298	\$24.96	\$22.33	1.1
Southeast	Chattanooga MSA	\$1,232	\$23.69	\$19.73	1.2
First	Johnson City MSA	\$1,070	\$20.58	\$14.29	1.4
South Central	Maurity County HMFA (Contains Columbia)	\$1,337	\$25.71	\$18.85	1.4
Upper Cumberland	Putnam County (contains Cookeville)	\$991	\$19.06	\$14.14	1.3
Southwest	Jackson HMFA	\$1,138	\$21.88	\$14.29	1.4
Northwest	Gibson County HMFA (contains Milan)	\$903	\$16.56	\$13.21	1.3

Section MA-15, Figure 6 – Hourly Wage Needed to Afford a 2-BR FMR on a Single Income
National Low Income Housing Coalition, Out of Reach 2024, <https://reports.nlihc.org/oor>

In general, average renter wages in the most populous areas, like Greater Nashville, Greater Knoxville, Greater Memphis, and Greater Chattanooga, seem to have kept better apace with the cost of rental housing, because a household renting a two-bedroom unit with an average renter wage would have to

work 1.1-1.2 jobs to afford housing, while renters with average wages in less populous areas, like those in Jackson, Columbia, and Johnson City, would have to work 1.4 jobs to afford housing.

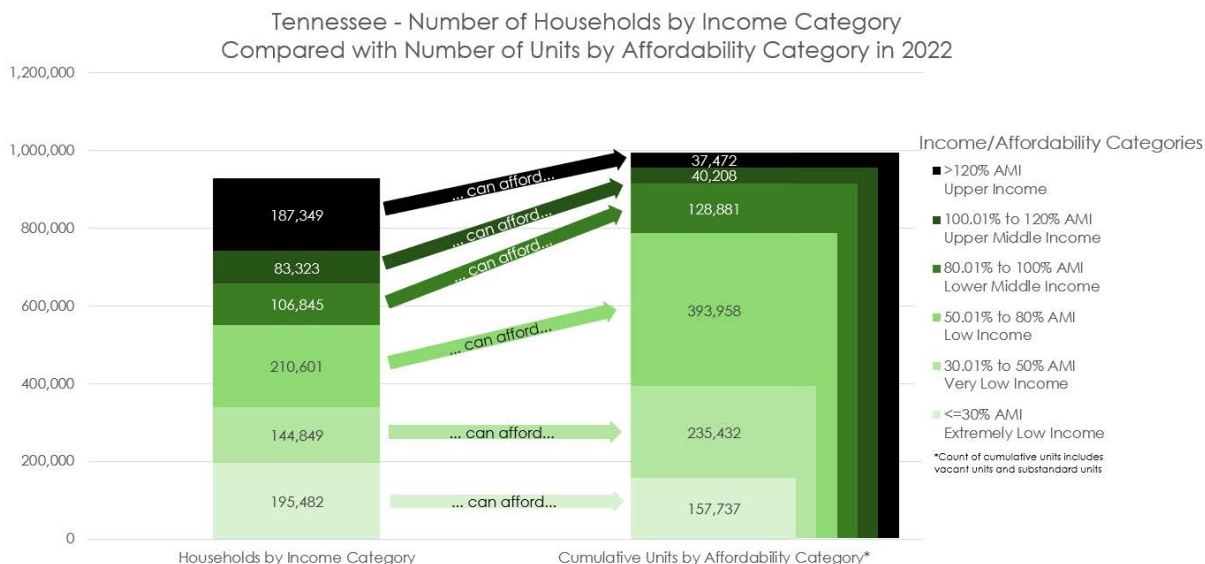
Unit Supply Gaps and Household-to-Unit Mismatches

Many factors can impact rental affordability, including the number of rental households and the distribution of their incomes, the number of rental units and the distribution of rental prices, and the individual household-to-unit matches.

Since both incomes and rental prices can vary widely across the state, a useful way to categorize incomes and affordability across the state is to compare regional household incomes to a regional AMI and categorize the rental unit supply by affordability category. The U.S. Department of Housing and Urban Development has defined the following income categories and calculated regional AMIs:

- Extremely low-income households have incomes at or below 30% of the AMI.
- Very low-income households have incomes above 30% to at or below 50% of the AMI.
- Low-income households have incomes above 50% to at or below 80% of the AMI.
- Lower middle-income households have incomes above 80% to at or below 100% of the AMI.
- Upper middle and upper-income households have incomes above the AMI.

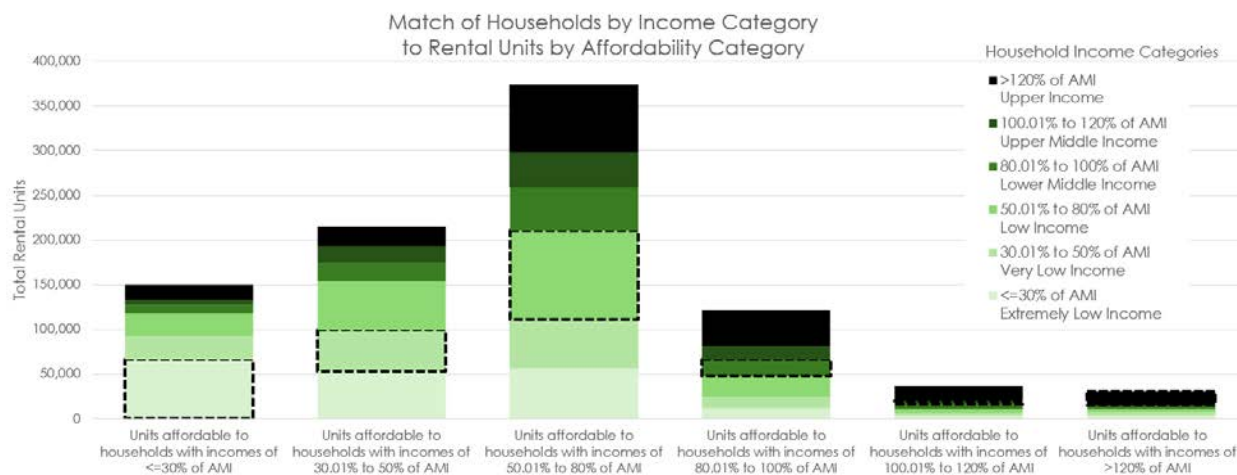
The left stack in the graph below shows the number of renter households in Tennessee and their income distribution compared to their regional AMIs. The right stack shows the number of rental units that could be affordable to a household in each income category.



Section MA-15, Figure 7 – Graph of Number of Renter Households by Income Category Compared with Number of Units by Affordability Category in 2022
The Census Bureau’s ACS Public Use Microdata Sample (PUMS) 2022

In 2022, Tennessee faced an absolute shortage of an estimated 37,735 units that would be affordable to extremely low-income households. Tennessee must expand the supply of units affordable to this group to alleviate the cost burden of extremely low-income households. However, widening the supply of units affordable to other income groups could also be beneficial to extremely low-income renter households. For example, an expansion in the supply of units that would be affordable to upper middle-income and/or upper-income renters could free up some lesser priced units if these households moved out of them, creating better household to unit affordability matches.

The following graph shows that many upper middle-income and upper-income renters live in units with rents that are less than they could afford. Some renter households may be doing this to maximize their budgets, but others may be doing it because no affordable units exist or are available.



Section MA-15, Figure 8 – Graph of Match of Renter Households by Income Category to Rental Units by Affordability Category in 2022
The Census Bureau’s ACS Public Use Microdata Sample (PUMS) 2022

Thus, some of the problems with rental affordability are related to an absolute shortage of affordable housing for households with extremely low incomes, which causes many of these households to experience cost burden. Other problems with rental affordability are related to mismatches between renters’ incomes and the rents for the units in which they live. See the visual appendix for regional analysis of rental supply and household-to-unit matches.

Rental Cost Burden

Supply shortages and household-to-unit mismatch issues create the conditions for rental cost burden, a housing problem where renter households spend more than 30% of their incomes on rent. The following table shows the number and percentage of households experiencing cost burden by income category.³⁴

³⁴ CHAS five-year estimates for 2017-2021

Income Categories	Number of Renter Households	Number of Renter Households Cost Burdened	% of Renter Households Cost Burdened
<= 30% HAMFI	198,465	139,540	70.3%
>30% to <=50% HAMFI	145,275	109,385	75.3%
>50% to <=80% HAMFI	191,595	86,265	45.0%
>80% to <=100% HAMFI	98,535	16,260	16.5%
>100% HAMFI	247,650	8,995	3.6%
Total	881,515	360,445	40.1%

Section MA-15, Figure 9 – Table of Number and Percent of Cost Burdened Renter Households in 2017-2021
CHAS Five-year Estimates for 2017-2021, Table 8

See Section NA-10 to learn more about regional differences in rental cost burden.

Homeownership Costs Paid

The following table shows the statewide distribution of homeownership costs in Tennessee in 2022 for owner households without a mortgage and those with one. Unsurprisingly, owners with a mortgage had significantly higher housing costs than those without a mortgage. Mortgage costs, unless the mortgage has a floating interest rate or the household chooses to refinance, will remain the same throughout the mortgage contract. However, the other costs of homeownership can change over time. These include real estate taxes, fire/hazard/flood insurance on the property, utilities (electricity, gas, and water and sewer), and fuels (oil, coal, kerosene, wood, etc.), as well as a monthly condominium fee, if appropriate, and mobile home costs (personal property taxes, site rent, registration fees, and license fees).

Monthly Homeownership Costs Paid without Mortgage	Number without Mortgage	% without Mortgage	Monthly Homeownership Costs Paid with Mortgage	Number with Mortgage	% with Mortgage
Less than \$250	88,593	11.7%	Less than \$500	11,653	1.1%
\$250 - \$399	227,021	30.1%			
\$400 - \$599	249,713	33.1%			
\$600 - \$799	107,631	14.3%	\$500 - \$999	207,727	19.5%
\$800 - \$999	41,130	5.4%			
\$1,000 or more	41,017	5.4%	\$1,000 - \$1,499	346,933	32.4%
			\$1,500 - \$1,999	233,778	22.0%
			\$2,000 - \$2,499	124,033	11.7%
			\$2,500 - \$2,999	61,851	5.8%
			\$3,000 or more	78,645	7.4%
Total	755,105	100.0%	Total	1,064,620	100.0%

Section MA-15, Figure 10 – Monthly Homeownership Costs for Households without and with a Mortgage 2018-2022

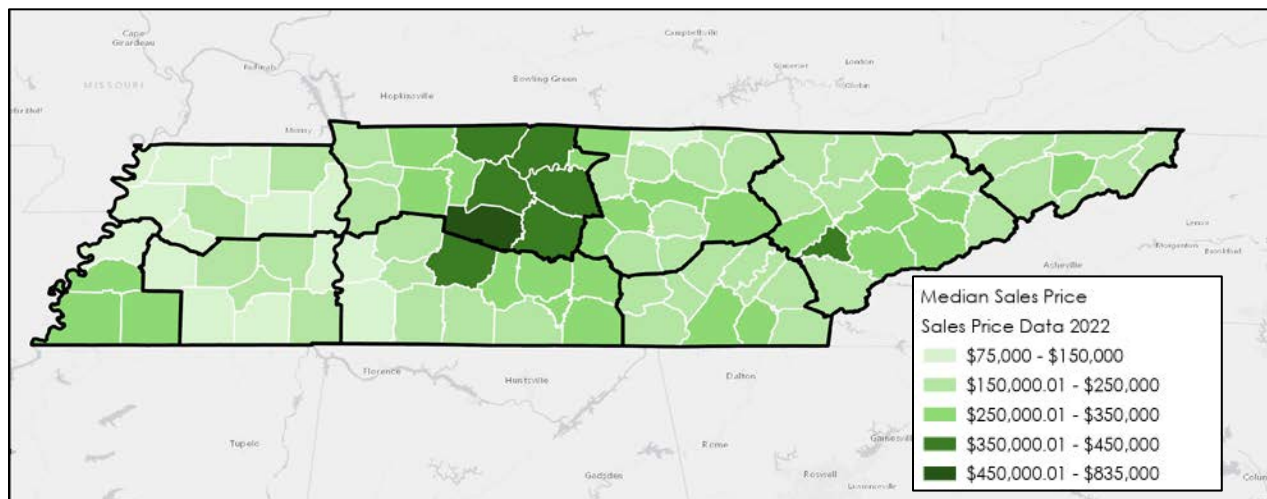
ACS five-year estimates for 2018-2022, DP04

Median Sale Price & Percent Changes

For existing homeowners, increases in home values increase the households' wealth, yet do not always significantly inflate the owners' housing costs (other than increasing the costs of hazard insurance and property taxes).

However, increases in housing values may greatly impact renter households' abilities to transition to homeownership, especially if those households' income growth is less than the growth in house prices.

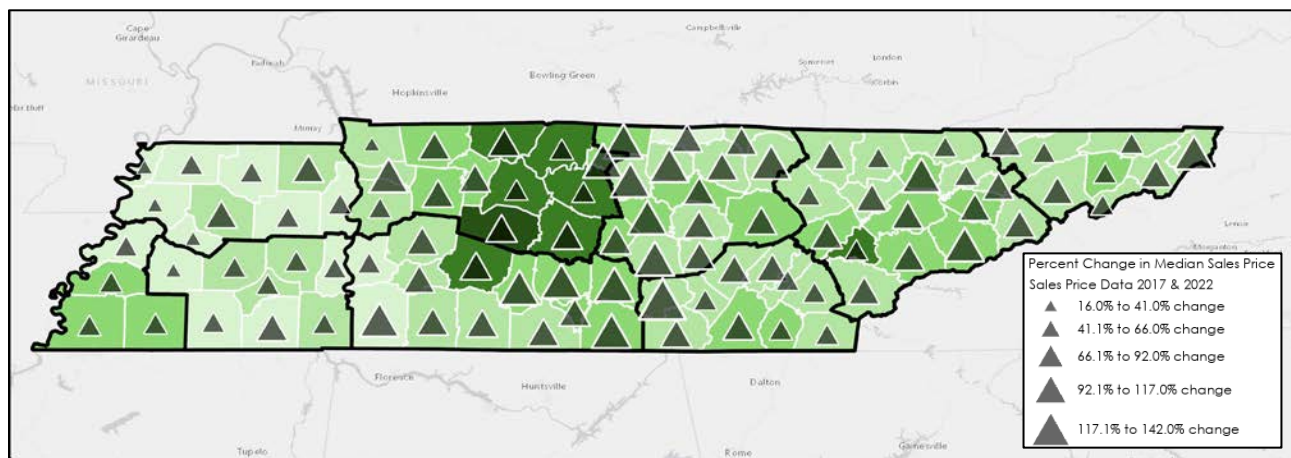
The following map shows the median sale price of homes in Tennessee at the county level in 2022, illustrating how median sale prices vary regionally.



Section MA-15, Figure 11 – Map of Median Sales Price by County in 2022

State of Tennessee Division of Property Assessment (Comptroller's Office) Sales Price Data 2022

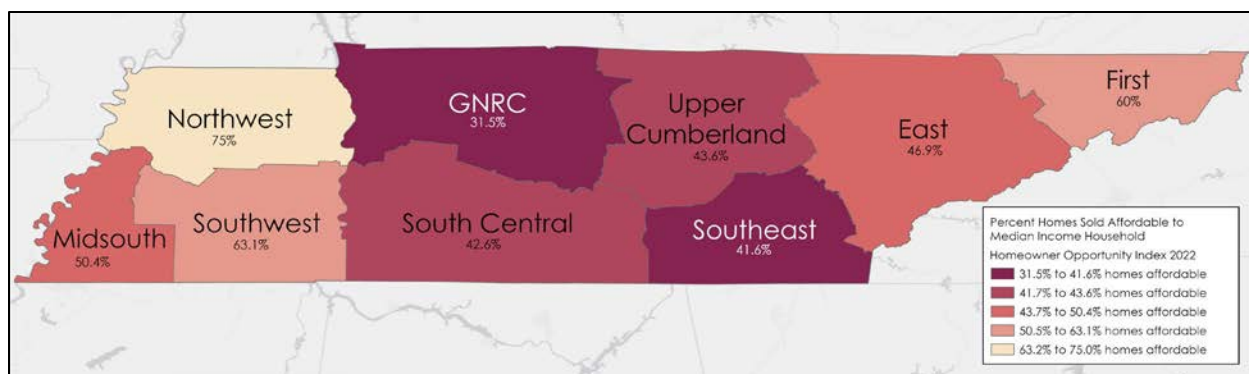
While there were still significant differences in median sale prices across the state, all regions saw significant increases in prices from 2017 to 2022. The following map shows the percent increases in median sale prices by county.



Section MA-15, Figure 12 – Map of Percent Changes in Median Sales Price by County in 2022
State of Tennessee Division of Property Assessment (Comptroller's Office) Sales Price Data 2022

Tennessee's Homeowner Opportunity Index tracks the percentage of homes sold in a calendar year that would have been affordable to a household with the AMI. As a result of the increase in home sale price, fewer households with the median income would have been able to afford purchasing a home in 2022. The HOI declined sharply from 2017 to 2022. In 2017, 71% of homes sold would have been affordable to a household with the AMI, but only 43% of homes would have been in 2022, a 28 percentage-point decline.

The following map shows the Homeowner Opportunity Index by development district region in 2022.



Section MA-15, Figure 13 – Map of Homeownership Opportunity Index by Development District in 2022
State of Tennessee Division of Property Assessment (Comptroller's Office) Sales Price Data 2022

During focus groups, participants across all regions reported that not enough starter homes were being built, which was preventing more people from moving from renting to homeownership, a phenomenon often described as the “missing middle.” One participant from the First development district put it this way: “I have friends who cannot start a family because they cannot move into an appropriate home. Many people who would like to buy are stuck renting. And it’s not just the factory workers struggling to afford housing. It’s police, sanitation, fire, and teachers too. People are not able to find something affordable to move into.”

Homeowner Cost Burden

Homeownership has two features that have prevented many homeowners from experiencing cost burden. First, homeowners typically have higher incomes than renters, and this provides more cushion in their household budgets. Second, most homeowners’ incomes are well-matched to the price of their home at purchase, since banks usually had to review their financial situations and approve them for a mortgage. While increases in the prices of homes can make it much more difficult for households with lesser incomes to purchase one, most homeowners that purchase a home they can initially afford with a fixed-rate mortgage often benefit from their home increasing in value over time while the households’ housing costs remain relatively stable.

However, homeowners are still subject to widespread economic downturns, like the mortgage and financial crisis that began in 2007. In addition, households may have unique circumstances that change

their incomes, like job losses, divorces or break ups, accidents impacting their abilities to work and earn an income, and natural disasters. Thus, it is still important to monitor homeowners' cost burden.

The following table shows the number and percentage of households experiencing cost burden by income category.³⁵

Income Categories	Number of Owner Households	Number of Owner Households Cost Burdened	% of Owner Households Cost Burdened
<= 30% HAMFI	123,930	84,855	68.5%
>30% to <=50% HAMFI	154,855	69,075	44.6%
>50% to <=80% HAMFI	262,865	75,550	28.7%
>80% to <=100% HAMFI	182,840	28,605	15.6%
>100% HAMFI	1,058,785	39,190	3.7%
Total	1,783,275	297,275	16.7%

Section MA-15, Figure 14 – Table of Number and Percent of Cost Burdened Owner Households in 2017-2022
CHAS Five-Year Estimates for 2017-2021, Table 8

Is there sufficient housing for households at all income levels?

As discussed in earlier parts of this section, there is not sufficient affordable housing in Tennessee for all income levels. In particular, the state needs more rental units that are affordable to extremely low-income households. It also needs to find ways to increase the supply of affordable starter homes for sale to ensure more renters can make the transition into homeownership.

The Tennessee Housing Development Agency (THDA) administered a housing needs survey to the public in 2024. A total of 1,179 people completed the survey. While that is a small sample compared to general population, and although THDA did not try to achieve a representative sample, the people who did respond unsurprisingly stated that building more affordable rental housing and homes for sale were their top needs. In addition, this need was clearly elevated for the lower income respondents, but it was also a prevalent response from people of many different incomes. Here is a table showing some of the results:

Responses Options	All Public Respondents with Incomes from \$0 to \$50K		Black Public Respondents with Incomes from \$0 to \$50K		Public Respondents of Other Races with Incomes from \$0 to \$50K		White Low-Income Public Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
New affordable rental housing	79.07%	699	85.03%	375	76.56%	196	68.75%	99
New affordable homes for sale	79.82%	704	81.14%	357	80.39%	205	77.08%	111
Changes to make energy use more affordable or efficient for renters*	65.79%	577	76.83%	335	60.24%	153	46.53%	67

³⁵ CHAS five-year estimates for 2017-2021

Reponses Options	All Public Respondents with Incomes from \$0 to \$50K		Black Public Respondents with Incomes from \$0 to \$50K		Public Respondents of Other Races with Incomes from \$0 to \$50K		White Low-Income Public Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.57%	577	75.40%	331	61.42%	156	46.53%	67
Downpayment assistance for buying a home	69.90%	613	73.97%	324	72.33%	183	54.17%	78
TOTAL COMPLETE RESPONSES		886		443		256		144

Section MA-15, Figure 15 – Table of Building-Related Housing Needs by Income in 2024
State of Tennessee, Housing Needs Survey, 2024

How is affordability of housing likely to change considering changes to home values and/or rents?

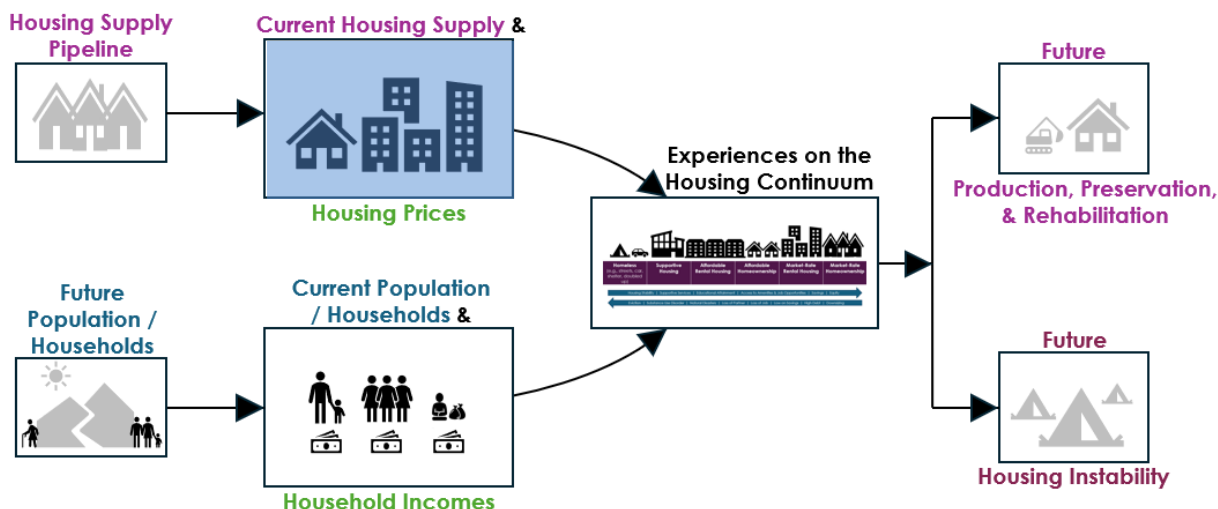
Housing has become less affordable across the state, at least partially driven by increases in rents and home prices. Cost burden has increased for many low-income families. Homeownership opportunity for middle-income families has also declined. Affordability likely will not change unless the state increases the supply of affordable rental units and homes for sale.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

HOME rents/FMR rents vary regionally. Sometimes they are higher than Area Median Rent and sometimes lower. THDA also considers the gap between the subsidized rental limit and the HOME rents/FMR to gauge the strength of incentives to produce or preserve affordable housing in an area.

MA-20 Condition of Housing – 91.310(a)

Introduction



Section MA-20, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-20 discusses the condition of the existing housing supply in Tennessee, including housing problems, like incomplete kitchen and plumbing facilities, age, vacancies, risks for lead-based paint, and rehabilitation needs.

Describe the jurisdiction's definition for "substandard condition" and "substandard condition but suitable for rehabilitation:"

The State of Tennessee does not have an official definition, but the working assumptions provided by staff of the HOME program are as follows:

- Standard Condition: a dwelling structure in which the condition of the home is very basic in nature and is a safe, structurally sound, and sanitary dwelling.
- Substandard Condition: any structure that does not meet the housing code due to deferred maintenance or deterioration in a manner to make the property unsafe or unhealthy/unsanitary to occupy.
- Substandard Condition but Suitable for Rehabilitation: a structure being in a substandard condition but able to have corrections made to bring the structure into compliance with the housing code in an affordable and justifiable means.

Condition of Units

The U.S. Department of Housing and Urban Development (HUD) primarily focuses on four housing problems, which include when a unit is...

- substandard by lacking complete kitchen facilities,
- substandard by lacking complete plumbing facilities,
- overcrowded with more than one person per room of the home, or
- cost burdened, being occupied by a household spending more than 30% of its income on housing costs.

The following table captures the number and percentage of households by tenure who experienced each type of housing problem.³⁶ Some households have more than one housing problem.

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Substandard (and none of the other housing problems)	8,200	0.5%	14,620	1.7%
Overcrowded (and none of the problems above)	17,805	1.0%	29,850	3.4%
Cost Burdened (and none of the problems above)	292,815	16.4%	341,780	38.8%
Housing cost burden not computed, none of the needs above	15,645	0.9%	23,160	2.6%
Has none of the 4 housing problems	1,448,805	81.2%	472,100	53.6%
TOTAL	1,783,275	100%	881,515	100%

Section MA-20, Figure 2 – Table of Housing Problems by Tenure 2017-2021
CHAS Five-year Estimates for 2017-2021

While not a prevalent housing problem, the most severe problem is living in substandard housing, which lacks a complete kitchen and/or plumbing. Only 8,200 (or 0.5%) of owner-occupied households lived in substandard housing, and 14,620 (or 1.7%) of renter households did.

The most prevalent housing problem in Tennessee is cost burden, regardless of household tenure. However, a greater share of renters is cost burdened. See Section NA-10 for a detailed exploration of renter cost burden.

Substandard Housing by Development District Regions

Although substandard housing was relatively uncommon, it was not evenly distributed throughout the state. The following table shows the number of substandard housing units by development district region and tenure, as well as the percentage of all regional housing units that were substandard.

³⁶ CHAS five-year estimates for 2017-2021

Development District Region	Owner-occupied substandard housing units		Renter-occupied substandard housing units	
	Number	Percent of all units	Number	Percent of all units
Southeast	810	0.5%	1,725	2.0%
South Central	1,024	0.8%	933	2.0%
Northwest	449	0.7%	585	1.9%
East	1,705	0.5%	2,645	1.8%
First	630	0.4%	1,029	1.7%
Midsouth	980	0.4%	2,720	1.6%
Southwest	245	0.4%	479	1.6%
GNRC	1,654	0.3%	3,955	1.5%
Upper Cumberland	700	0.7%	563	1.4%

Section MA-20, Figure 3 – Table of Substandard Housing by Tenure and Development District 2017-2021
CHAS Five-year Estimates for 2017-2021

The Southeast, South Central, Northwest, and East development districts had higher than average rates of substandard renter-occupied housing, while the South Central, Upper Cumberland, and Northwest development districts had higher than average rates of substandard owner-occupied housing. In general, the more rural development districts had higher rates of substandard housing.

Tennessee also has some counties with higher rates of substandard housing. The counties with the top five rates of substandard housing by tenure are bolded. These counties are mostly rural.

County	Development District	Owner-occupied substandard housing units		Renter-occupied substandard housing units	
		Number	Percent of all units	Number	Percent of all units
Bledsoe	Southeast	95	2.4%	70	7.4%
Lake County	Northwest	4	0.4%	55	5.7%
Van Buren	Upper Cumberland	50	2.7%	30	5.5%
Polk	Southeast	120	2.3%	85	5.2%
Lawrence	South Central	260	2.1%	160	3.8%
Grundy	Southeast	75	1.9%	0	0%
Coffee	South Central	140	0.9%	345	4.7%

Section MA-20, Figure 4 – Table of Substandard Housing by Tenure and County 2017-2021
CHAS Five-year Estimates for 2017-2021

These counties would be appropriate focus areas for rehabilitation activities and funding in Tennessee. (The State of Tennessee's HOME program currently incorporates this measure of substandard owner-occupied housing units into its county-level needs scores for homeowner rehabilitation activities.)

Substandard Housing by Income Category (as a percentage of AMI)

Living in substandard housing is more common for households with lower incomes. To enable comparison across geography, a useful way to categorize incomes across the state is to compare individual households' incomes to a regional AMI. HUD has defined the following income categories:

- Extremely low-income households have incomes at or below 30% of the AMI.
- Very low-income households have incomes above 30% to at or below 50% of the AMI.
- Low-income households have incomes above 50% to at or below 80% of the AMI.
- Lower middle-income households have incomes above 80% to at or below 100% of the AMI.
- Upper middle and upper-income households have incomes above the AMI.

The following table shows the number of households from each income category that lived in substandard housing by tenure in the Five-year period of 2017-2021. It also shows the share of substandard housing that was occupied by households from each income category.

Households by Income Category	Owner-occupied substandard housing units		Renter-occupied substandard housing units	
	Number	Share	Number	Share
Extremely low-income households	1,580	19.3%	4,735	32.4%
Very low-income households	1,040	12.7%	2,445	16.7%
Low-income households	1,930	23.5%	3,455	23.6%
Lower middle-income households	900	11.0%	1,405	9.6%
Upper middle and upper-income households	2750	33.5%	2,580	17.6%
TOTAL households of all incomes	8,200	100%	14,620	100%

Section MA-20, Figure 5 – Table of Substandard Housing by Tenure and Household Income Category 2017-2021
CHAS Five-year Estimates for 2017-2021

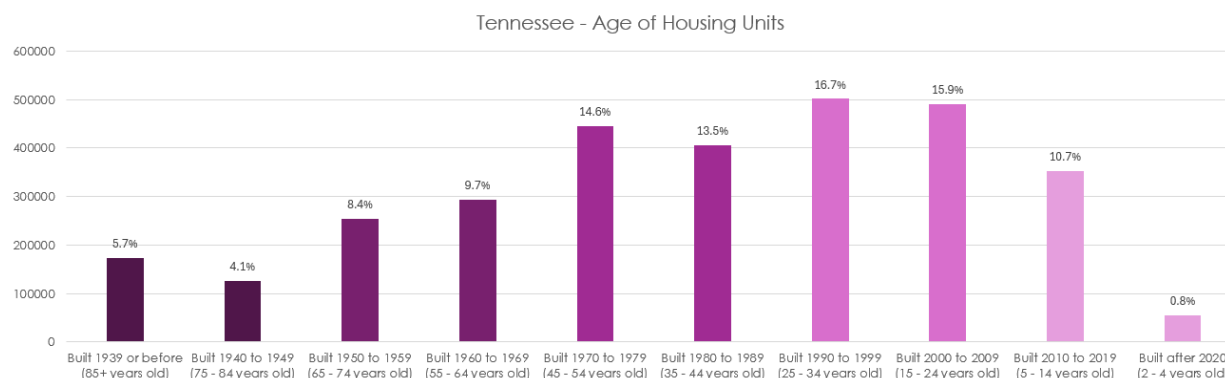
Most substandard units were occupied by low-income households with incomes of 80% or less of AMI; low-income households occupied 55.5% of owner-occupied substandard housing units and 72.7% of renter-occupied substandard housing units.

Year Unit Built

Aging housing requires maintenance to remain habitable.

Fortunately, compared to the United States as a whole, older housing units in Tennessee are a relatively smaller percentage of total housing units. Only 5.7% of housing units were built before 1940 in Tennessee, while nationally, 12% of housing units were built before 1940.³⁷ In addition, 42.4% of units in Tennessee were built before 1980, while nationally, 51.3% were built in this period. Homes built before 1980 are much more likely to contain hazardous materials, like lead-based paints.

³⁷ ACS five-year estimates for 2018-2022



Section MA-20, Figure 6 – Graph of Age of Housing in Tennessee 2018-2022
ACS Five-year Estimates for 2018-2022

However, Tennessee’s decade-long slowdown in building following the mortgage and financial crisis, which began in 2007, means that the median age of Tennessee’s housing units has been increasing. For example, the median age of Tennessee’s housing was 35 years in 2010. It was 42 years in 2020.

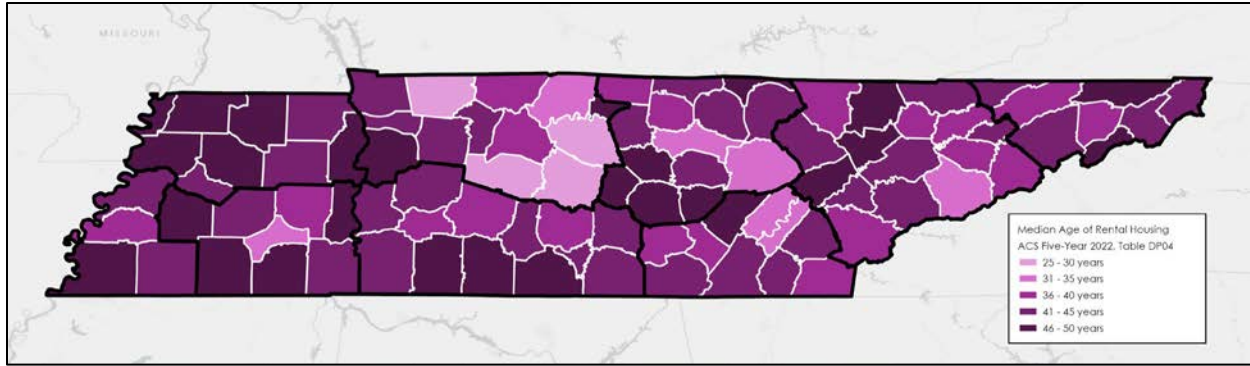
Renter-occupied housing units in Tennessee tended to be older than owner-occupied housing units. The following table shows the age of occupied housing units in Tennessee by tenure.³⁸

Year Unit Built	Owner Occupied		Renter Occupied	
	Number	Percent	Number	Percent
2020 or later	15,825	0.9%	5,542	0.6%
2010 to 2019	191,379	10.5%	103,528	11.6%
2000 to 2009	330,509	18.2%	110,210	12.3%
1980 to 1999	563,346	31.0%	265,735	29.7%
1960 to 1979	418,112	23.0%	237,916	26.6%
1940 to 1959	208,580	11.5%	119,885	13.4%
1939 or earlier	91,974	5.1%	51,094	5.7%
Total	1,819,725	100.0%	893,910	100.0%

Section MA-20, Figure 7 – Table of Age of Housing by Tenure 2018-2022
ACS Five-year Estimates for 2018-2022

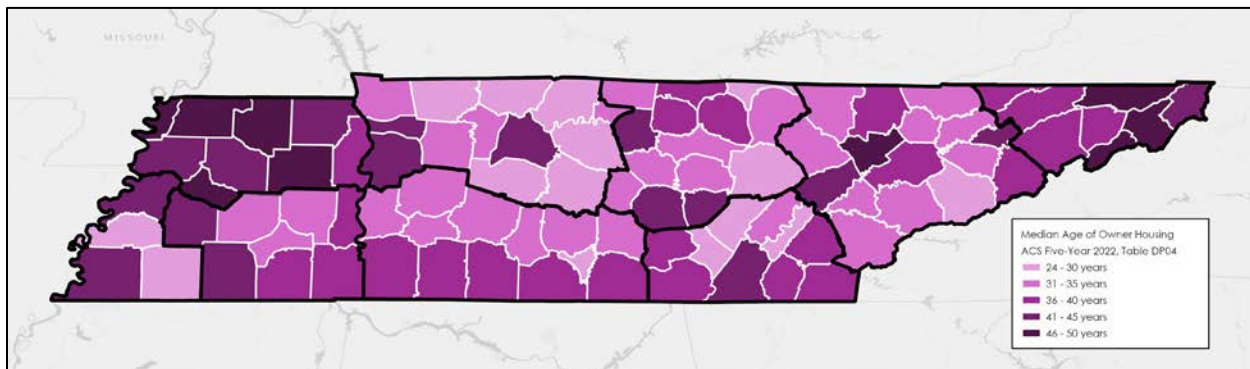
The age of housing is not evenly distributed geographically in Tennessee. The following map shows the median age of rental housing at the county level. Rental housing in West Tennessee tended to have an older median age than middle or east Tennessee. This could be because West Tennessee has had slower population growth, limiting the development of newer rental units.

³⁸ ACS five-year estimates for 2018-2022



Section MA-20, Figure 8 – Map of Age of Rental Housing 2018-2022
ACS Five-year Estimates for 2018-2022, Table DP04

The following map shows the median age of homeowner housing at the county level for each of Tennessee’s nine development districts. Middle Tennessee saw the fastest population growth in recent years, which led to faster rates of new development. As a result, this region had the lowest median age of owner housing.



Section MA-20, Figure 9 – Map of Age of Owner Housing 2018-2022
ACS Five-year Estimates for 2018-2022, Table DP04

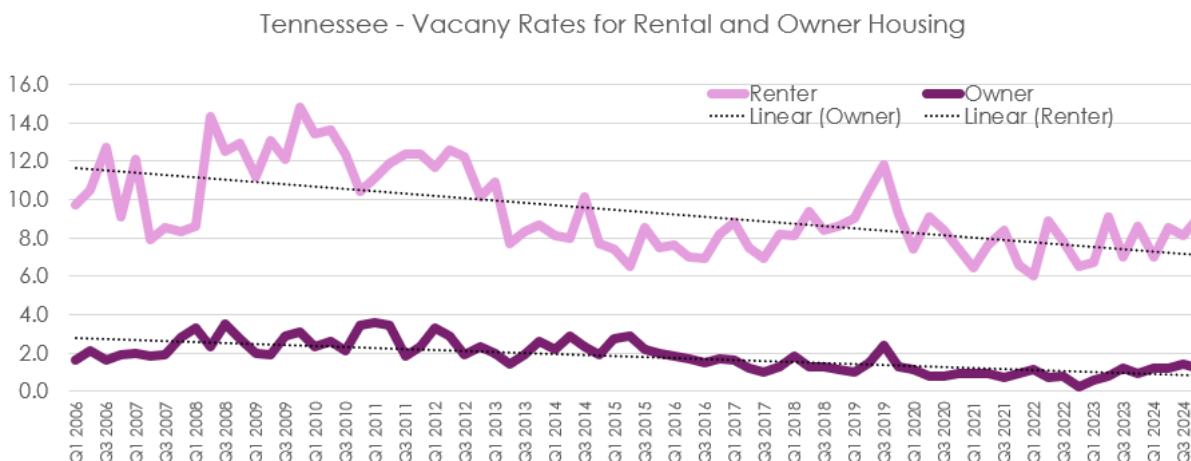
For both renter and owner housing, counties that contain more populous cities—like Davidson, Shelby, Knox, and Hamilton counties—tended to have an older median age of homeowner housing than surrounding counties. The surrounding counties tended to have lower median ages of homeowner housing, likely reflecting new development related to “suburban sprawl.”

Vacant Units

In the fourth quarter of 2024, Tennessee’s statewide, not seasonally adjusted, vacancy rates were 9% for rental housing and 1.2% for homeowner housing, according to the U.S. Census Bureau. Tennessee’s rental vacancy rate was higher than the national rate of 6.9%, while its owner vacancy rate was only slightly higher than the national rate of 1.1%. In Tennessee, both rental and homeowner vacancy rates were higher than they were at the same time the previous year, which was true for national rates as well.

However, Tennessee’s vacancy rates remained low compared to historical standards.

The following graph shows Tennessee’s quarterly rates for rental and homeowner housing since 2006, as well as a linear trendline showing the overall decline.



Section MA-20, Figure 10 – Graph of Vacancy Rates for Rental and Homeowner Housing 2006-2024
U.S Census Bureau, Housing Vacancies and Homeownership Quarterly Reports

Vacancy rates tend to be higher for both renter and homeowner housing during times of economic recession as some households “double up” to save money. Vacancy rates differ regionally. They tend to be higher if an area has many homes falling into substandard condition due to deferred maintenance or the impacts of natural disaster(s). They tend to be lower if a region is experiencing robust population growth. For example, the vacancy rates in Memphis for both renter and homeowner housing tend to be higher than in Nashville. Memphis has had much slower population growth than Nashville for many years.

Need for Owner and Rental Rehabilitation

Although single-family housing is newer on average than multifamily housing, it is still aging and requires maintenance and/or rehabilitation to keep it safe, decent, and desirable. Focus group participants from all development districts noted some homeowners in their regions have deferred needed maintenance to their homes because of the cost. They discussed how this disrepair compounds over time, degrading the quality and value of the homes. They also said recent inflation in the costs of labor and materials has put maintenance further out of reach for some homeowners. A participant from the Midsouth development district noted that some low-to-middle-income homeowners especially have struggled to maintain their homes. The homes of low-to-middle-income households are often older, potentially offering a lower purchase price but higher maintenance burdens. The participant said, “These homeowners/buyers can afford the mortgages, but they can’t afford the repairs needed to maintain the homes’ quality and value.”

Participants in the Midsouth and Southwest development districts shared that some senior and/or disabled homeowners especially struggle to maintain their homes. Some are not physically able to maintain their homes, and some struggle to afford maintenance and repairs when living on fixed or limited incomes. As a result, the resale values of their homes are often degraded, and some homes become unfit for habitation. A participant said a local hotline sometimes received more than one hundred calls per day from local people seeking assistance with home maintenance, repairs, weatherization, and/or accessibility concerns. The participant said the hotline staff often struggled to return and address the concerns of more than two or three people each day, given the lack of resources for assistance and complexity of problem solving.

Finally, participants from more rural development districts, like the Northwest, Upper Cumberland, Southeast, and South Central, reported some rural homeowners especially struggled to maintain their homes, as maintenance often required significant upkeep of land, in addition to the home. Some participants felt that “assistance is harder for rural homeowners to obtain [compared to those in suburban or urban areas].” Participants in rural development districts also said owners of mobile homes especially struggled to maintain their homes, since these owners were usually not able to take out home equity loans to make repairs, unlike owners of traditional single-family homes.

Focus group participants also expressed concerns about the need for maintenance and rehabilitation of multifamily properties. Participants in the East, Northwest, and Southwest regions said they have seen some renters living in unsafe and indecent conditions, but these renters reported being fearful of asking for repairs because their leases might not be renewed, they might be evicted in retaliation, and/or their rents might be raised. Participants worried some landlords may take advantage of the lowest-income renters and forego maintenance and repairs. For example, a participant in the Northwest development district explained that some landlords of mobile home communities in the area forego maintenance and repairs because they know their rentals are the least expensive option available and many families cannot afford to move. Another participant in the East development district noted many rental units in their region are not cleaned before a landlord issues a lease to a new tenant; the same participant also reported seeing black mold and code violations at several properties.

Multifamily developers and property owners expressed concerns about maintenance as well. In the GNRC and Midsouth development district, multifamily property owners noted inflation in costs for maintenance labor and materials has made maintaining their properties more expensive. For example, a participant noted difficulty finding and retaining skilled maintenance workers for a senior community in the Memphis area. In addition, some landlords reported the costs of utilities have sometimes changed in unpredictable ways, which has made it difficult for them to set appropriate rents at properties where utilities are included.

Participants from local organizations and governments reported struggling to keep up with maintenance concerns. For example, participants in the East and Southwest development districts noted some of their local governments do not have sufficient resources for identification and enforcement of code

violations, and many lack skilled property inspectors. Lack of enforcement leads to more properties with deferred maintenance, which compounds and reduces properties' values and usable lifespan.

Concerns about the costs of maintenance and the degradation of homes' quality were seen in the results of the Tennessee Housing Development Agency's (THDA's) housing needs survey. A total of 1,179 people completed the survey in the summer of 2024. The survey respondents are a small sample of Tennessee's population, and THDA did not try to achieve a representative sample. Therefore, while these results cannot be generalized as being true for all Tennesseans, it is concerning that more than half of the survey respondents rated rehabilitation-related activities as "high need" in their communities.

Lower-income respondents expressed a greater need, as more than three in four noted wishes to make energy use more affordable or efficient in their homes.

Reponses Options	All Public Respondents		All Public Respondents with Incomes from \$0 to \$50K		All Public Respondents with Incomes from \$50K to \$100K		All Public Respondents with Incomes Greater than \$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Housing renovation assistance for low to middle-income homeowners	66.52%	586	73.8%	324	64.7%	165	52.8%	76
Changes to make energy use more affordable or efficient for renters (examples: lower utility bills, use greener energy)	65.8%	577	76.8%	335	60.2%	153	46.5%	67
Changes to make energy use more affordable or efficient for low to middle-income homeowners (examples: lower utility bills, use greener energy)	65.6%	577	75.4%	331	61.4%	156	46.5%	67
Renovation of affordable rental housing	63.6%	561	73.1%	321	57.4%	147	48.6%	70
Renovation of empty, rundown homes	58.6%	515	66.1%	291	53.9%	137	47.2%	67
TOTAL COMPLETE RESPONSES		886		443		256		144

Section MA-20, Figure 11 – Table of Public Respondent-Reported Needs for Rehabilitation-Related Activities
State of Tennessee Housing Needs Survey 2004

In addition, the following table shows the number and percent of respondents by income category who reported experiencing repair and maintenance problems. For example, more than one in four respondents reported being unable to make needed repairs or improvements to their homes.

Responses Options	All Public Respondents		All Public Respondents with Incomes from \$0 to \$50K		All Public Respondents with Incomes from \$50K to \$100K		White Public Respondents with Incomes Greater than \$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Found it difficult to pay my utility bills.	53.1%	308	56.2%	68	60.9%	28	51.6%	207
Had plumbing, electrical, or home appliance problems.	35.2%	204	24.0%	29	28.3%	13	38.9%	156
Seen homes in poor condition in my neighborhood.	30.7%	178	29.8%	36	37.0%	17	30.4%	122
Been unable to make needed repairs or improvements to my home.	28.8%	167	22.3%	27	19.6%	9	31.7%	127
Had a landlord/owner who was unwilling to make repairs to my home.	21.8%	126	20.7%	25	30.4%	14	21.5%	86
Had too many people living in my home.	8.5%	49	10.7%	13	4.4%	2	8.5%	34
TOTAL COMPLETE RESPONSES		580		121		46		401

Section MA-20, Figure 12 – Table of Public Respondent-Reported Experiences of Housing Problems
State of Tennessee Housing Needs Survey 2004

Estimated Number of Housing Units Occupied by Low-or-Moderate-Income Families with Lead-Based Paint (LBP) Hazards

In 2011, the American Healthy Homes Survey measured levels of lead, lead hazards, allergens, arsenic, pesticides, and mold in homes nationwide. Results indicated approximately 35% percent of total housing units in the United States had lead-based paint (LBP) somewhere in the building.

Exposure to lead can cause brain damage and impact brain development in children. It can also cause kidney and nervous system damage. Symptoms of lead poisoning include seizures, personality changes, headaches, weakness, and a metallic taste. At high levels of exposure, lead poisoning can cause death.

Units built before 1980 are more likely to contain lead-based paint, and rehabilitation of older units often must include lead abatement. The following table captures the number and percent of housing units by tenure that may have LBP.

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	Share	Number	Share
Number of housing units	1,783,275		881,515	
Number of units built before 1980	720,560	40.4%	409,865	46.5%

Section MA-20, Figure 12 – Table of Number of Housing Units Build Before 1980
CHAS Five-year Estimates for 2017-2021, Table 13

Many of Tennessee's low- and moderate-income families are more likely to live in housing with lead-based paint, since affordable rental and ownership units are often older and are less likely to have

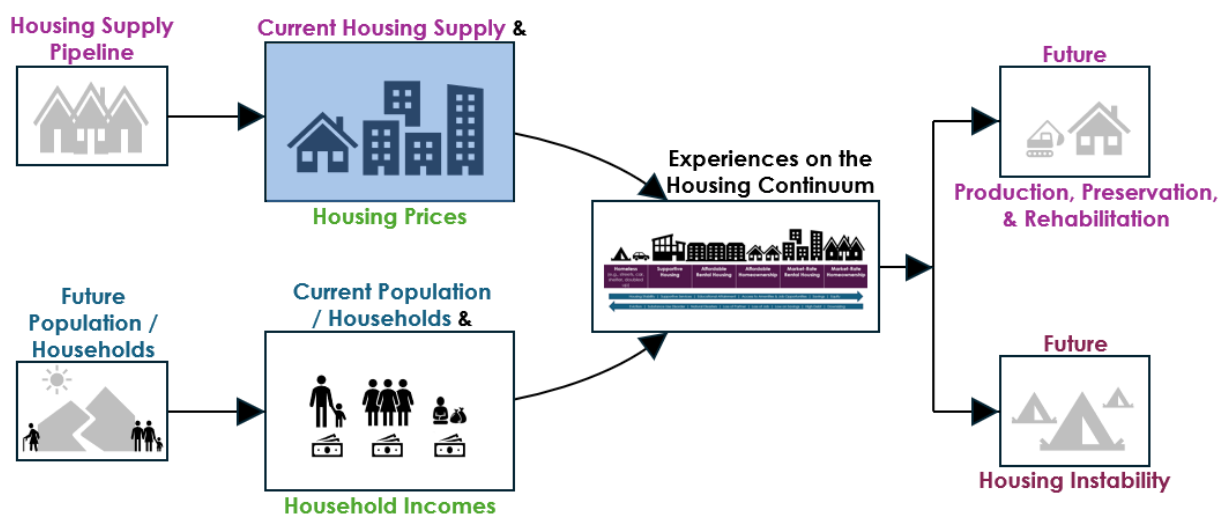
undergone substantial rehabilitation to remediate lead-based paint. In addition, children are especially vulnerable to lead poisoning, so the table also includes the estimated number of at-risk homes where young children live. The following table captures the number and share of housing units built before 1980 that are occupied by low-income households or include a young child.

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	Share	Number	Share
Number of units built before 1980	720,560		409,865	
Number of units built before 1980 where low-to-moderate income households live	272,210	37.8%	267,205	65.2%
Number of units built before 1980 where young children (ages 6 and younger) live	22,045	3.1%	51,910	12.7%

Section MA-20, Figure 13 – Table of Number of Housing Units by Tenure Built Before 1980, Share of Those Occupied by Low-Income Households, and Share of Those Occupied by Households with Young Children
CHAS Five-year Estimates for 2017-2021, Table 13

MA-25 Public and Assisted Housing

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:



Section MA-25, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-25 describes strategies public housing authorities (PHAs) are using to improve the living environment of public housing in Tennessee for low- and moderate-income residents.

Tennessee has stronger household demand for public housing than units available, as evidenced by long waitlists. (See Section NA-30 for more details.) While many PHAs in Tennessee would like to add more units to their affordable housing inventories through mixed finance opportunities, many are simultaneously struggling to afford the maintenance of existing units due to longstanding federal funding gaps.

The U.S. Department of Housing and Urban Development's (HUD's) funding for PHAs comes from two sources: the federal Operating Fund, which covers day-to-day maintenance and operations, and the federal Capital Fund, which provides resources to repair and improve public housing sites and buildings.

The Capital Fund's appropriations have long lagged PHAs' accruing needs for repair and modernization. The National Association of Housing and Redevelopment Officials (NAHRO) estimated the Capital Fund would need to be funded at \$3.4 billion per year to keep up with yearly costs. Although Congress increased funding levels for the Capital Fund in 2018 and again in 2022, the appropriations have always lagged the \$3.4 billion target. As a result, NAHRO estimated the Capital Fund backlog was approximately

\$90 billion for the nation's PHAs in 2023. As a result, public housing inventory has been decreasing due to demolitions and dispositions.

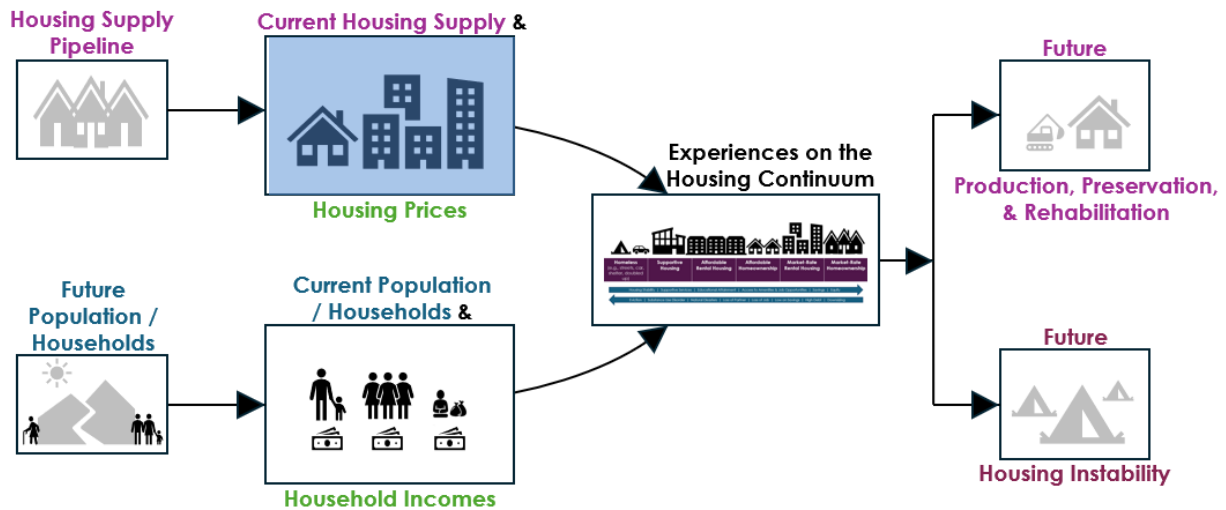
To help address the funding shortage, HUD put forth the Rental Assistance Demonstration (RAD) program, which allows PHAs to convert public housing units to long-term, project-based Section 8 contracts, which are considered a more stable source of funding. RAD also allows PHAs to improve properties by leveraging public and private debt to preserve and improve affordable housing units that could be subject to demolition without action. PHAs can apply for the RAD program through September 30, 2029.

RAD's original authorizing statute limited the total number of First Component Public Housing and Mod Rehab conversions to 60,000 units, leaving most Tennessee PHAs on a waiting list. Congress lifted the First Component RAD cap to 185,000 units in 2013, again to 225,000 in 2017, and finally to 455,000 in 2019. Beginning in 2020, HUD began requesting Congress eliminate the cap, but Congress has declined this request each year so far.

Most Tennessee RAD applications include both conversion to a project-based subsidy and some type of revitalization (to include demolition and replacement). According to HUD's RAD Resource Desk, Tennessee PHAs had converted 101 projects covering 15,727 housing units under the RAD program as of June 2023. This preserved assisted housing on the Section 8 platform for approximately 37,890 households and secured approximately \$662 million in construction investment (about \$42,094 per unit). Under RAD, the physical condition of these properties will be improved, and the capital needs for 20 years will be accounted for, which ensures these homes remain affordable and maintain their quality and value. In addition, 43 more projects covering 5,585 units were in the Tennessee RAD pipeline as of June 2023.

MA-30 Homeless Facilities – 91.310(b)

Introduction



Section MA-30, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-30 gives information about the facilities, housing, and supportive services available in Tennessee to meet the needs of people experiencing homelessness, including subpopulations like those who are chronically homeless, veterans, or unaccompanied youth (both children and young adults ages 18-24).

The U.S. Department of Housing and Urban Development requires Continuums of Care (CoCs) to report in the Housing Inventory Count (HIC) the beds available for occupancy on the night of the Point-in-Time Count (PITC), which counts the number of people experiencing sheltered and unsheltered homelessness on a single night in January. The annual PITC enables HUD, states, and CoCs to evaluate changes from year to year in the number of people experiencing homelessness. The annual HIC captures the resources available to assist them.

Facilities Targeted to People Experiencing Homelessness

The following table shows the number of emergency and transitional beds, as well as permanent supportive housing resources available. The beds for chronically homeless households, veterans and

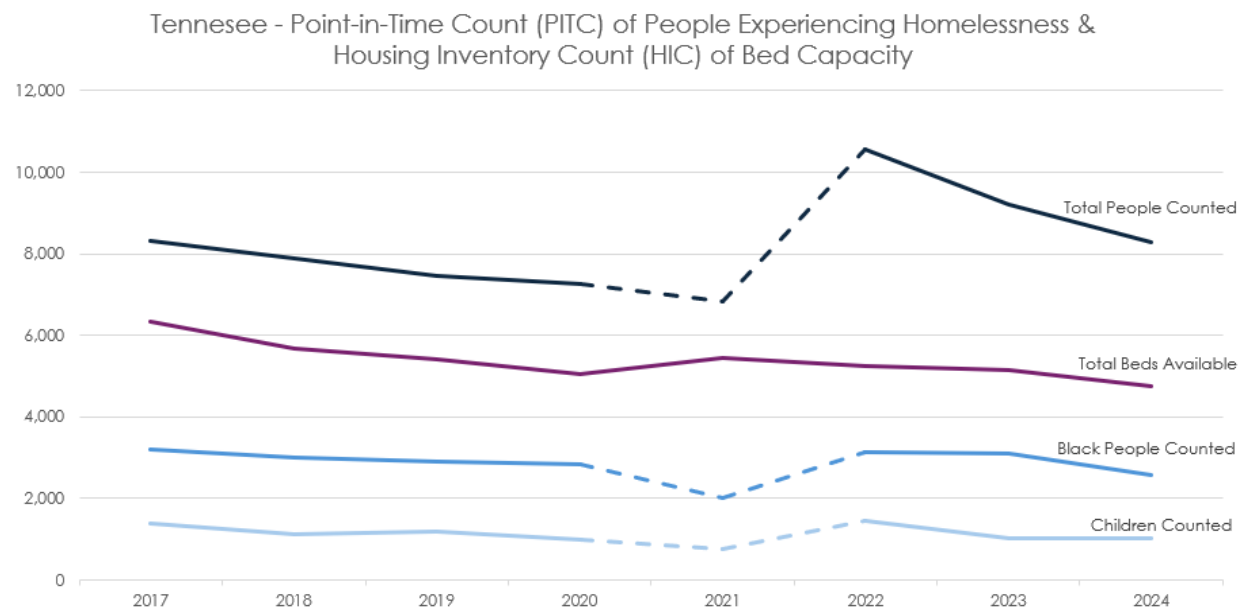
unaccompanied youth are subsets of the total beds available.

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	1,326	626	275	1,572	N/A
Households with Only Adults	2,208		921	2,754	N/A
Chronically Homeless Households	N/A	N/A	N/A	931	N/A
Veterans	0	N/A	308	1,961	N/A
Unaccompanied Youth	19	N/A	32	0	N/A

Section MA-30, Figure 2 – Table Showing the Number of Beds Available for Individuals and Families Experiencing Homelessness in 2024
HUD HIC 2024

Gaps Between Beds Available and Number of People Experiencing Homelessness

The following graph shows the number of people counted who were experiencing homelessness during the PITCs from 2017 to 2024, as well as the year-round beds available during that same period. The number of people counted has exceeded the total beds available in every year depicted.



Section MA-30, Figure 2 – Graph of Tennessee’s HIC Bed Capacity and PITC of People Experiencing Homelessness in Tennessee 2017-2024
HUD PITC & HIC 2017-2024

The table below shows the number of people identified who were experiencing homelessness during the Point-in-Time Count (PITC) in each of Tennessee’s Continuum of Care (CoC) regions alongside the number of year-round beds available, as reported in each CoC’s Housing Inventory Count (HIC). The table also captures the percent of the year-round bed utilized by people identified in the PITC, and a ratio of the total people experiencing homelessness to the total year-round beds. In 2024, the total number of people counted exceeded the number of beds available in almost every CoC.

Continuum of Care (CoC) Region & Point-in-Time Count (PITC) Date in 2024	Total Year- Round Beds (HIC)	Total Sheltered People Experiencing Homeless- ness (PITC)	Bed Capacity Utilized	Total Unsheltered People Experiencing Homelessness (PITC)	Total People Experiencing Homelessness (PITC)	Ratio of Total People to Total Year- Round Beds
TN-500 Chattanooga/Southeast TN CoC January 23, 2024	283	203	71.7%	584	787	2.8
TN-501 Memphis/Shelby County CoC January 24, 2024	868	626	72.1%	158	784	0.9
TN-502 Knoxville/Knox County CoC January 24, 2024	623	548	88.0%	312	860	1.4
TN-503 Central TN CoC January 30, 2024	244	148	60.7%	90	238	1.0
TN-504 Nashville/Davidson County CoC January 25, 2024	1,540	1,163	75.5%	653	1,816	1.2
TN-506 Upper Cumberland CoC January 23, 2024	307	219	71.3%	240	459	1.5
TN-507 Jackson/West TN CoC January 23, 2024	32	44	137.5%	661	705	22.0
TN-509 Appalachian Regional CoC January 23, 2024	407	228	56.0%	343	571	1.4
TN-510 Murfreesboro/Rutherford County CoC January 23, 2024	182	50	27.5%	251	301	1.7
TN-512 Morristown/Blount, Sevier, Campbell, Cocke Counties CoC January 31, 2024	270	96	35.6%	422	518	1.9

Section MA-30, Figure 3 – Table of Beds, People Experiencing Homelessness Counted, Bed Utilization, and People-to-bed HUD PITC & HIC 2017-2024

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Various entities in Tennessee offer mainstream services to qualifying individuals and households regardless of whether they are experiencing homelessness or not. These mainstream services include Medicaid, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Supplemental Nutrition Assistance Program (SNAP), the Women, Infants, Children (WIC) program, Federal-State

unemployment benefits, public housing, the Housing Choice Vouchers (HCV, also known as Section 8), Temporary Assistance for Needy Families (TANF), and job center services. People experiencing homelessness must qualify for mainstream services like the general population based on specific criteria, such as household income, individual disability status, and household composition. Homelessness service providers refer their clients to mainstream services based on their eligibility and needs. Mainstream services complement the Continuum of Care resources dedicated to preventing homelessness and addressing the needs of individuals and households experiencing it.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth.

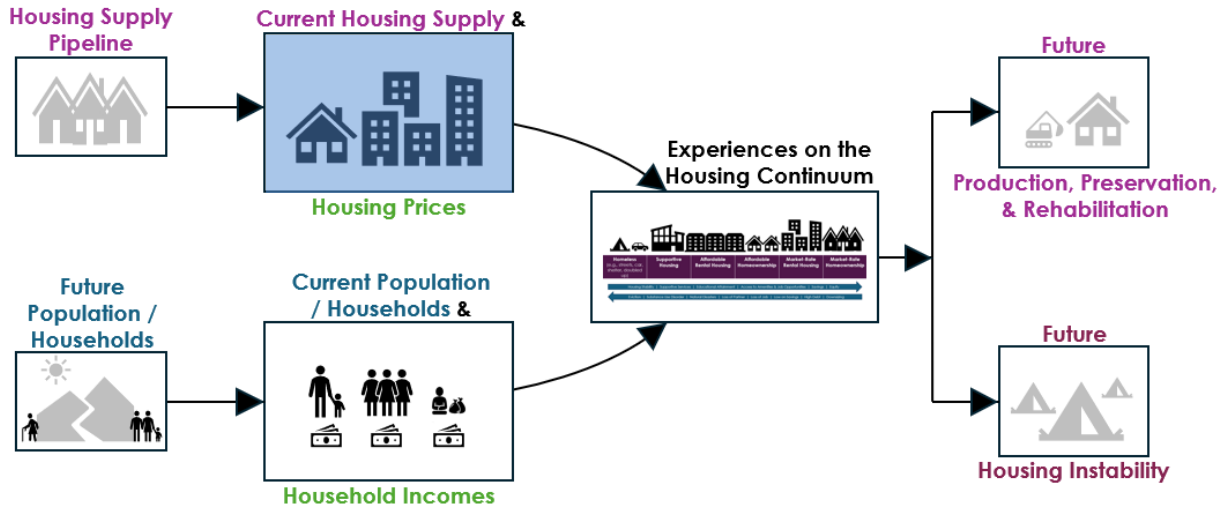
The services and facilities across the state of Tennessee are too numerous to list and describe here. However, a list is available in the appendix along with a designation of the organization type.

If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Additional services and facilities are listed in SP-40 and MA-35 and a broad range of clients, including individuals and households experiencing homelessness or who are at risk of it. Emergency Solutions Grant (ESG) grantees offer a wide range of services across the state to meet the needs of these populations. In addition, PHAs and CoCs often work together to place households experiencing homelessness or those at risk of homelessness into public housing units while also providing other supportive services.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction



Section MA-35, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-35 describes some of Tennessee's facilities and services for people who are not experiencing homelessness but require assistance.

HOPWA Assistance Baseline Table

One program funded with federal funds through the Consolidated Plan is the Housing Opportunities for Persons with HIV/AIDS (HOPWA) program, which assists individuals living with HIV/AIDS and their families with housing and supportive services.

The following table outlines the number of HOPWA units designated for various purposes, as reported in the FY 23-24 Consolidated Annual Performance Evaluation Report (CAPER). For FY 23-24, the HOPWA

program had seven service regions, which were administered by six Project Sponsors, including:

- East Tennessee (Positively Living)
- North East Tennessee (Frontier Health – HOPE for TN)
- Upper Cumberland (Positively Living)
- Mid Cumberland (Nashville CARES)
- South Central Tennessee (Columbia CARES)
- West Tennessee (Children and Family Services)
- South East Tennessee (Chattanooga CARES)

The following table shows the types of assistance HOPWA provided alongside the number of units designated for HOPWA beneficiaries in FY 23-24. Tenant-based rental assistance (TBRA) and short-term rent, mortgage, and utility (STRMU) assistance are not measured by a specific number of units designated. Rather, the numbers are set by the number of qualifying individuals and families who request assistance and the funding available. The short-term housing facilities HOPWA utilizes are hotel vouchers.

Type of Assistance	Number of Units Designated/Available for People with HIV/AIDS and their families
Tenant-based Rental Assistance (TBRA)	East Tennessee & Upper Cumberland: 14 Northeast Tennessee: 0 Mid Cumberland: 4 South Central Tennessee: 4 West Tennessee: 21 Southeast Tennessee: 8 TOTAL: 51
Permanent housing (PH) in facilities	East Tennessee & Upper Cumberland: 0 Northeast Tennessee: 0 Mid Cumberland: 0 South Central Tennessee: 0 West Tennessee: 0 Southeast Tennessee: 0 TOTAL: 0
Short-term rent, mortgage, and utility (STRMU) assistance	East Tennessee & Upper Cumberland: 127 Northeast Tennessee: 23 Mid Cumberland: 11 South Central Tennessee: 21 West Tennessee: 13 Southeast Tennessee: 85 TOTAL: 280
Short-term (ST) or transitional housing (TH) facilities *These are hotel vouchers.	East Tennessee & Upper Cumberland: 31 Northeast Tennessee: 4 Mid Cumberland: 0 South Central Tennessee: 0 West Tennessee: 1 Southeast Tennessee: 40 TOTAL: 76
Permanent housing placement (PHP)	East Tennessee & Upper Cumberland: 39 Northeast Tennessee: 5 Mid Cumberland: 3

	South Central Tennessee: 2 West Tennessee: 2 Southeast Tennessee: 38 TOTAL: 89
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Section MA-35, Figure 2 – Types of HOPWA Assistance and Units Designated in FY 23-24
Tennessee Department of Health, FY 23-24 HOPWA CAPER

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The State of Tennessee partners with HOPWA service providers, as noted above, and Emergency Solutions Grant (ESG) grantees to utilize federal funds for eligible activities. Support services can include permanent supportive housing (PSH) for qualifying individuals, including some people returning from mental and physical health institutions. The HOPWA program offers a wide range of supportive housing services to eligible individuals and families. The service providers for HOPWA and ESG also utilize many different funding sources, in addition to federal funding, to provide a wide range of services to people who are at risk of experiencing homelessness but may not be yet. These services may include, but are not limited to, case management, financial literacy and planning, job search and training, food and clothing assistance, education support, mental health counseling, transportation assistance, and legal assistance, all of which may assist the individuals and households with securing appropriate supportive housing.

Some regions in Tennessee have more robust PSH facilities and services than others. For example, the AIM Center located in the Chattanooga/Southeast Tennessee CoC has 65 permanent supportive housing placements for people with disabilities and serious mental illnesses (SMIs). The non-profit organization owns several homes that it utilizes for permanent supportive housing. During focus groups, participants from several regions in Tennessee expressed dismay that they had far fewer PSH facilities and services than needed. They described struggling to find accessible housing for people with disabilities and appropriate services and care for people with serious mental illnesses.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The organizations listed above that regionally administer the HOPWA program offer supportive housing for people with HIV/AIDS and their families when they are returning from physical and/or mental health institutions.

In addition, West Tennessee Legal Services and Upper Cumberland Human Resource Agency serve individuals returning from mental and physical health institutions, assisting them with finding housing with appropriate accessibility features and addressing fair housing violations.

The State of Tennessee also administers the Creating Homes Initiative (CHI) program through the Tennessee Department of Mental Health and Substance Abuse Services. CHI offers competitive grant awards to expand permanent recovery housing options for individuals recovering from opioid (and opioid derivative) use and dependence. As of February 2025, the program reported providing more than 36,000 new or improved housing opportunities.

Finally, the Community Development Block Grant – Recovery Housing Program (CDBG-RHP) uses federal funding secured through the Consolidated Plan to produce or rehabilitate housing for people recovering from substance use disorders (SUDs). As of February 2026, several projects are currently in progress.

The State continues to work with local agencies, hospitals, and other institutions to improve access to permanent supportive housing services for Tennesseans who need them.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

As mentioned above, the State will provide federal funds to the HOPWA program. See AP-45 for a description of HOPWA's annual goals and rationale for prioritized activities.

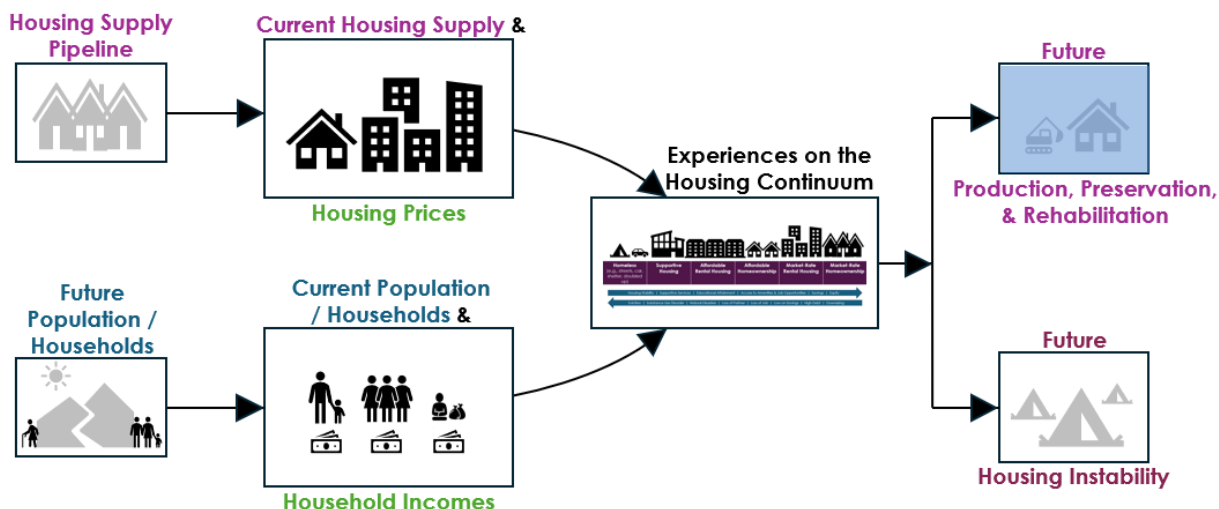
The State will also provide federal funds to the CDBG-RHP program, which will seek applications from eligible entities across the state to produce and/or rehabilitate housing for people recovering from substance use disorders.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

See above.

MA-40 Barriers to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment



Section MA-40, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-40 describes some of the barriers to affordable housing, including the negative effects of public policies on affordable housing and residential investment.

Section MA-10 details some of the macroeconomic factors influencing affordable housing and residential development in Tennessee. These factors include a statewide housing shortage, which is largely the result of a decade of underbuilding after the mortgage and financial crisis that began in 2007. In addition, higher interest rates are currently dampening Tennessee's housing market, including the building and sale of single-family homes and the building of multifamily developments. See Section MA-10 for a more detailed explanation.

Regional focus group participants also shared other barriers to affordable housing during the focus groups that the Tennessee Housing Development Agency (THDA) conducted in each of Tennessee's nine development districts in the summer of 2024. Feedback about public policies mainly came from developers, local community leaders, and government officials.

Housing developers reported that "home rules," which allow local jurisdictions to control local zoning and building codes, sometimes stymie the building of affordable housing. They said finding developable land, planning a viable project, and securing permission to build can be difficult, especially for multifamily developments. In urban areas, developing affordable rental housing is often challenging because prices for developable land are high. In rural areas, even though land prices are less expensive, parcels are less likely to be zoned for multifamily residential development. A participant in the East development district said not enough parcels were zoned for multifamily residential development, and a

participant in GNRC said some localities have moratoriums on new multifamily development altogether. In addition, local building codes can sometimes be an obstacle. For example, a participant noted in GNRC that some areas do not allow mixed-use properties (like building apartments above a commercial center), and other areas do not allow accessory dwelling units (building a second smaller residence on a lot that already has a single-family home). Mixed-use developments and ADUs can increase density and affordable homes in business districts and existing single-family neighborhoods.

In areas where housing developers make requests to rezone land or adjust building codes, public input processes can sometimes stymie building. Focus group participants from more rural development districts (Northwest, Upper Cumberland, and South Central) noted some current residents seem to have negative perceptions of apartments; as one put it, “Apartments are a four-letter word. Good luck rezoning for apartments.” A participant from the East development district explained a proposed multifamily development required obtaining permission to build a retaining wall, but this plan was unpopular with current residents and “public opinion killed the project before it even started.”

Single-family developers face obstacles with “home rules” as well. Although more land is often zoned for single-family housing development, affordable homes can be difficult to build due to policies like minimum lot size or square footage policies. Developers said they often struggled to accomplish “in-fill” single-family developments on empty or blighted lots because many of the current property owners do not have “clean titles.” In addition, some localities have strict building codes that limit cost-cutting innovations in single-family homes, like the use of non-traditional materials. Differences in localities’ building codes also can make it difficult for developers to operate efficiently across multiple localities. Like public pushback against multifamily developments local homeowners sometimes oppose denser, affordable single-family home developments, such as duplexes and triplexes. Even when these are allowed, they may be disincentivized in other ways. For example, a focus group participant from the Midsouth development district noted that some localities tax duplexes or triplexes at higher commercial rates, which disincentivizes building these types of units.

Impact fees can also disincentivize building affordable housing. For example, developers from the largely urban development districts (GNRC, Midsouth, Southeast, and East) said some localities charge prohibitively high impact fees to build new or utilize existing infrastructure, like water and sewer systems. When impact fees are high, developers must charge more for their housing units to make them profitable, which decreases affordability for occupants.

Local communities and governments also face challenges with city planning for affordable housing. Largely rural development districts (Northwest, Southwest, South Central, and Upper Cumberland) reported a lack of personnel with the availability and/or skills to engage in strategic or coordinated planning for housing. However, even when communities had strategic housing plans, some localities reported struggling to find the labor force, like contractors and construction workers, to build it. As the demand for building collapsed in the aftermath of the mortgage and financial crisis beginning in 2007, the labor pool for contractors and skilled construction workers shrank. Today, even though current demand for housing development is much higher, the labor pool is still relatively thin, especially in rural areas. Urban areas often manage to acquire this labor for a higher price. However, rural areas often struggle to find or compete for it.

Most places need more affordable housing but are struggling to build it, even though communities and governments know it is necessary for increased economic growth. For example, Ford has been planning to build a new electric vehicle factory in the Southwest development district, but the surrounding area currently does not have enough existing housing to accommodate the potential population growth. In addition, about twenty companies plan to relocate near Chattanooga in the Southeast development district, which will create an estimated ~2,800 new jobs, but housing for this additional workforce needs to be built. South central Tennessee also anticipates new housing will be needed for workforce growth in manufacturing. As one participant from the East development district put it, “Housing is a workforce issue. If we don’t have affordable housing, we are hurting the workforce.” Or, as a participant from the Northwest development district put it even more succinctly, “Homes are where jobs go to sleep.”

Local communities and governments also experience tensions between building housing and reserving land for other uses. For example, in rural areas like the Northwest development district, land is often zoned for agriculture because the industry is important and established in the region. However, with increasing recognition of a housing shortage, local leaders face pressure to rezone some land for residential development. As a result, some people in the agricultural industry are hoping to persuade the Tennessee Legislature to designate some parcels of land permanently for agriculture. They argue that once land is zoned and utilized for another purpose, like housing, it cannot be returned to an agricultural purpose.

Finally, the U.S. Congress passed the Fair Housing Act in 1968 to ensure members of specified protected classes had equal access to housing and protections from discrimination. The intent was to outlaw discriminatory housing policies and practices that had been weaponized against people in protected classes. Efforts to further fair housing and combat discrimination continue to present day. See the Fair Housing appendix for a detailed exploration of fair housing issues and the State’s proposed actions.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

See the Tennessee Housing Needs page on Tennessee Housing Development Agency's (THDA's) website for more information about regional housing needs, including regional analysis of housing problems in each of Tennessee's nine development district.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Racially and ethnically concentrated areas of poverty (R/ECAPs) are Census tracts where 40% or more of residents are living in poverty and 50% or more of residents are minority races. The U.S. Department of Housing and Urban Development (HUD) defines minority races as all races except White, since White is the nation's racial majority. See Section NA-30 for more information about Tennessee's R/ECAPs.

What are the characteristics of the market in these areas/neighborhoods?

R/ECAPs are mostly located in or near larger metropolitan areas in Tennessee and in entitlement jurisdictions. The land values and rents are somewhat less in these R/ECAPs versus other parts of the region and of Tennessee. These areas may lack commercial variety, and existing housing stock is often older and in need of rehabilitation and repair.

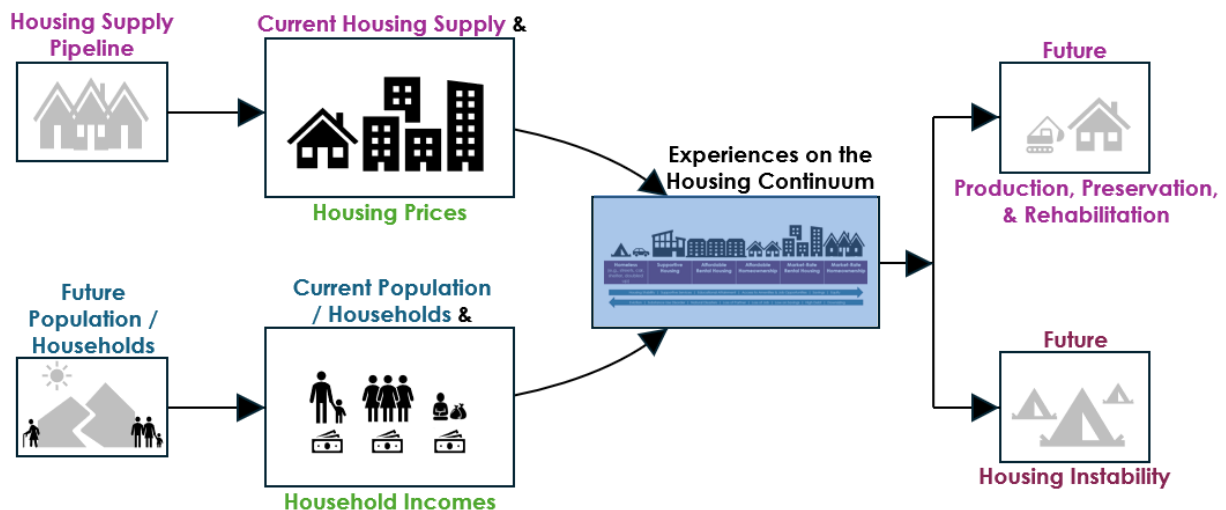
Are there any community assets in these areas/neighborhoods?

Many R/ECAPs are in or near larger metropolitan areas in Tennessee, which are hubs for employment and educational opportunities, services, parks, and retail. However, people who live in R/ECAPs may struggle with transportation resources and infrastructure, like sidewalks, pedestrian paths, and bikeways, that allow other forms of transportation.

Are there other strategic opportunities in any of these areas?

The Census tracts defined as concentrated areas of poverty (CAPs) are located in or around entitlement jurisdictions, except for one. Local initiatives to address R/ECAPs within each entitlement jurisdiction vary.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)



Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

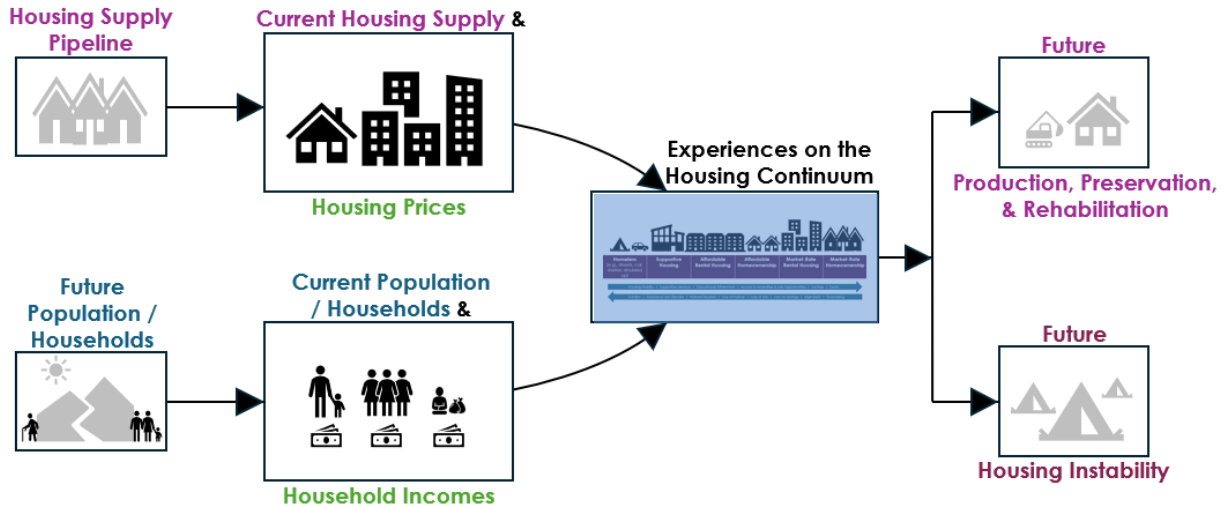
As of January 2025, approximately 430,000 Tennesseans (or about 5%) lack broadband at adequate speeds at their homes or businesses. This amounts to approximately 172,000 residential and business locations, which are mostly in rural areas and often in economically distressed counties. The Tennessee Department of Economic and Community Development (ECD) recognizes expanding broadband to these areas is important, so residents have better access to education, healthcare, business, and workforce opportunities in their communities.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

First and foremost, it is vital to have at least one broadband provider in each community so that Tennesseans have access to critical broadband infrastructure. However, long-term, there is significant economic value in having multiple providers in an area to increase competition. Overall, this provides opportunities for consumer choice to find an internet service and package that fits the needs of their household and/or business. From an economic perspective, competition among providers may lead to increasingly affordable options and competitive packages. While the State of Tennessee does not invest broadband infrastructure deployment to locations that currently have a broadband internet option at adequate speeds (100/20mbps), the State is hopeful the market will allow for a growing broadband industry in areas that currently have limited options.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

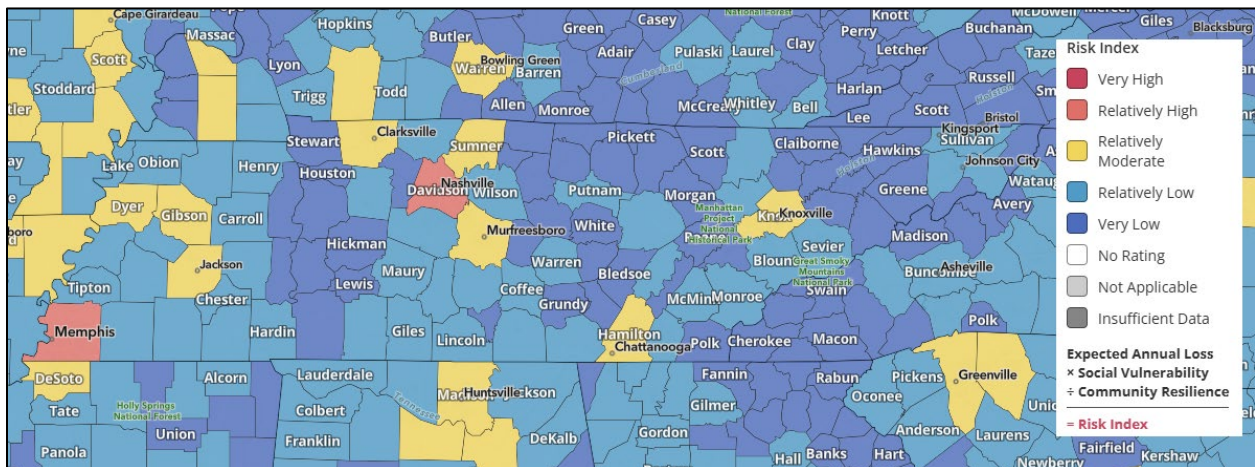
Describe the jurisdiction's increased natural hazard risks associated with climate change.



Section MA-65, Figure 1 – Housing Needs Framework
State of Tennessee 2025-2029 Consolidated Plan's Housing Needs Framework 2025

Section MA-65 details past disasters in Tennessee by type, along with information about the loss of human lives, estimations of property damage, and estimations of future risk at the county-level.

The following map shows Tennessee's overall estimated level of risk for natural hazards, according to FEMA's National Risk Index.



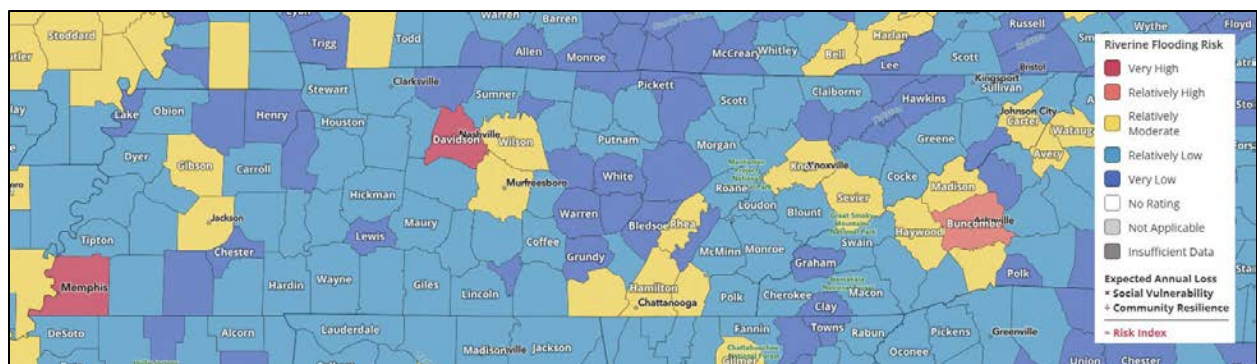
Section MA-65, Figure 2 – MAP of Tennessee's Overall Risk for Natural Disasters at the County Level
FEMA National Risk Index for Natural Hazards, Accessed February 2025

During the past five years, Tennessee has experienced several significant natural disasters of various types, including flooding, landslides, tornadoes, fire. The National Oceanic and Atmospheric Administration (NOAA) tracks data on the impacts of past storm events. The Federal Emergency Management Agency (FEMA) produces an index estimating the regional risks for different types of natural disasters. The index is based on a combination of expected annual loss factor (in dollars) multiplied by an area’s social vulnerability factor and divided by a community resilience factor.

Riverine Flooding

From 2019-2024, Tennessee had 199 flood-related and 500+ flash flood-related natural disasters. Six people died in sustained floods, and 30 in flash floods. In addition, there was an estimated \$98.4 million in damage from sustained floods and an estimated \$145 million from flash floods.

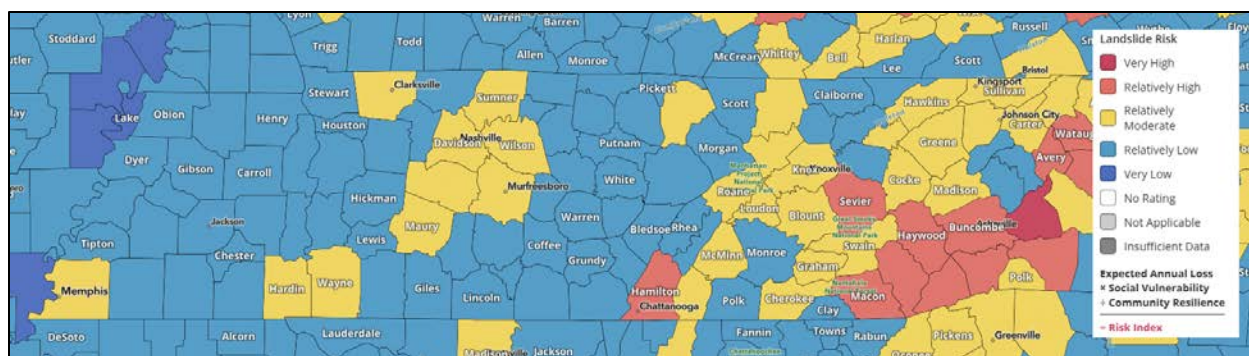
Densely populated areas, as well as areas located near rivers or streams, are typically prone to flooding. The counties containing the cities of Nashville, Memphis, Knoxville, and Chattanooga—Tennessee’s four largest cities—have these risk factors. In addition, eight counties in East Tennessee experienced extreme flash flooding in October of 2024 when heavy rain from Hurricane Helene deluged mountainous areas.



Section MA-65, Figure 3 – Map of Tennessee’s Risk for Riverine Flooding at the County Level
FEMA National Risk Index for Natural Hazards, Accessed February 2025

Landslides

From 2019-2024, Tennessee had nine significant landslide (or debris flow) natural disasters. Nine people died, and there was an estimated \$26.4 million in damage. The deluge of rain from Hurricane Helene caused flash flooding and landslides in eight counties in eastern Tennessee.

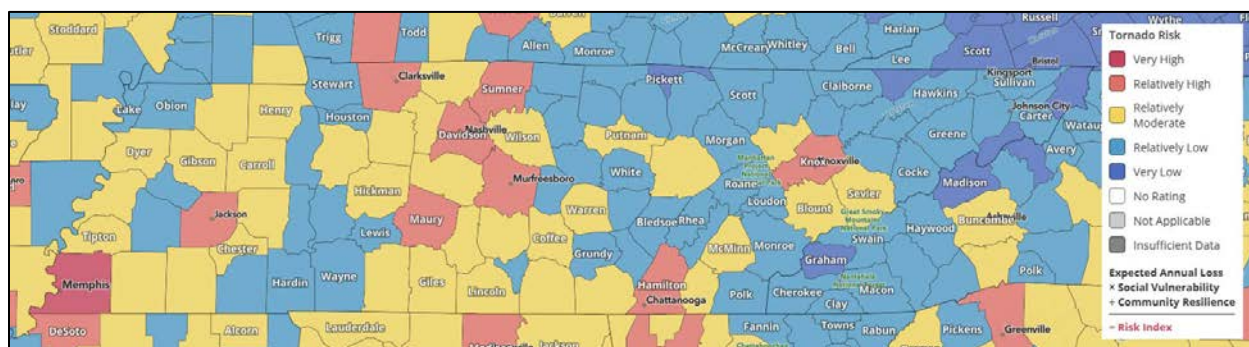


Section MA-65, Figure 3 – Map of Tennessee’s Risk for Landslides at the County Level
FEMA National Risk Index for Natural Hazards, Accessed February 2025

Tornados

From 2019-2024, Tennessee had 249 tornadic events. Fourteen were classified as EF3 tornadoes and two as EF4 tornadoes. Forty-nine people died in these storms, and the tornadoes caused an estimated \$1.8 billion in damages.

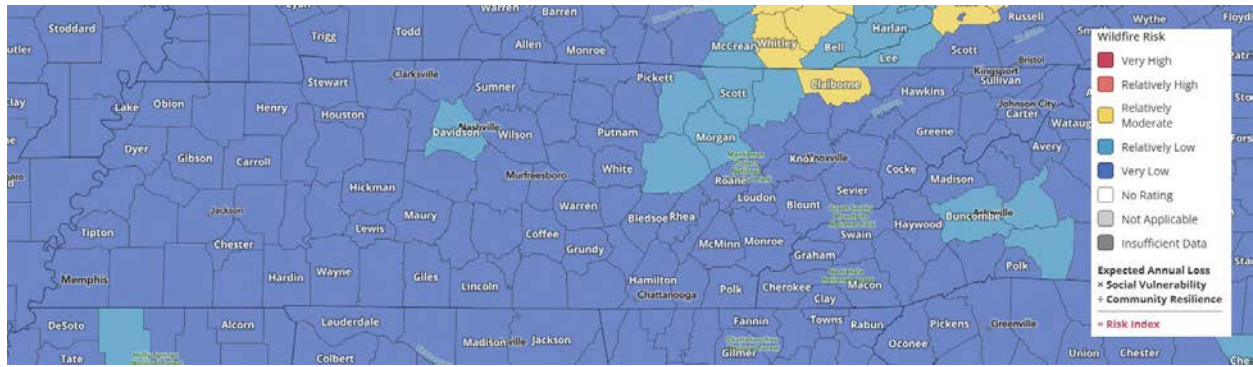
During regional focus groups, which the Tennessee Housing Development Agency (THDA) conducted with housing partners in the summer of 2024, participants in the Northwest and South Central development districts shared that tornadoes had destroyed affordable multifamily properties in their communities, leaving many households without affordable housing options. In addition, another participant from the South Central development district reported about 10 (of 60) single-family homeowners did not have appropriate deeds or insurance coverage to repair their homes after a tornado, devastating these households and their communities.



Section MA-65, Figure 4 – Map of Tennessee’s Risk for Tornadoes at the County Level
FEMA National Risk Index for Natural Hazards, Accessed February 2025

Wildfires

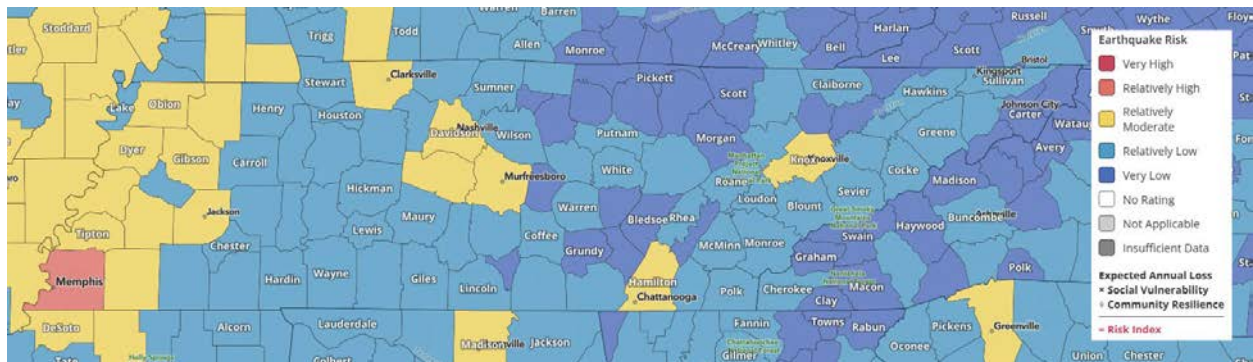
From 2019-2024, Tennessee had three wildfires. Fortunately, no one died, but the fires caused an estimated \$2.5 million in damages. While most counties in Tennessee have little risk of wildfire, some areas of the state have experienced significant wildfire events recently. For example, a wildfire in the Smokey Mountains in 2016 killed fourteen people and caused widespread damage.



Section MA-65, Figure 5 – Map of Tennessee’s Risk for Wildfires at the County Level
FEMA National Risk Index for Natural Hazards, Accessed February 2025

Earthquakes

From 2019-2024, Tennessee had no significant earthquakes, although some minor shocks have occurred in West Tennessee. As a result, these counties have elevated risk, including “relatively high” risk in Shelby County.



Section MA-65, Figure 6 – Map of Tennessee’s Risk for Earthquakes at the County Level
FEMA National Risk Index for Natural Hazards, Accessed February 2025

SP-05 Strategic Plan Overview

Introduction

Acquiring and maintaining housing that fits a household's needs is fundamental to its members leading stable and fulfilling lives. However, this process can be fraught, since households must balance many considerations, including their budgets, household compositions, phases of life, and lifestyles.

Communities ideally have a full continuum of housing types, from supportive housing and services to market-rate homeownership, enabling households to access appropriate housing opportunities along the continuum. Communities ideally also have adequate infrastructure and community resources.



Section SP-05, Figure 1 – Community Housing Continuum
Visual adapted from Kentucky's Housing Supply Gap Analysis Presentation in 2024

Supportive housing and services seek to address and prevent housing instability. Rental units provide a flexible housing stock for households unable, unprepared, and/or uninterested in purchasing a home. Homeownership provides opportunities for households to attain greater housing security and build wealth. Adequate roads, water networks, sewer networks, drainage, sidewalks, and parks, as well as accessible community resources, promote community livability.

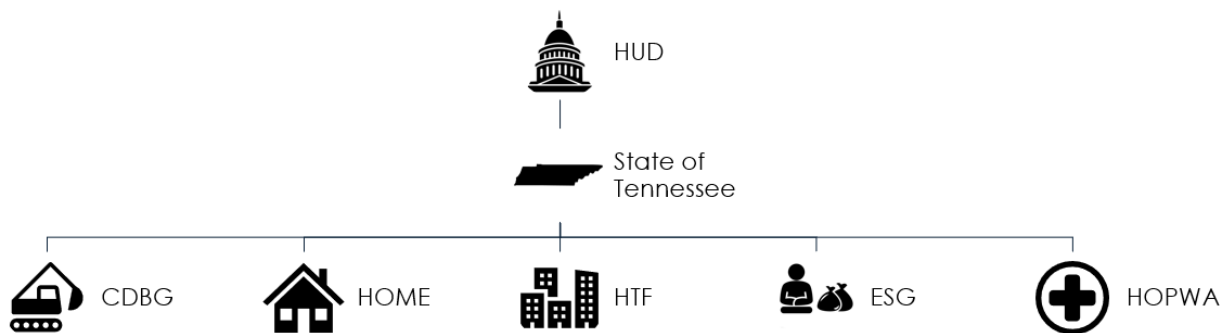
Individual households' experiences, as well as communal and/or societal market forces—some examples of which are noted above in the blue arrows—can cause households to move along the housing continuum. If the community has the full continuum of housing types, as well as adequate infrastructure and community resources, households can make transitions aligned with both opportunities and hardships more smoothly.

The Consolidated Planning programs, which utilize federal funding from the U.S. Department of Housing and Urban Development (HUD), primarily serve low-to-moderate income households, which are defined as households with incomes of 80% or less of the Area Median Income (AMI). Housing for these households is sometimes undersupplied through the private market, since there are fewer naturally occurring profit incentives. As a result, the Consolidated Planning programs are designed to help correct

these market failures and fill some resource gaps for supportive housing and services, affordable rental housing, and affordable homeownership, as well as infrastructure and community resources, for low-to-moderate income neighborhoods.

The funds available through the Consolidated Planning programs are limited. As a result, some applications for program funding may not be selected, even when the proposed activities/projects are worthwhile and meet program requirements.

Strategic Priorities



Section SP-05, Figure 2 – Structure of the Distribution of Funding for Consolidated Planning Programs

The 2025-2029 Consolidated Plan is a Five-year strategic housing and community development plan for annual federal funding. The Plan, which includes the FY 2025-2026 Annual Action Plan, will be submitted to HUD in May 2025.

The State of Tennessee has set the following strategic priorities for the Plan, which stem from the State's Needs Assessment and Market Analysis. These strategic priorities are most aligned to the needs of households with incomes of 80% or less of AMI, since these are the households eligible for assistance through the Consolidated Planning programs. The bullet points below capture the main activities Consolidated Planning program funds will support.

- **Priority 1: Prevent, address, and decrease homelessness**
 - Prevent homelessness
 - Conduct outreach to people experiencing homelessness
 - Provide emergency shelter to people experiencing homelessness
 - Connect people experiencing homelessness with stable housing and/or rental assistance
 - Provide supportive services to help people attain and maintain their housing
 - House vulnerable populations (e.g., people living with HIV/AIDS, people fleeing domestic violence, people recovering from a substance use disorder) and connect them with appropriate resources
- **Priority 2: Produce, rehabilitate, and preserve affordable housing**
 - Rehabilitate and preserve existing, affordable multifamily housing

- Rehabilitate and preserve existing, affordable single-family housing
- Weatherize existing housing
- Produce new, affordable multifamily housing
- Produce new, affordable single-family housing
- **Priority 3: Improve community livability and resilience**
 - Expand and improve community infrastructure
 - Weatherize existing infrastructure
 - Promote recovery after natural disasters

The priorities outlined above are numbered according to their designation in IDIS, the reporting database where the State of Tennessee submits the Consolidated Plan to HUD. These numbers do not reflect the strategic priorities' relative levels of importance.

The State will affirmatively further fair housing through the Consolidated Planning programs and other housing and community development programs. While this is not a formal strategic priority for which the State allocates a specific funding stream or sets numeric goals in the Consolidated Plan, the State takes many actions aligned with furthering fair housing.

The State actively looks for ways to remove barriers to housing access. The State also provides resources to educate Tennesseans about their housing rights under the Fair Housing Act and to educate the State's Consolidated Planning program grantees about their fair housing obligations. Finally, the State addresses violations of the Fair Housing Act. These activities will continue throughout the 2025-2029 Consolidated Planning period. See the Fair Housing section in the appendix for more information.

Each year, the State will submit an Annual Action Plan to HUD, which serves as the State's application for funding for five programs.

- The Housing Opportunities for Persons with AIDS (HOPWA) program addresses the housing needs of low-income persons who are living with HIV/AIDS and their families.
- The Emergency Solutions Grants (ESG) program provides funding for supportive services and housing assistance for people at risk of homelessness or people experiencing homelessness, enabling them to regain stability in permanent housing.
- The Housing Trust Fund (HTF) program promotes the production, preservation, and rehabilitation of affordable rental housing for extremely low-income households.
- The HOME Investment Partnerships (HOME) program promotes the production, preservation, and rehabilitation of affordable housing for rent or homeownership for low-income households.
- The Community Development Block Grant (CDBG) program promotes economic and community development, mostly through infrastructure and facility improvement activities, in eligible cities and counties with low-to-moderate income residents across the state. Additionally, CDBG administers the Recovery Housing Program (CDBG-RHP), which funds temporary supportive housing projects for people recovering from substance use disorders (SUDs).

Strategic Plan Section Preview

The Strategic Plan includes the following sections.

- Section SP-10 details the geographic areas of the state eligible for funding through the State of Tennessee's Consolidated Planning programs.
- Section SP-25 gives an overview of the State's priority needs.
- Section SP-30 explains the influence of housing market conditions on strategic priorities.
- Section SP-35 discusses the anticipated resources from HUD for the State's Consolidated Planning programs.
- Section SP-40 describes the institutional delivery structure each program uses to carry out activities.
- Section SP-45 defines the State's goals and their alignment with the strategic priorities.
- Section SP-50 notes some needs regarding accessibility and resident involvement in public housing.
- Section SP-55 discusses barriers to affordable housing in the state.
- Section SP-60 describes the State's strategy for addressing the needs of people experiencing homelessness.
- Section SP-65 notes the actions the State takes to address lead-based paint hazards.
- Section SP-70 explains how the Consolidated Planning programs fit into overall efforts to alleviate poverty.
- Section SP-80 describes the procedures the state uses to monitor program activities and ensure compliance with program requirements.

SP-10 Geographic Priorities – 91.315(a)(1)

Geographic Area(s):

- Statewide Grant Allocation Priority
- Non-entitlement Statewide Grant Allocation Priorities
 - HOPWA Regions
 - Non-entitlement ESG Communities
 - ESG Set-Aside Communities
 - HOME Non-entitlement Project Jurisdictions (PJs)
 - CDBG Non-entitlement Jurisdictions
- Other Geographic Definitions
 - Rural Counties (as defined by THDA's HOME program)
 - Federally Declared Disaster Areas (counties)
 - Communities with 51%+ Low-to-Moderate Income (LMI) Households

General Allocation Priorities:

Describe the basis for allocating investments geographically within the jurisdiction.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The State's HOPWA program allocates funding statewide to HOPWA regions overseen by Project Sponsors, which include all counties in the state not covered by the HOPWA Eligible Metropolitan Statistical Area (EMSA) entitlements (Nashville EMSA and Memphis EMSA).

See Section AP-90 for a link to HOPWA's Program Description, which contains a list of current HOPWA regions and their Project Sponsors.

Emergency Solutions Grant (ESG): The State's ESG program invites applications from eligible entities in Non-entitlement Communities. Entitlement Communities receive their own ESG funding directly from the U.S. Department of Housing and Urban Development (HUD) and, therefore, are usually excluded. However, entities from Entitlement Communities are welcome to apply if they exclusively serve people outside of the entitlement area.

The ESG program sets aside an amount of funding each year for applicants located within Set-Aside Cities. Applicants within Set-Aside Cities also can apply for the funds available to non-Entitlement communities but only up to the amount set as a funding cap.

See Section AP-90 for a link to ESG's Program Description, which contains a list of current Entitlement Communities and Set-Aside Cities.

Housing Trust Fund (HTF): The State's national HTF program invites statewide applications from eligible entities for funding to preserve, rehabilitate, and/or construct affordable multifamily units for the state's extremely low-income households (households with incomes of 30% or less of the Area Median Income or AMI). HTF does not prioritize applications in specific geographic areas of Tennessee. However, applications for HTF funding are accepted concurrently with and as a part of the application

for a competitive Low Income Housing Tax Credit (LIHTC). As a result, the State's Qualified Action Plan (QAP) for the LIHTC program will influence the locations of the HTF-funded units.

See Section AP-90 for a link to HTF's Program Description and the LIHTC's Qualified Action Plan, which contains more information on potential geographic impacts.

HOME Investment Partnerships (HOME) Program: The State's HOME program invites *statewide* applications from eligible entities for funding aligned with the following eligible activities: Homeowner Development and Rental Development.

- Homeowner Development activities are the construction of affordable single-family homes for sale to low-income Tennesseans (households with incomes of 80% or less of the AMI).
- Rental Development activities are the acquisition, rehabilitation and/or construction of affordable multifamily housing for low-income Tennesseans (households with incomes of 80% or less of AMI).

HOME does not prioritize applications in specific geographic areas of Tennessee. However, the program engaged in Rental Development activities uses a county-level need score and a tract-level opportunity score to prioritize funding for areas of the state with greater need and/or opportunity. For the Rental Development activity, applicants can also earn points for projects located in rural counties of Tennessee, as classified by THDA's HOME program.

Finally, the State's HOME program invites applications from eligible entities in non-local Project Jurisdictions (PJs) for Homeowner Rehabilitation activities, which are the rehabilitation of existing affordable single-family homes for low-income homeowners in Tennessee. Local PJs receive their own HOME funding directly from HUD and, therefore, are excluded from applying. For Homeowner Development activities, the program uses a county-level need score to prioritize funding areas of the state with greater need. The program also uses a county-level "Not Proportionately Served" score to prioritize areas of the state for funding that have receive fewer dollars per low-income household compared to other counties over a set period.

Finally, while all applications for HOME funding are typically scored competitively, the HOME program may make HOME funding available discretionarily to respond significant changes, like substantial shifts in the housing markets, natural disasters, and/or macroeconomic changes. In addition, the scoring methodologies, including their geographic impacts, may be revised from year-to-year, as described in HOME's annually approved Program Descriptions.

See Section AP-90 for a link to HOME's Program Descriptions, which contains a list of local Project Jurisdictions (PJs) and current details of application scoring matrices and their geographic impacts.

Community Development Block Grant (CDBG): The State's CDBG program invites applications from eligible entities in Non-entitlement Jurisdictions (cities and counties). Entitlement Jurisdictions receive their own CDBG funding directly from HUD and, therefore, are excluded. In addition, the area benefiting from CDBG activities must have 51% or more of households that are of low-to-moderate income (incomes of 80% or less of AMI), which impacts where activities can be completed.

See Section AP-90 for a link to CDBG's Program Descriptions, which contains a list of Entitlement Jurisdictions. The low-to-moderate income areas benefiting from CDBG activities will be included in the appendix of the State's Consolidated Annual Performance and Evaluation Reports (CAPERs), which shares the State's accomplishments and outcomes with program funding.

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

The following table describes the State of Tennessee’s priority needs, which were identified through the State of Tennessee’s Needs Assessment and Market Analysis. The table also outlines the impacted populations, geographic areas affected, and the program goals aligned to the priority need. The priority needs outlined below are numbered according to their designation in IDIS, HUD’s reporting database where the State of Tennessee submits the Consolidated Plan; these numbers do not reflect the strategic priorities’ relative levels of importance.

1	Priority Need Name	Prevent, address, and decrease homelessness
	Priority Level	High
	Population(s)	Extremely low-income households (with incomes of 30% or less of Area Median Income or AMI) Very low-income households (with incomes of greater than 30% to less than or equal to 50% of AMI) Low-income households (with incomes of greater than 50% to less than or equal to 80% of AMI) Families with children Large families Elderly people People with physical disabilities People with development disabilities People with cognitive disabilities People who have mental illnesses People with HIV/AIDS People who are chronically homeless People with a substance use disorder (SUD) Veterans Victims of domestic violence Youth aging out of foster care Unaccompanied children and/or youth
	Geographic Areas Affected	Statewide Funding Priority
	Associated Goals	Emergency Solutions Grant (ESG): Target population: People experiencing homelessness or at risk of homelessness Goals: Tenant-based rental assistance / Rapid Rehousing (Households Assisted) Homeless Person Overnight Shelter (Persons Assisted) Homelessness Prevention (Persons Assisted) Other - Street Outreach (Unsheltered Persons Engaged) Housing Opportunities for Persons with HIV/AIDS (HOPWA): Target Population: People living with HIV/AIDS and their family members who are homeless or at risk of becoming homeless

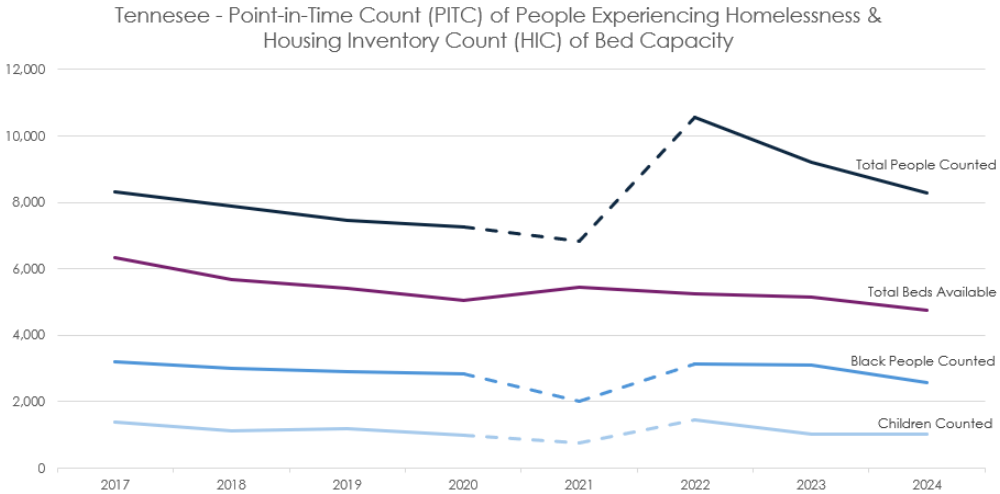
	<p>Goals:</p> <p>Tenant-based rental assistance / Rapid Rehousing (Households Assisted)</p> <p>Overnight/ Emergency Shelter/Transitional Housing Beds added (Beds)</p> <p>Homelessness Prevention (Persons Assisted)</p> <p>Other - Permanent Housing Placement (Households Assisted)</p> <p>Other - Supportive Services (Households Assisted)</p> <p>Other - Housing Information Services (Households Assisted)</p> <p>HOME Investment Partnerships Program (HOME):</p> <p>Target population: Youth aging out of foster care who are homeless or at risk of becoming homeless (or another special population at risk of homelessness)*</p> <p>Goal:</p> <p>Tenant-based rental assistance (Persons Assisted)</p> <p>*This goal for HOME will not be prioritized for funding in FY 25-26, but it is still a goal that may be pursued again in the future.</p>
Description	<p>The following goals are aligned to preventing, addressing, and/or decreasing homelessness in Tennessee:</p> <p>ESG-only Goals:</p> <p>The homeless persons overnight shelter goal funds emergency overnight shelter, overflow (warming/cooling) shelter, and day shelter to individuals and households experiencing homelessness.</p> <p>The street outreach goal funds personnel to conduct street outreach and connect people experiencing unsheltered homelessness with services and housing.</p> <p>ESG & HOPWA Goals:</p> <p>The homelessness prevention goal funds short-term and medium-term rent, mortgage, and utility (STRMU) assistance for eligible individuals and households at risk of homelessness or housing insecurity.</p> <p>ESG, HOPWA, and HOME Goals:</p> <p>The tenant based rental assistance (TBRA) and/or rapid rehousing goal funds the connection to permanent housing and rental payment supports for a designated for eligible individuals and households experiencing homelessness. Funds also pay for supportive services to assist households in gaining stability in housing.</p> <p>HOPWA-only Goals:</p> <p>The permanent housing placement (PHP) goal funds activities that enable access to permanent housing, like paying security deposits, first month of rent, and obtaining IDs and paperwork to secure housing; however, this activity does not provide ongoing rental payment supports.</p> <p>The supportive services goal funds food, gas, and/or case management.</p>

	The housing information services goal funds assistance to individuals or households who visit or call a regional HOPWA office seeking housing resources.																																																												
Basis for Priority	<p>The State’s Housing Needs Assessment identified several indicators of housing need, some of which may be contributing to increasing housing instability, including homelessness, in Tennessee.</p> <p>Tennessee has experienced sharp increases in rental prices. For example, over a Five-year period the state’s median gross rent increased from \$808 per month to \$1047 per month, a 30% increase.³⁹ These increases in rents are likely partially due to a shortage in affordable rental housing caused by a steep drop nationwide in building that occurred after the mortgage market and financial crisis beginning in 2007; this decline is depicted in the graph below, which shows the drop in population-adjusted building permits, according to the U.S. Census Bureau’s Building Permits Survey from 2004 to 2024.</p> <div><p>Building Permits in Tennessee per 1000 people</p><table><thead><tr><th>Year</th><th>Population Adjusted Single-Family Building Permits</th><th>Population Adjusted Multifamily Building Permits</th></tr></thead><tbody><tr><td>2004</td><td>6.3</td><td>1.2</td></tr><tr><td>2005</td><td>6.5</td><td>1.2</td></tr><tr><td>2006</td><td>6.3</td><td>1.2</td></tr><tr><td>2007</td><td>4.8</td><td>1.2</td></tr><tr><td>2008</td><td>2.5</td><td>1.0</td></tr><tr><td>2009</td><td>1.8</td><td>0.5</td></tr><tr><td>2010</td><td>1.8</td><td>0.8</td></tr><tr><td>2011</td><td>1.8</td><td>0.5</td></tr><tr><td>2012</td><td>2.2</td><td>1.0</td></tr><tr><td>2013</td><td>2.5</td><td>1.2</td></tr><tr><td>2014</td><td>2.8</td><td>1.5</td></tr><tr><td>2015</td><td>3.2</td><td>1.6</td></tr><tr><td>2016</td><td>3.5</td><td>1.8</td></tr><tr><td>2017</td><td>4.0</td><td>1.6</td></tr><tr><td>2018</td><td>4.1</td><td>1.4</td></tr><tr><td>2019</td><td>4.3</td><td>1.7</td></tr><tr><td>2020</td><td>4.8</td><td>2.3</td></tr><tr><td>2021</td><td>5.2</td><td>2.8</td></tr><tr><td>2022</td><td>4.7</td><td>2.6</td></tr></tbody></table></div> <p>Section SP-25, Figure 1 – Population-Adjusted Housing Starts in Tennessee 2004-2022 U.S. Census Bureau Building Permits Survey</p> <p>According to 2023 Public Use Microdata Sample (PUMS), Tennessee had an estimated 158,119 rental units that would be affordable to an estimated 210,985 extremely low-income renter households (with incomes of 30% or less of AMI); this is an absolute shortage of 52,866 affordable units for this income group. Many of the units affordable to these households are occupied by households with higher incomes, causing extremely low-income households to live in rental units unaffordable to them. This is true for other low-income households and units as well. As a result,</p> <ul style="list-style-type: none">• 67.1% of extremely low-income renter households,• 54.4.% of very low-income rent households, and• 17.6% of low-income households <p>experience rental cost burden, spending 30% or more of their incomes on rent.</p>	Year	Population Adjusted Single-Family Building Permits	Population Adjusted Multifamily Building Permits	2004	6.3	1.2	2005	6.5	1.2	2006	6.3	1.2	2007	4.8	1.2	2008	2.5	1.0	2009	1.8	0.5	2010	1.8	0.8	2011	1.8	0.5	2012	2.2	1.0	2013	2.5	1.2	2014	2.8	1.5	2015	3.2	1.6	2016	3.5	1.8	2017	4.0	1.6	2018	4.1	1.4	2019	4.3	1.7	2020	4.8	2.3	2021	5.2	2.8	2022	4.7	2.6
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³⁹ ACS Five-year Estimates for 2013-2017 and 2018-2022, Table B25064.

The widespread increases in rents, the shortages of affordable rental units, especially to extremely low-income households, and the high percentages of low-income households who are cost burdened mean many Tennessean households are at risk of housing insecurity and experiencing homelessness.

According to the annual Point-in-Time Count (PITC), which counts the number of people experiencing homelessness nationwide on a single night in January, Tennessee had been seeing a slow but steady decrease in homelessness from 2017 to 2021. However, from 2021 to 2022, Tennessee saw a sharp rise in homelessness, from 6,823 people counted to 10,567 people counted, an increase of 54.9%. The count decreased to 9,215 people counted in 2023 and 8,280 people in 2024 but remains elevated compared to pre-pandemic levels.



Section SP-25, Figure 2 – PITC & HIC 2017-2024
U.S. Department of Housing and Urban Development (HUD) PITC & HIC Reports

In addition, the PITC will always yield an undercount of people experiencing homelessness, as the Continuums of Care (CoCs) will never identify everyone experiencing homelessness, even unsheltered homelessness. The PITC especially struggles to count people who are experiencing housing instability but may be doubled up with family and/or friends. In addition, the PITC data from 2020 and 2021 may be less reliable due to the loosening of methodological requirements for the count during the COVID-19 pandemic, which is why the person-oriented lines are dashed during this period.

In the summer of 2024, the State of Tennessee conducted a survey to learn more about Tennesseans' housing experiences and needs. The response show respondents viewed activities aligned to this priority need as "High Need," especially respondents with lower incomes.

What level of need does your area have for... ?								
This table shows the percent and number of complete survey respondents who selected a category as "High Need."								
Categories	All Public Respondents		Respondents with Incomes \$0 to \$50K		Respondents with Incomes >\$50K to \$100K		Respondents with Incomes >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Homelessness Services Need								
Rental assistance to keep people from becoming homeless	77.09%	562	89.83%	318	73.11%	155	54.47%	67
Short-term housing for people experiencing homelessness	74.97%	548	84.83%	302	71.23%	151	56.91%	70
Monthly rental assistance for people experiencing homelessness	71.06%	518	83.62%	296	68.40%	145	47.15%	58
Emergency shelter for people experiencing homelessness	71.51%	522	81.74%	291	66.35%	140	52.03%	64
Housing with special services for people with disabilities or mental health needs	69.82%	509	78.81%	279	66.04%	140	54.47%	67
Outreach to people living outside or on the street	68.27%	497	77.97%	276	65.57%	139	49.18%	60
Mortgage assistance to keep people from becoming homeless	65.84%	480	77.40%	274	62.74%	133	43.09%	53
Shelter for people fleeing domestic violence	62.07%	450	69.71%	244	57.08%	121	51.22%	63
Renovations to emergency shelters	47.99%	347	59.14%	207	42.65%	90	31.71%	39
TOTAL COMPLETE RESPONSES		732		357		212		123

Figure SP-25, Figure 3 – Table of Homelessness Services Needs by Income
Tennessee Housing Development Agency (THDA) Housing Needs Survey 2024

Recognizing these indicators of need, the State’s ESG program invites applications from eligible entities to fund activities to prevent, address and decrease homelessness.

Also, the State’s HOPWA program seeks to address and prevent homelessness for people living with HIV/AIDS and their families. People living with HIV/AIDS can experience a variety of health conditions that may make it harder to work, earn an adequate income, and maintain stable housing. As a result, the State recognizes housing assistance can support these individuals’ health and abilities. Housing assistance often further prevents transmission of HIV, which furthers public health.

However, despite these efforts to prevent, address, and decrease housing instability, the State recognizes a key to decreasing it will involve building more affordable housing and preserving existing affordable housing to promote affordable rental prices. For more details, see Priority Need 2.

2	Priority Need Name	Produce, rehabilitate, and preserve affordable housing
	Priority Level	High
	Population(s)	Extremely low-income households (with incomes of 30% or less of AMI) Very low-income households (with incomes of greater than 30% to less than or equal to 50% of AMI) Low-income households (with incomes of greater than 50% to less than or equal to 80% of AMI)
	Geographic Areas Affected	Statewide Funding Priority
	Associated Goals	Community Development Block Grant – Recovery Housing Program (CDBG-RHP): Target population: Low-income individuals (with incomes of less than 80% of AMI) recovering from a substance use disorder (SUD) Goal:

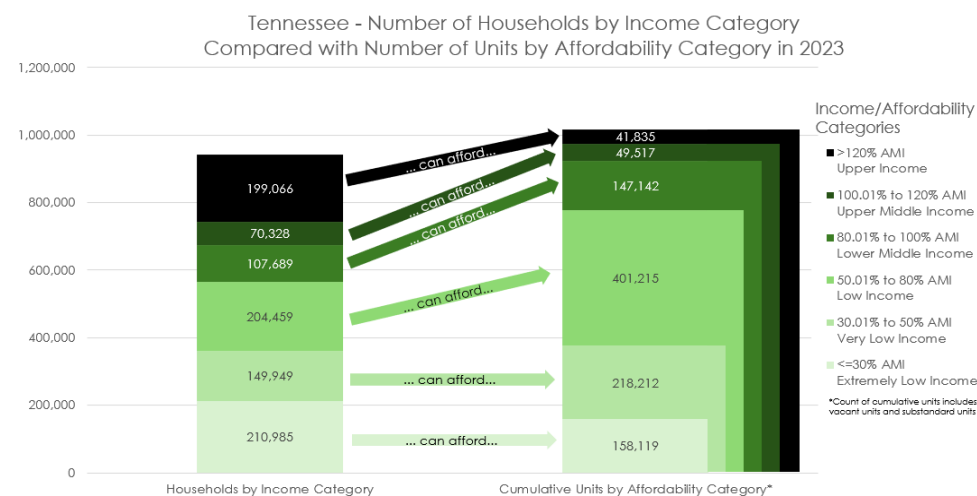
	<p>Other: Create recovery transitional housing (Beds)</p> <p>Housing Trust Fund (HTF): Target Population: Extremely low-income households (with incomes of 30% or less of AMI) Goal: Rental units constructed (Household Housing Units) Rental units rehabilitated (Household Housing Units)</p> <p>HOME Investment Partnership (HOME) Program: Target Population: Low-income households (with incomes of 80% or less of AMI) Goal: Rental units constructed (Household Housing Units) Rental units rehabilitated (Household Housing Units) Homeowner Housing Added (Household Housing Units) Homeowner Housing Rehabilitated (Household Housing Units) Direct Financial Assistance to Homebuyers (Households Assisted)</p> <p>Community Development Block Grant (CDBG): Target Population: Low-income households (with incomes of 80% or less of AMI) Goal: Homeowner Housing Rehabilitated (Household Housing Units)**</p> <p>**This goal for CDBG will not be prioritized for funding in FY 25-26, but it is still a goal that may be pursued again in the future.</p>
Description	<p>CDBG-RHP-only Goals: The creation of recovery transitional housing goal funds the construction or rehabilitation of transitional housing for low-income people recovering from a substance use disorder (SUD).</p> <p>HTF & HOME Goals: The rental development goals fund activities to construct or rehabilitate rental units for the programs' target populations.</p> <p>HOME & CDBG Goals: The homeowner rehabilitation goals fund activities to rehabilitate single-family homes for the programs' target populations.</p> <p>HOME-only Goals: The homeowner development goal funds activities to construct single-family homes for sale to the program's target population. The financial assistance to homebuyers goal funds activities to enable the program's target population to purchase a home.***</p> <p>***This goal for HOME will not be prioritized for funding in FY 25-26, but it is still a goal that may be pursued again in the future.</p>
Basis for Priority	<p>The State's Housing Needs Assessment identified several indicators of the need to construct, rehabilitate, and preserve affordable housing.</p> <p>As mentioned in the Priority 1 narrative above, Tennessee has experienced sharp increases in rental prices. For example, over a Five-year period the state's median gross rent increased from \$808 per</p>

month to \$1047 per month, a 30% increase.⁴⁰ These increases in rents are likely partially due to a shortage in affordable rental housing caused by a steep drop nationwide in building that occurred after the mortgage market and financial crisis beginning in 2007.

According to 2023 Public Use Microdata Sample (PUMS), Tennessee had an estimated 158,119 rental units that would be affordable to an estimated 210,985 extremely low-income renter households (with incomes of 30% or less of AMI); this is an absolute shortage of 52,866 affordable units for this income group. Many of the units affordable to these households are occupied by households with higher incomes, causing extremely low-income households to live in rental units unaffordable to them. This is true for other low-income households and units as well. As a result,

- 67.1% of extremely low-income renter households,
- 54.4.% of very low-income rent households, and
- 17.6% of low-income households

experience rental cost burden, spending 30% or more of their incomes on rent. The following graph shows the estimated number of households by income category in the left stack, and the estimated cumulative rental units by affordability category in the right stack.



Section SP-25, Figure 4 – Graph of Households by Income and Cumulative Units by Affordability Category in 2023
Public Use Microdata Sample (PUMS) 2023

Given the historic decline in home building since the mortgage and financial crisis, the private market needs to build more market-rate rental housing and homes for sale for current middle-to-high income renters in Tennessee, which may enable some of these households to move out of units affordable to low-income Tennesseans.

According to the most recently available statewide Sales Price Data, Tennessee has experienced sharp increases in home sale prices. Tennessee's median home sale price for existing homes increased from \$179,900 in 2017 to \$300,000 in 2022, an increase of 66.8%, and its median home sale price for new homes increased from \$289,000 in 2017 to \$408,000 in 2022, an increase of 41.2%. Like increases in

⁴⁰ ACS Five-year Estimates for 2013-2017 and 2018-2022, Table B25064.

rent, these increases in home sale prices are likely partially due to a shortage in single-family homes caused by a steep drop nationwide in building that occurred after the mortgage and financial crisis.

As home sale prices increase, potential homebuyers with median incomes have seen their opportunities to become homeowners shrink. The Homeowner Opportunity Index (HOI) tracks the percentage of homes sold in a calendar year that would have been affordable to a buyer with the AMI. In 2017, 71% of homes sold would have been affordable to this potential buyer. However, in 2022, only 43% of homes sold would have affordable.

Tennesseans' responses to the housing needs questions on the Housing Needs show respondents view building and preservation activities as "High Need," especially respondents with lower incomes.

What level of need does your area have for... ?

This table shows the percent and number of complete survey respondents who selected a category as "High Need."

Categories	All Public		Respondents with Incomes \$0 to \$50K		Respondents with Incomes >\$50K to \$100K		Respondents with Incomes >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Building-Related Housing Need								
New affordable rental housing	79.07%	699	85.03%	375	76.56%	196	68.75%	99
New affordable homes for sale	79.82%	704	81.14%	357	80.39%	205	77.08%	111
Changes to make energy use more affordable or efficient for renters*	65.79%	577	76.83%	335	60.24%	153	46.53%	67
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.57%	577	75.40%	331	61.42%	156	46.53%	67
Downpayment assistance for buying a home	69.90%	613	73.97%	324	72.33%	183	54.17%	78
TOTAL COMPLETE RESPONSES		886		443		256		144

Figure SP-25, Figure 5 – Table of Building-Related Housing Needs by Income
Tennessee Housing Development Agency (THDA) Housing Needs Survey 2024

What level of need does your area have for... ?

This table shows the percent and number of complete survey respondents who selected a category as "High Need."

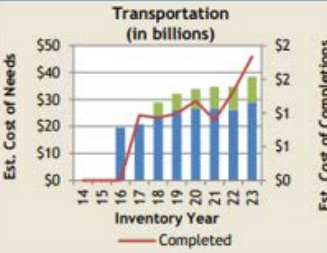
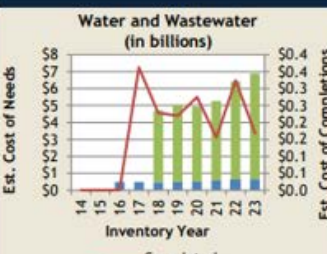
Categories	All Public		Respondents with Incomes \$0 to \$50K		Respondents with Incomes >\$50K to \$100K		Respondents with Incomes >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Preservation-Related Housing Need								
Changes to make energy use more affordable or efficient for renters*	65.79%	577	76.83%	335	60.24%	153	46.53%	76.83%
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.57%	577	75.40%	331	61.42%	156	46.53%	75.40%
Housing renovation assistance for low to middle-income homeowners	66.52%	586	73.80%	324	64.71%	165	52.78%	73.80%
Renovation of affordable rental housing	63.61%	561	73.12%	321	57.42%	147	48.61%	73.12%
Renovation of empty, rundown homes	58.59%	515	66.14%	291	53.94%	137	47.18%	66.14%
Help with removing mold/moisture, pests, lead, or unsafe parts of a home.	48.46%	426	60.96%	267	40.16%	102	29.86%	60.96%
TOTAL RESPONSES		886		443		256		144

Figure SP-25, Figure 6 – Table of Preservation-Related Housing Needs by Income
Tennessee Housing Development Agency (THDA) Housing Needs Survey 2024

The State's HTF program funds activities to construct, rehabilitate and preserve affordable rental units for extremely low-income households (with incomes of 30% or less of AMI). In addition, the

	<p>State's HOME program funds activities to construct, rehabilitate and preserve affordable rental units for low-income households (with incomes of 80% or less of AMI).</p> <p>The State's HOME program also funds activities to rehabilitate single-family homes for low-income homeowners (with incomes of 80% or less of AMI). It also funds activities to construct single-family homes for sale to low-income homebuyers.</p> <p>The State's CDBG-RHP program seeks to ensure housing exists for special populations. For example, through some strategic building projects, the State is also addressing and preventing homelessness for people recovering from a substance use disorder (SUD) through the creation of transitional housing. People recovering from a substance use disorder (SUD) are often more at risk for homelessness than the general population, and they often need additional supports to recover and gain stability in permanent housing.</p> <p>Finally, while the State's CDBG program primarily focuses on community infrastructure and revitalization projects (see Priority 3), it has funded activities to rehabilitate single-family homes in the past and may choose to do so again during future program years. Similarly, the State's HOME program primarily focuses on rehabilitation and construction of single-family homes, but it has offered direct financial assistance to homebuyers in the form of downpayment assistance in the past and may choose to do so again during future program years. As a result, these goals have been preserved in aligned with this strategic priority.</p>
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3	Priority Need Name	Improve community livability and resilience
	Priority Level	High
	Population(s)	Extremely low-income households (with incomes of 30% or less of Area Median Income) Very low-income households (with incomes of greater than 30% to less than or equal to 50% of Area Median Income) Low-income households (with incomes of greater than 50% to less than or equal to 80% of Area Median Income)
	Geographic Areas Affected	CDBG Non-entitlement Cities Areas with 51% or greater portion of low-to-moderate income (LMI) households (with incomes of 80% or less of Area Median Income)
	Associated Goals	Community Development Block Grant (CDBG): Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit – Individuals Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Persons Assisted) Homeowner Housing Rehabilitated (Household Housing Units) Buildings demolished (Units)

Description	<p>CDBG-only Goals:</p> <p>The infrastructure goal funds activities to improve for expand infrastructure for areas with a 51% or greater portion of low-to-moderate income households in the area population.</p> <p>The public facility goal funds activities to improve public facilities for areas with 51% or greater portion of low-to-moderate income households in the area population.</p> <p>The buildings demolished goal funds activities which may involve demolishing buildings as a part of facilities and infrastructure improvement projects.</p>																																																																														
Basis for Priority	<p>The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) completes an annual study of the state’s infrastructure needs for a Five-year horizon. The most recent report for 2023-2028 identified at least \$77.7 billion needed for public infrastructure improvements in Tennessee, a \$9.5 billion (or 14%) increase from the year before and a \$22.9 billion (or 42%) increase from the 2018-2023 report, the findings of which were summarized in the 2020-2024 Consolidated Plan. A breakdown of TACIR’s most recent findings for infrastructure needs in Tennessee by project type is as follows. Infrastructure needs Tennessee’s Community Development Block Grant (CDBG) program, which distributes federal funding for community infrastructure improvements, are boxed for reference.</p> <div><div><div><div>State Total</div><div>Total Estimated Cost* for Infrastructure Improvements</div><div>\$77,688,453,279</div></div><div><div>Transportation</div><div>(in billions)</div><div></div><div><div>Water and Wastewater</div><div>(in billions)</div><div></div><div><div>■ = Local</div><div>■ = Regional (Serves Multiple Counties)</div></div></div><div><table><tr><th colspan="3">Estimated Cost of Needed Infrastructure for State Total</th></tr><tr><th colspan="3">Five-year period July 2023 through June 2028</th></tr><tr><th>Project Type</th><th>Conceptual</th><th>Planning & Design + Construction</th></tr><tr><td>Transportation</td><td>\$ 10,693,783,764</td><td>\$ 27,797,207,825</td></tr><tr><td>Post-secondary Education</td><td>3,488,252,300</td><td>3,980,589,105</td></tr><tr><td>Water and Wastewater</td><td>1,420,479,760</td><td>5,477,508,489</td></tr><tr><td>School Renovations</td><td>4,923,075,243</td><td>1,632,905,111</td></tr><tr><td>New Public Schools & Additions</td><td>2,081,726,460</td><td>2,548,881,090</td></tr><tr><td>Public Buildings</td><td>1,839,083,000</td><td>1,558,277,628</td></tr><tr><td>Law Enforcement</td><td>1,496,350,456</td><td>1,559,142,838</td></tr><tr><td>Recreation</td><td>1,424,282,145</td><td>1,293,768,989</td></tr><tr><td>Public Health Facilities</td><td>730,071,920</td><td>467,909,152</td></tr><tr><td>Fire Protection</td><td>365,550,181</td><td>223,272,056</td></tr><tr><td>Other Utilities</td><td>180,520,000</td><td>405,215,000</td></tr><tr><td>Community Development</td><td>119,241,061</td><td>293,261,248</td></tr><tr><td>Housing</td><td>12,582,000</td><td>384,906,915</td></tr><tr><td>Other Facilities</td><td>52,870,000</td><td>227,875,297</td></tr><tr><td>Libraries, Museums, & Historic Sites</td><td>145,928,959</td><td>113,714,719</td></tr><tr><td>Industrial Sites and Parks</td><td>50,409,000</td><td>143,276,601</td></tr><tr><td>Other Education</td><td>76,120,000</td><td>67,630,000</td></tr><tr><td>Storm Water</td><td>92,320,119</td><td>44,576,116</td></tr><tr><td>Solid Waste</td><td>54,610,000</td><td>64,242,289</td></tr><tr><td>School-System-wide</td><td>33,022,000</td><td>50,746,928</td></tr><tr><td>Business District Development</td><td>26,570,000</td><td>19,207,515</td></tr><tr><td>Broadband</td><td>25,500,000</td><td>1,990,000</td></tr><tr><td>Total</td><td>\$ 29,332,348,368</td><td>\$ 48,356,104,911</td></tr></table><p>*Total Estimated Cost = Conceptual + Planning & Design + Construction</p></div></div></div></div>	Estimated Cost of Needed Infrastructure for State Total			Five-year period July 2023 through June 2028			Project Type	Conceptual	Planning & Design + Construction	Transportation	\$ 10,693,783,764	\$ 27,797,207,825	Post-secondary Education	3,488,252,300	3,980,589,105	Water and Wastewater	1,420,479,760	5,477,508,489	School Renovations	4,923,075,243	1,632,905,111	New Public Schools & Additions	2,081,726,460	2,548,881,090	Public Buildings	1,839,083,000	1,558,277,628	Law Enforcement	1,496,350,456	1,559,142,838	Recreation	1,424,282,145	1,293,768,989	Public Health Facilities	730,071,920	467,909,152	Fire Protection	365,550,181	223,272,056	Other Utilities	180,520,000	405,215,000	Community Development	119,241,061	293,261,248	Housing	12,582,000	384,906,915	Other Facilities	52,870,000	227,875,297	Libraries, Museums, & Historic Sites	145,928,959	113,714,719	Industrial Sites and Parks	50,409,000	143,276,601	Other Education	76,120,000	67,630,000	Storm Water	92,320,119	44,576,116	Solid Waste	54,610,000	64,242,289	School-System-wide	33,022,000	50,746,928	Business District Development	26,570,000	19,207,515	Broadband	25,500,000	1,990,000	Total	\$ 29,332,348,368	\$ 48,356,104,911
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Law Enforcement	1,496,350,456	1,559,142,838																																																																													
Recreation	1,424,282,145	1,293,768,989																																																																													
Public Health Facilities	730,071,920	467,909,152																																																																													
Fire Protection	365,550,181	223,272,056																																																																													
Other Utilities	180,520,000	405,215,000																																																																													
Community Development	119,241,061	293,261,248																																																																													
Housing	12,582,000	384,906,915																																																																													
Other Facilities	52,870,000	227,875,297																																																																													
Libraries, Museums, & Historic Sites	145,928,959	113,714,719																																																																													
Industrial Sites and Parks	50,409,000	143,276,601																																																																													
Other Education	76,120,000	67,630,000																																																																													
Storm Water	92,320,119	44,576,116																																																																													
Solid Waste	54,610,000	64,242,289																																																																													
School-System-wide	33,022,000	50,746,928																																																																													
Business District Development	26,570,000	19,207,515																																																																													
Broadband	25,500,000	1,990,000																																																																													
Total	\$ 29,332,348,368	\$ 48,356,104,911																																																																													
<p>Section SP-25, Figure 7 – Estimated Cost of Needed Infrastructure in Tennessee 2023-2028</p> <p>The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) Report, January 2025</p>																																																																															

During consultation efforts for the 2025-2029 Consolidated Plan, focus groups were held in each of Tennessee’s nine development districts. Focus group participants consistently expressed a need for expanded infrastructure to support new housing developments and better current infrastructure to maintain and/or rehabilitate existing neighborhoods.

In addition, Tennesseans’ responses to the infrastructure needs questions on the Housing Needs Survey show respondents view the improvement and expansion of infrastructure as a “High Need,” especially respondents with lower incomes.

What level of need does your area have for... ?

This table shows the percent and number of complete survey respondents who selected a category as "High Need."

Categories	All Public		Respondents with Incomes \$0 to \$50K		Respondents with Incomes >\$50K to \$100K		Respondents with Incomes >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Infrastructure Need (Part 1)								
Better streets/roads	58.87%	448	66.04%	212	52.74%	125	50.00%	78
Better or additional sidewalks/walkways	60.26%	455	63.95%	204	58.97%	138	57.42%	89
Better internet access for homes/apartments	40.50%	307	53.13%	170	37.55%	89	22.73%	35
Better or additional streetlights/lighting	38.49%	291	48.75%	156	33.33%	79	25.97%	40
Better water drainage	40.66%	307	46.06%	146	40.08%	95	29.87%	46
Better or additional parks	34.48%	260	43.22%	137	32.34%	76	20.65%	32
Better accessibility (ADA) to community buildings for people with disabilities	31.66%	239	42.90%	136	27.85%	66	18.71%	29
TOTAL COMPLETE RESPONSES		770		326		240		157

Figure SP-25, Figure 8 – Table of Infrastructure-Related Needs (Part 1) by Income
Tennessee Housing Development Agency (THDA) Housing Needs Survey 2024

What level of need does your area have for... ?

This table shows the percent and number of complete survey respondents who selected a category as "High Need."

Categories	All Public		Respondents with Incomes \$0 to \$50K		Respondents with Incomes >\$50K to \$100K		Respondents with Incomes >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Infrastructure Need (Part 2)								
Better water systems	31.53%	239	40.25%	128	30.25%	72	17.42%	27
Better sewer systems	30.85%	232	37.54%	119	29.91%	70	20.78%	32
More trees	28.51%	213	33.23%	104	24.36%	57	24.03%	37
Sewer lines in new areas	27.79%	209	32.08%	102	26.18%	61	22.08%	34
Water lines in new areas	24.74%	188	29.25%	93	23.01%	55	19.87%	31
Renovation of business storefronts or centers	24.04%	181	25.95%	82	24.05%	57	20.78%	32
TOTAL COMPLETE RESPONSES		770		326		240		157

Figure SP-25, Figure 9 – Table of Infrastructure-Related Needs (Part 2) Needs by Income
Tennessee Housing Development Agency (THDA) Housing Needs Survey 2024

Finally, some goals above are included with this priority need because during the COVID-19 pandemic, the CDBG program received special funding (CDBG-CV) to promote community resilience in response to the pandemic. CDBG engaged in consultation to determine the best use of these funds. While some of the acute needs have diminished, impacts of the pandemic have lingered, and the pursuit of goals with this the CDBG-CV funding are ongoing. As a result, these goals are included above, since outcomes will be reported in future Consolidated Annual Performance and Evaluation Reports (CAPERs).

SP-35 Anticipated Resources – 91.315(a)(4), 91.320(c)(1,2)

Introduction

The U.S. Congress appropriates annual allocations for four of the five Consolidated Planning programs, including the Housing Opportunities for Persons with HIV/AIDS (HOPWA) program, Emergency Solutions Grant (ESG) program, HOME Investment Partnerships Program (HOME), and Community Development Block Grant (CDBG) program. These funds are distributed through the U.S. Department of Housing and Urban Development (HUD). The fifth Consolidated Planning program, the Housing Trust Fund (HTF) program, is funded through contributions from two government-sponsored enterprises, Fannie Mae and Freddie Mac, rather than through Congressional appropriations. As a result, sometimes the annual funding for the HTF program is announced at a different time than the other four programs. In addition, HTF funding often fluctuates more than the other programs, since the contributions from Fannie Mae and Freddie Mac rise and fall with the housing market. A strong housing market will enable more funding for HTF, and a weaker housing market enables less funding.

The State of Tennessee's Annual Action Plan functions as the State's application to HUD for this funding. Please see the Annual Action Plan for more details regarding anticipated annual allocations and current program resources.

SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The annual federal allocation for HOPWA is distributed first to the Tennessee Department of Health, then assigned to the organizations administering the HOPWA grant for each HOPWA region through a formula process based on the reported HIV and AIDS case data provided by the CDC and areas of growing need. The seven regions and their administering agencies are as follows:

- East Tennessee (Positively Living)
- North East Tennessee (Frontier Health – HOPE for TN)
- Upper Cumberland (Positively Living)
- Mid Cumberland (Nashville CARES)
- South Central Tennessee (Columbia CARES)
- West Tennessee (Children and Family Services)
- South East Tennessee (Chattanooga CARES)

In the event of a budget increase or decrease, the proposed activities' budgets will be proportionally increased or decreased to match actual allocation amounts.

Emergency Solutions Grant (ESG): The annual federal allocation is distributed to the Tennessee Housing Development Agency (THDA), then to organizations who apply for and are selected for funding to carry out eligible activities. The State of Tennessee is divided into ten Continuums of Care, which provide housing assistance and services to people experiencing homelessness or who are at risk for homelessness. Some of these organizations utilize ESG funding. However, all organizations coordinate with each other, as well as local governments, non-profits, and community organizations to prevent and address housing insecurity.

Housing Trust Fund (HTF): The annual federal allocation is first distributed to THDA, then the HTF program competitively allocates HTF funding in conjunction with the existing institutional structure utilized for the allocation of 9% Low Income Housing Tax Credits (LIHTC). THDA's Multifamily Programs division will review and make allocations based on the approved Qualified Action Plan (QAP). Unit construction and delivery are accomplished through THDA's external development partners, including both for-profit and non-profit developers who meet QAP criteria.

HOME Investment Partnerships Program: The annual federal allocation is first distributed to THDA, then the HOME program typically uses a competitive process to distribute the HOME funding to housing partners around the state. For homeowner rehab and rental development activities, city and county governments can apply for HOME funding on behalf of their constituents. They then work with a local administrator, which is often personnel from their local development district, to hire contractors and

construction labor to carry out the rehabilitation and/or building. For homeowner development activities, Community Housing Development Organizations (CHDOs), which are non-profit housing developers, can apply for and utilize funding to construct new, affordable single-family homes for sale to low-income households.

Community Development Block Grant (CDBG): The annual federal allocation is first distributed to the Tennessee Department of Economic and Community Development (ECD), then to non-entitlement units of local government (UGLGs) who apply for and are selected to complete eligible activities. This structure is a requirement as outlined in 24 CFR 570.480(g).

Community Development Block Grant – Recovery Housing Program (CDBG-RHP): The CDBG-RHP program allows the State to “act directly” and make grants to organizations other than UGLGs; however, due to the relatively small size of the CDBG-RHP allocations, the State has opted to maintain the same pass-through structure as the regular CDBG program.

Assessment of Strengths and Gaps in the Institutional Delivery System

HOPWA: One of HOPWA’s strengths is working closely with other agencies for referrals, information-sharing, and provision of services. One gap is a shortage of affordable housing makes it difficult to assist eligible individuals and families in a timely manner.

ESG: Strengths include strong coordination between state agencies, local governments, non-profits, and community organizations, which leverages multiple resources and minimizes duplication of services. However, a substantial gap are the resource limitations, capacity challenges, and room to grow in data-driven decision making for resource allocation.

THDA has engaged in multiple consultation efforts with homelessness service providers and the Continuums of Care throughout the state to better understand regional needs and how the State of Tennessee, and the ESG program in particular, can best partner with them.

HTF: The program benefits from a robust network of external development partners participating in the LIHTC program with relationships cultivated over several years.

HOME: A strength of the HOME program is the wide variety of activities for which funding can be allocated, which allows for many diverse partnerships across the state. However, the project administrators and local governments for cities and counties that have completed HOME projects express some frustration with inconsistent funding being available and/or granted. In addition, the amount of HOME funding available for rehabilitation of single-family homes and/or rehabilitation/building of multifamily homes is limited, especially when compared to the level of need for these activities. This is frustrating to some residents, who have expressed feeling that their local governments cannot assist everyone who needs it.

CDBG and CDBG-RPH: The pass-through structure has definite strengths and gaps. A strength is passing the funds only to local governments creates a finite set of potential applicants and grantees/subrecipients for fundings. As a result, many local governments have lengthy history of receiving state and federal grants and understand the requirements and rules that come with this

funding. Another strength is local governments are regularly audited, registered in the System of Award Management, and are generally less risky as grantees/subrecipients. However, this structure does have some gaps. For example, some activities are reliant on partnerships between units of local government and other organizations. These partnerships sometimes create additional steps for reimbursements for expenditures and incurred costs.

SP-50 Public Housing Accessibility and Involvement – 91.315(c)

Need to Increase the Number of Accessible Units (if Required by Section 504 Voluntary Compliance Agreement)

The Tennessee Housing Development Agency (THDA) is not subject to a Section 504 Voluntary Compliance Agreement since the public housing authority (PHA) activity of the agency is limited to managing the HCV program.

Activities to Increase Resident Involvements

THDA's HCV program has a resident advisory board that meets annually to review changes to substantive policies, discuss other program concerns, and approve the agency's Annual and Five Year Plan.

THDA applies annually for the Family Self Sufficiency (FSS) grant from the U.S. Department of Housing and Urban Development to offer alongside its HCV program. HCV program participants can choose whether to participate. The program supports participants in making progress toward economic security so that they no longer need supportive housing services, like the HCV program, and other public benefit programs. The program helps participants work toward personal employment and financial goals and connects them with support services, as needed.

The state supports local PHA initiatives that provide self-sufficiency assistance to residents, encourage literacy, and provide safe places for children of public housing. The state further supports initiatives that serve the elderly and those with disabilities in public housing. The state does not assign priority to these populations over other low-income families, rather the local PHAs assess their community needs and assign priority.

Is the public housing agency designated as troubled under 24 CFR part 902?

No.

Plan to remove the 'troubled' designation

N/A

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

See Section MA-40 for a description of barriers to affordable housing.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

One barrier the State of Tennessee seeks partially to address through the Consolidated Planning programs are market failures for the preservation, rehabilitation, and production of affordable housing and for infrastructure improvements. As discussed in the Needs Assessment and Market Analysis, the private market has not been supplying affordable housing and infrastructure improvements at the rate at which they are needed. As a result, the State's Consolidated Planning programs, along with the State's other housing and community development programs, provide resources for these activities to correct these market failures to the extent possible.

The State recognizes that ideally communities would have a full continuum of housing available.



Section SP-55, Figure 1 – Community Housing Continuum
Visual adapted from Kentucky's Housing Supply Gap Analysis Presentation in 2024

The Housing Opportunity for Persons with HIV/AIDS (HOPWA) and Emergency Solutions Grant (ESG) programs seek to fill gaps in supportive housing and services. The State's Housing Choice Voucher (HCV) program seeks to provide vouchers for Tennesseans to afford housing in the private rental market. The Housing Trust Fund (HTF) program seeks to fill gaps in the development, rehabilitation, and preservation of affordable housing for extremely-low-income renters. The State's Low Income Housing Tax Credit (LIHTC) and Community Investment Tax Credit (CITC) programs seek to fill gaps in the development and preservation of affordable multifamily housing. The HOME program seeks to fill gaps in the development, rehabilitation, and preservation of affordable single-family homes and rental housing. The State's Homebuyer Education Initiative (HBEI) program seeks to educate potential homebuyers about the process and prepare them for purchasing a home. And the CDBG program accomplishes public infrastructure and facility improvements.

Some of the identified barriers to affordable housing are beyond the State's direct scope of influence, including those that are macroeconomic and/or decided by local governments and communities. As a result, the State of Tennessee must work with partners on an issue-by-issue basis to ameliorate these barriers. In addition, the State can also educate the public and its partners about these barriers and coordinate opportunities for citizens, communities, and governments to work together to address them.

The State also removes barriers to fair housing. Please see the Fair Housing appendix for a summary of the State's strategies for removing or ameliorating these barriers.

SP-60 Homelessness Strategy – 91.315(d)

The Emergency Solutions Grant (ESG) program allows the State to coordinate with local Continuums of Care (COCs) to implement the following homelessness strategy.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

ESG funding is allocated to non-profit organizations and local governments across the state to engage persons experiencing unsheltered homelessness. ESG will be used to fund the costs of providing essential services necessary to engage unsheltered persons experiencing homelessness; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to those who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Providers will build rapport with individuals through multiple contacts, to engage individuals and work with them to create an individualized plan to reach housing goals.

In addition, Tennessee's CoCs will annually conduct the Point-in-Time Counts of those experiencing unsheltered (and sheltered) homelessness in Tennessee, which enables service providers to see changes in levels of need for street outreach in their communities and develop strategic plans to address local needs.

Addressing the emergency and transitional housing needs of homeless persons

ESG funding will be allocated to non-profit organizations and local governments across the state to provide safe and sanitary temporary shelter to individuals and families experiencing homelessness. Funds will be used to provide essential services, including but not limited to case management, childcare, education services, employment assistance, job training and transportation. Funds will also be used for the operation of shelters, to include the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available, eligible costs may also include a hotel or motel voucher.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

ESG funding will be allocated to non-profit organizations and local governments across the state to provide supportive services through Street Outreach, Emergency Shelter, Rapid Rehousing and Homelessness Prevention. These supportive services will assist households in creating individualized housing plans to address any barriers to housing to facilitate swift transition from homelessness to housing. Additionally, funded agencies will work to build rapport with landlords and housing

management companies to create partnerships and secure housing opportunities. Agencies will work as a mediator between the landlord and tenant to ensure continued housing stability.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

ESG funding will be allocated to non-profit organizations and local governments across the state to provide homelessness prevention services. These services will include short-term and medium-term rental assistance, financial assistance, and supportive services. Funded agencies will work in conjunction with other facilities and community agencies through the continuum of care to ensure there is a plan in place for those exiting publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs. THDA has designed the ESG application to ensure partnerships with other community partners are highlighted and encouraged.

SP-65 Lead based paint (LBP) hazards – 91.315(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The Consolidated Planning programs have policies and procedures to evaluate for LBP hazards and take steps to ensure LBP hazards are remediated appropriate so that housing assistance provided is safe and appropriate for residents.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The HOPWA program recognizes housing built before 1978 may contain lead-based paint (LBP). When HOPWA provides an individual and/or household with housing assistance, the program evaluates the following questions to determine appropriate next steps for evaluating and taking actions related to LBP:

- A. What year was the housing built or most recently rehabilitated?
- B. Will a child under the age of six and/or a pregnant woman reside in the housing?
- C. Is the household the resident owner of the housing?
- D. Will the household lease or sublease the housing from an owner?
- E. Is the housing assistance expected to continue for more than 100 consecutive days?

See HOPWA's Policies and Procedures guide for more information. Many action steps are similar to those described below for the ESG program's homelessness prevention and rapid rehousing services.

Emergency Solutions Grant (ESG): Entities that receive an ESG grant must create and maintain records to document compliance with Lead-Based Paint safety policies. For example, all emergency shelters using ESG funding must determine if the property is exempt from all requirements of 24 CFR Part 35 (Lead Safe Housing Rule), which is done by answering a series of questions outlined in the Lead Safe Housing Rule Toolkit provided by the U.S. Department of Housing and Urban Development (HUD). If a shelter unit is not exempt, the owner must provide a pamphlet, a disclosure form and disclose all known information about LBP, LBP hazards, and mitigation steps. Shelters who are not exempt, must complete initial Visual Assessments for deteriorated paint, paint stabilization, and LBP clearance achieved before opening. Shelters who remain open should complete annual assessments as well. Owners of the property must have and implement an ongoing lead paint maintenance plan.

For homelessness prevention and rapid re-housing, a lead-based paint visual assessment form must be completed for all units. ESG considers three factors when deciding on next steps related to LBP. The household living in the unit is being assisted with ESG financial assistance (rent assistance, utilities assistance, utility/security deposits, or arrears), AND the unit was constructed prior to 1978, AND a child under the age of six, or a woman who could become pregnant, is or may be living in the unit. In any property meeting all the above three conditions, grantees must carry out appropriate measures per guidance from THDA and HUD, including an LBP visual assessment. If the unit fails the LBP visual assessment, and the landlord will not provide the appropriate step for remediation, then ESG financial

assistance (rent, assistance, utilities assistance, utility/security deposits, or arrears) cannot be provided for the unit.

HTF and HOME: The HTF and HOME programs use an eight-step process to evaluate for LBP in any structure that is going to be rehabilitated using HTF and/or HOME funds and to take appropriate action based on findings.

1. Complete the initial walk through and work-write-up. By doing the initial walk-through and work write-up, it is sometimes possible to determine that a unit needs to be reconstructed prior to expending the funds for a paint inspection/risk assessment that is not needed. Other times it may be necessary to have the paint inspection/risk assessment completed in order to make the determination that reconstruction is the best use of funds.
2. Determine the estimated cost of repairs and the category into which the project falls. (See Attachment V: Quick Reference Guide)
3. Provide risk assessor with a copy of the initial work write-up showing which areas are to be disturbed by the rehabilitation. Proceed with appropriate paint testing/risk assessment. If the Risk Assessment and testing has already been completed, the findings should be incorporated into the work wire-up. The paint inspection/risk assessment should address not only the areas to be disturbed, but any lead-based paint hazards and potential hazards that are discovered as part of the paint inspection/risk assessment.
4. Provide homeowner with a copy of the COMPLETE Risk Assessment or Lead Hazard Screen (LBP 2-Homeowner Receipt of Lead-Based Paint Risk Assessment) within 15 days of completion of the report or receipt by the administrator. (Documentation that the homeowner has received the Risk Assessment or Lead Hazard Screen must be maintained in the project record.)
5. Incorporate measures recommended by the risk assessor into the work write-up including LBP 4- Status of Compliance with Lead-Based Paint Regulations. The work write-up should be broken out with separate line-item costs for both the rehabilitation work and the lead hazard reduction work. In most cases, the cost of lead work hazard reduction will be associated with a particular line item of rehabilitation work. In certain situations, placing the cost of interim controls under lead hazard reduction may be the best choice, and the rationale for that decision must be well documented. It is important to remember that only the interim controls recommended in the risk assessment may be used for the rehabilitation.
6. Determine if relocation is necessary.
7. Put the project out to bid. The bid sheet must differentiate between rehabilitation work and lead work. The costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributable to lead-based paint hazard reduction are not to be included in the hard costs of rehabilitation. The two totals will then be added together to arrive at a total bid amount. Relocation of homeowner and furnishings, if applicable.
8. After completing work, clearance must be achieved. Provide the household with a copy of

the COMPLETE Clearance Report (LBP 5 – Homeowner Receipt of Lead Based Paint Clearance Report) within 15 days of completion of the hazard reduction activity or receipt by the administrator of the clearance report. (Documentation that the homeowner has received the complete Clearance Report must be maintained in the project record.) Move homeowner and belongings back into home, if applicable.

Community Development Block Grant (CDBG): While the CDBG program does not currently include housing activities, the program has used a process similar to the one the HOME program describes above.

How are the actions listed above integrated into housing policies and procedures?

The processes described above are the policies and procedures the Consolidated Planning programs and their grantees are required to follow. For all programs, records are maintained to document these processes and any actions taken.

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The State of Tennessee has not set formal goals to reduce the number of poverty-level families. However, the State has many programs and policies to assist poverty-level families, including its housing programs, which are designed to fill gaps in Tennessee's housing continuum and support low-income households with maintaining housing stability. See Sections SP-05 and SP-55 for more information.

Extremely-low-income families (with incomes of 30% or less of AMI) often overlap with those defined as poverty-level. For comparison, 12.1% of households in the state were extremely low income, and 10.3% of families were poverty-level during the Five-year period of 2017-2021. These households' low incomes often make them at risk for cost burden, spending more than 30% of their household incomes on housing costs. This combination makes these households especially vulnerable to housing insecurity. Tennessee has an absolute shortage of affordable units for extremely low-income households, which is partially causing these households to be disproportionately cost burdened. See Section MA-15 for more information. The State is educating the public and its partners about the housing shortage and taking action to address it to the extent resources allow. While ensuring affordable housing is available will not in and of itself change a households' income category or poverty-level, affordable housing is to key to ensuring the family has the resources it needs to make gains in employment and income to leave poverty.

Tennessee also has many types of mainstream services to address other needs for some poverty-level families, including Medicaid, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Supplemental Nutrition Assistance Program (SNAP), the Women, Infants, Children (WIC) program, Federal-State unemployment benefits, public housing, the Housing Choice Vouchers (HCV, also known as Section 8), Temporary Assistance for Needy Families (TANF), and job center services. The State also coordinates with local governments, communities, organizations, and citizens connect poverty-level families with other resources.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan?

As previously mentioned, the State coordinates with the other entities providing resources to support poverty-level families. However, more could be done to develop an anti-poverty strategy and further increase coordination between the State, local governments, communities, organizations, and citizens to reduce poverty.

SP-80 Monitoring – 91.330

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Each Consolidated Planning program has its own standards and procedures for monitoring. However, all Consolidated Planning programs are required to report their progress toward Annual Action Plan (AAP) goals in the Consolidated Annual Performance and Evaluation Report (CAPER). This report is submitted to the U.S. Department of Urban Development (HUD) and released to the public each year.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The Project Sponsors who administer each HOPWA region complete both quarterly and year-end program reports for the Tennessee Department of Health (TDH). In addition, Project Sponsors must submit Financial Status Reports (FSRs) to TDH on a quarterly basis and an Annual Audit Report within 90 days after the HOPWA grant period ends. The Project Sponsor Supervisors must conduct programmatic and fiscal reviews of the Project Sponsors and report any corrective actions, revisions, and resolutions to the Tennessee Department of Health. Additionally, Project Sponsor Supervisors must review their Project Sponsors' progress towards achieving HOPWA's service outcome measures for tenant-based rental assistance (TBRA), short-term rent, mortgage, and utility (STRMU) assistance, facilities-based housing assistance (FBHA), and supportive services.

Emergency Solutions Grant (ESG): The Tennessee Housing Development Agency's (THDA's) ESG staff conducts annual, in-depth trainings on each component of ESG to ensure compliance with the federal and state regulations. During these component trainings, the Compliance and Asset Management (CAM) team presents common findings and concerns. The CAM team has a comprehensive monitoring process for ESG grantees, including desk monitoring, file review, and site visits. These monitoring activities are done on an annual basis with a minimum of 20% of grantees. Additionally, all invoices are reviewed by three staff members to ensure all costs are eligible prior to payment. THDA's Internal Audit team also conducts a compliance review of all ESG activities annually. Like HOPWA, ESG grantees must submit their quarterly reports and an annual report, which are used to report program outcomes toward goals in the annual CAPER.

HOME Investment Partnerships Program: Local governing bodies, contractors, subcontractors, vendors and applicants for assistance carrying out HOME activities and/or benefiting from HOME activities are required to abide by federal and state laws. THDA provides detailed annual trainings for grantees to ensure they are aware of their responsibilities and compliance procedures. THDA also provides technical support, as needed. In addition, THDA's compliance team monitors rental properties to ensure they are in ongoing compliance with affordability periods and federal and state laws. HOME grantees must document various processes to show they are following these laws, including activities related to Section 3 and the Minority and Women Business Evaluation (MWBE) Report.

Community Development Block Grant (CDBG): All CDBG-funded activities are monitored for programmatic compliance prior to a local government grantee/subrecipient closing the activity. All monitoring activities are conducted in accordance with the risk level associated with the grantee/subrecipient and the activity. All CDBG-funded activities are monitored at a desk review level with high-risk activities or grantees/subrecipients receiving monitoring on-site.

Executive Summary

AP-05 Executive Summary – 24 CFR 91.300(c), 91.320(b)

1. Introduction

The State of Tennessee's Fiscal Year (FY) 2025-2026 Annual Action Plan is the State's annual application to the U.S. Department of Housing and Urban Development (HUD) for annual federal funding of five formula grant programs. The Annual Action Plan (AAP) covers the period of July 1, 2025 through June 30, 2026 and describes the State's program goals, funding allocations, methods of distribution, and intended activities, which are aligned to the State's strategic priorities in the 2025-2029 Consolidated Plan.

Through the AAP, HUD provides federal funding for the following five programs:

- The Housing Opportunities for Persons with AIDS (HOPWA) program addresses the housing needs of low-income persons who are living with HIV/AIDS and their families.
- The Emergency Solutions Grants (ESG) program provides funding for supportive services and housing assistance for people at risk of homelessness or people experiencing homelessness, enabling them to regain stability in permanent housing.
- The Housing Trust Fund (HTF) program promotes the production, preservation, and rehabilitation of affordable rental housing for extremely low-income households.
- The HOME Investment Partnerships (HOME) program promotes the production, preservation, and rehabilitation of affordable housing for rent or homeownership for low-income households.
- The Community Development Block Grant (CDBG) program promotes economic and community development, mostly through infrastructure and facility improvement activities, in eligible cities and counties with low-to-moderate income residents across the state. Additionally, CDBG administers the Recovery Housing Program (CDBG-RHP), which funds temporary supportive housing projects for people recovering from substance use disorders (SUDs).

The Tennessee Department of Health (TDH) administers HOPWA. The Tennessee Housing Development Agency (THDA) administers the ESG, HTF, and HOME programs. The Tennessee Department of Economic and Community Development (TNECD) administers CDBG and CDBG-RHP. While THDA is the lead agency responsible for coordinating the development of the Consolidated Plan and AAP, all administering agencies of the five grant programs participated in their development.

For FY 25-26, the State expects HUD will distribute \$50-\$60 million of federal funding to the State of Tennessee, like previous years. The actual allocations for FY 25-26 have not yet been announced, but the FY 24-25 allocations are included below for reference. **This table will be updated to include the actual allocations for FY 25-26 when they are available.**

Programs	FY 24-25 Allocations
HOPWA	\$2,303,205.00
ESG	\$3,244,618.00
HTF	\$3,150,564.64
HOME	\$12,910,084.00
CDBG	\$27,571,438.00
CDBG-RHP	\$1,504,598.00
TOTAL	\$50,684,507.64

Section AP-05, Figure 1 – Table of FY 24-25 Federal Funding for Consolidated Planning Programs
HUD Community Planning and Development (CPD) Formula Program Allocations

The FY 25-26 AAP also contains the expected funding and annual goals for the State’s other affordable housing resources aligned to the State’s Consolidated Planning goals. These other resources include the HOME-American Rescue Plan (ARP) Supportive Services program, HUD’s Section 8 Tenant-Based Housing Choice Voucher (HCV) program, the HOME-ARP Rental Development program, the Community Investment Tax Credit (CITC) program, the Low-Income Housing Tax Credit (LIHTC) program, the Tennessee Housing Trust Fund (THTF) program, and the Homebuyer Education Initiative (HBEI) program.

The State invites citizens of Tennessee to give feedback on the FY 25-26 Annual Action Plan from March 5 – April 19, 2025 through the public comment survey. Citizens are also invited to attend the public hearing, held both virtually and in-person on Thursday, April 17. Links to the public comment survey and details of the public hearing can be found on the State’s Consolidated Planning webpage:

<https://thda.org/research-reports/consolidated-planning>

Annual Action Plan Section Preview

- Section AP-15 gives details about expected resources available to the State’s Consolidated Planning programs for FY 25-26.
- Section AP-20 outlines annual goals and objectives for each program.
- Section AP-25 sets allocation priorities.
- Section AP-30 explains the methods of distribution for each program’s funding.
- Section AP-50 details the geographic areas of the state eligible for FY 25-26 funding.
- Section AP-55 discusses how each program will support affordable housing.
- Section AP-60 gives information about public housing.
- Section AP-65 discusses strategies for addressing the needs of people experiencing homelessness.
- Section AP-70 outlines HOPWA goals.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The State's Consolidated Plan is a Five-year strategic plan, describing the State's strategic priorities for housing and community development. The 2025-2029 Consolidated Plan covers the period of July 1, 2025 through June 30, 2029. The FY 25-26 Annual Action Plan covers Year 1 of the 2025-2029 Consolidated Planning period.

The State has set the following strategic priorities for the 2025-2029 Consolidated Plan. These strategic priorities stem from the State's assessment of Tennesseans' housing needs, as demonstrated through Tennesseans' responses to the Housing Needs Survey, feedback from focus group participants in each of Tennessee's nine development districts (which included representatives from Continuums of Care and public housing authorities), consultation with the State's current and former sub-grantees for Consolidated Planning program funds, and analyses of housing-related data. These strategic priorities are most aligned to the needs of households with incomes of 80% or less of Area Median Income (AMI), since these are the households eligible for assistance through the Consolidated Planning programs.

The bullet points below capture the State's strategic priorities and the main activities Consolidated Planning program funds will support.

- **Priority 1: Prevent, address, and decrease homelessness**
 - Prevent homelessness
 - Conduct outreach to people experiencing homelessness
 - Provide emergency shelter to people experiencing homelessness
 - Connect people experiencing homelessness with stable housing and/or rental assistance
 - Provide supportive services to help people attain and maintain their housing
 - House vulnerable populations (e.g., people living with HIV/AIDS, people fleeing domestic violence, people recovering from a substance use disorder) and connect them with appropriate resources
- **Priority 2: Produce, rehabilitate, and preserve affordable housing**
 - Rehabilitate and preserve existing, affordable multifamily housing
 - Rehabilitate and preserve existing, affordable single-family housing
 - Weatherize existing housing
 - Produce new, affordable multifamily housing
 - Produce new, affordable single-family housing
- **Priority 3: Improve community livability and resilience**
 - Expand and improve community infrastructure
 - Weatherize existing infrastructure
 - Promote recovery after natural disasters

The priorities outlined above are numbered according to their designation in IDIS, the reporting database where the State of Tennessee submits the Consolidated Plan to HUD. These numbers do not reflect the strategic priorities' relative levels of importance.

The State will affirmatively further fair housing through the Consolidated Planning programs and other housing and community development programs. While this is not a formal strategic priority for which

the State allocates a specific funding stream or sets numeric goals in the Consolidated Plan, the State takes many actions aligned with furthering fair housing.

The State actively looks for ways to remove barriers to housing access. The State also provides resources to educate Tennesseans about their housing rights under the Fair Housing Act and to educate the State's Consolidated Planning program grantees about their fair housing obligations. Finally, the State addresses violations of the Fair Housing Act. These activities will continue throughout the 2025-2029 Consolidated Planning period. See the Fair Housing section in the appendix for more information.

3. Evaluation of past performance

The State of Tennessee will build upon past efforts to address housing insecurity, increase the supply of affordable housing units, promote community livability and resilience, and further fair housing, evaluating how effective each program's activities are and working to improve programs' efficiency and impact.

For detailed assessments of the State's past performance, see the Consolidated Annual Performance and Evaluation Reports (CAPERs), which detail the programs' annual accomplishments and outcomes. They are available on the Consolidated Planning page of Tennessee Housing Development Agency's (THDA's) website: <https://thda.org/research-reports/consolidated-planning>

4. Summary of Citizen Participation Process and consultation process

The State will solicit public input during the Consolidated Plan's public comment period, March 5 - April 19, 2025. Public notices will be translated into Spanish, Arabic, Somali, Chinese, Korean, Laotian, Vietnamese, Badini, and Sorani. Additional accommodations such as translation services for other languages and/or services for people with disabilities will be available upon request.

An in-person and virtual public hearing will be held on Thursday, April 17, 2025 from 1:00-2:00 PM CST in the Nashville Room of the Tennessee Tower in Nashville. The public will be invited to give feedback on a summary and final draft of the Consolidated Plan and Annual Action Plan through posts on State of Tennessee's government websites, Tennessee's development district websites, and THDA's social media accounts. THDA also will use its email lists to invite the State's current and former Consolidated Planning program grantees and other interested parties to give feedback on the draft Consolidated Plan and Annual Action Plan. See <https://thda.org/research-reports/consolidated-planning> for more information.

Finally, public notices informing local communities of the public comment period and public hearing will be published in these newspapers.

- Chattanooga Times Free Press – Chattanooga
- The Commercial Appeal – Memphis
- El Crucero de Tennessee – Nashville (in Spanish)
- Herald-Citizen – Cookeville

- The Daily Herald - Columbia
- The Jackson Sun – Jackson
- Johnson City Press- Johnson City
- Knoxville News Sentinel – Knoxville
- La Campana – Franklin (in Spanish)
- La Prensa Latina – Memphis (in Spanish)
- The Leaf Chronicle – Clarksville
- State Gazette – Dyersburg
- The Tennessean – Nashville

In most cases, both the English and Spanish notices will be posted together, except for the newspapers where only the relevant notice will be published. In addition to publicizing the 2025-2029 Consolidated Plan and the FY 25-26 Annual Action Plan, the THDA Board of Directors have discussed and voted on program descriptions for each THDA-administered program, which include ESG, HTF, and HOME. These meetings were open and available to the public.

Please see the appendix for documentation of this year’s website postings, email blasts, newspaper tear sheets, and program descriptions. A list of links to program descriptions, manuals, and additional information are included in section AP-90.

5. Summary of public comments

This response will be updated after the public comment period and public hearing.

6. Summary of comments or views not accepted and the reasons for not accepting them.

This response will be updated after the public comment period and public hearing.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following table lists the agencies/entities responsible for preparing the Consolidated Plan and administering each grant program's funding and activities.

Agency Role	Name	Department/Agency
Housing Opportunities for Persons with HIV/AIDS (HOPWA) Administrator	TENNESSEE	Tennessee Department of Health (TDH)
Emergency Solutions Grant (ESG) Administrator	TENNESSEE	Tennessee Housing Development Agency (THDA), Community Services Division
Housing Trust Fund (HTF) Administrator	TENNESSEE	Tennessee Housing Development Agency (THDA), Multifamily Division
HOME Investment Partnerships Program (HOME) Administrator	TENNESSEE	Tennessee Housing Development Agency (THDA), Community Development Division
Community Development Block Grant (CDBG) Administrator	TENNESSEE	Tennessee Department of Economic and Community Development (ECD)

Narrative

The Tennessee Department of Health (TDH) administers HOPWA. The Tennessee Housing Development Agency (THDA) administers the ESG, HTF, and HOME programs. The Tennessee Department of Economic and Community Development (TNECD) administers CDBG and CDBG-RHP. While THDA is the lead agency responsible for coordinating the development of the Consolidated Plan and Annual Action Plan, all administering agencies of the five grant programs participated in their development.

Consolidated Plan Public Contact Information

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AP-10 Consultation

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The leadership and staff of the State's Consolidated Planning programs engage in routine, program-specific consultation efforts with past and current grantees throughout the year. For example, the Emergency Solutions Grant (ESG) program hosts monthly Tennessee Homeless Supportive Services calls to coordinate between housing partners and state government agencies. In addition, the Community Development Block Grant (CDBG) program hosts an annual meeting to discuss results from the previous program year's activities, seek feedback for the upcoming program year, and preview application requirements and processes. In addition, to draft the 2025-2029 Consolidated Plan, the State engaged in several additional rounds of consultation with program partners and the public.

1. On behalf of the State of Tennessee, the Tennessee Housing Development Agency (THDA) administered a housing needs survey to the public and to statewide organizations in June and July of 2024 to gather feedback on Tennesseans' housing experiences and needs.
2. Regional meetings were conducted in August 2024 to share presentations on housing needs and gather local feedback via focus groups on housing affordability, homelessness, and fair housing. The meetings were held in each of Tennessee's nine development districts. Development district staff, program partners, local governments, non-profit organizations, Continuum of Care organizations, and public housing authority personnel were all invited to participate.
3. The leadership of Consolidated Planning programs synthesized findings from the survey responses and regional meetings with the information they gain through the routine consultation efforts described above to draft the 2025-2029 Consolidated Plan's strategic priorities and Annual Action Plan goals. The public is invited to give feedback on the summary and draft of the 2025-2029 Consolidated Plan and FY 25-26 Annual Action Plan during the public comment period, March 5 – April 19, 2025, and during a public hearing on April 17, 2025. See Section AP-05 Part 4 for more information.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

In addition to the monthly supportive services calls, which allows for coordination between the Continuums of Care (CoCs) and state agencies, THDA is in regular contact with CoCs and community agencies to connect individuals and families who are experiencing homelessness or at risk of it. ESG staff receives feedback from ESG applicants throughout the application process and ensures ESG applicants are engaged with the CoC through meetings, committees, sub-committees and participating in the annual Point-in-Time Count (PITC), HMIS data systems, and Coordinated Entry planning. ESG staff makes efforts to attend CoC meetings and meet with individual CoCs, as requested.

Project Sponsor personnel for the Housing Opportunities for Persons with HIV/AIDS (HOPWA) program also often attend meetings with CoCs, since some of the individuals and families HOPWA serves have experienced homelessness.

Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

During the ESG application process the CoCs complete a questionnaire for each applicant to inform THDA staff of the current participation or capacity to participate in CoC meetings, HMIS data systems, and Coordinated Entry. The questionnaires are used in determining scores for applicants in the CoC section of the application. ESG staff has made it a goal this year to meet with all CoCs to revise performance standards for ESG grantees and ensure enhanced collaboration between THDA and CoCs across the state. These meetings will take place in the spring of 2025. This will ensure program activities and funding are aligned with CoCs' goals and strategies. It will also enable THDA and CoCs to discuss gaps and priorities for each region so that program outcomes can be better evaluated.

Identify any Agency Types not consulted and provide rationale for not consulting

The State notified all appropriate entities of consultation opportunities for the Consolidated Plan, including the FY 25-26 Annual Action Plan. Numerous agencies, including Continuums of Care (CoCs), Development Districts, local governments, housing coalitions, public housing authorities, Consolidated Planning program grantees, housing developers, nonprofits, and state and local agencies were notified of and/or participated in strategy and consultation efforts throughout the Consolidated Planning period. The previous list of these agencies in this section are not exhaustive but represent the core consultants.

AP-12 Participation

Summarize citizen participation process and how it impacted goal-setting.

In the summer of 2024, the Tennessee Housing Development Agency, on behalf of the state of Tennessee, administered a Housing Needs Survey to better understand Tennesseans' housing experiences and needs, including how the Consolidated Planning programs' goals could address these needs. The State found substantial need, especially among low-income households, for the Consolidated Planning programs' goals. See section SP-25 Priority Needs of the 2025-2029 Consolidated Plan for more information on how this citizen participation impacted goal-setting.

This response will be updated after the public hearing and public comment period to reflect the public's feedback on the Consolidated Plan and Annual Action Plan.

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The following table summarizes the anticipated annual funding for each Consolidated Planning program. The narrative section after the table summarizes the State's other programs and resources aligned to the Consolidated Plan's strategic priorities and goals.

Program	Uses of Funds	Expected Resources Year 1			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
Housing Opportunities for Persons with HIV/AIDS (HOPWA)	Permanent housing placement Short-term or transitional housing facilities Short-term rental, mortgage, and utility (STRMU) assistance Supportive services Tenant based rental assistance (TBRA)	Approximately \$2,303,205	\$0	\$0	The Tennessee Department of Health (THD) distributes the State's HOPWA funds for housing activities that benefit low-income persons living with HIV/AIDS and their families.
Emergency Solutions Grant (ESG)	Overnight/Day shelter Transitional housing Financial assistance Rapid re-housing (rental assistance) Homelessness prevention Rental assistance Supportive services Case Management	Approximately \$3,244,618	\$0	\$122,911.58	The Tennessee Housing Development Agency (THDA) distributes the State's ESG funds to provide the services and resources necessary to help persons experiencing homelessness or those at risk of becoming homeless to regain stability in permanent housing. The amount of prior year resources was reported on December 18, 2024.
Community Development Block Grant – Recovery Housing Program	Transitional housing construction	Approximately \$1,504,598	\$0	\$1,200,000	The Tennessee Department of Economic and Community Development (ECD) distributes the State's CDBG-RHP program funds to develop transitional housing for people in recovery from a substance-abuse disorder.

Program	Uses of Funds	Expected Resources Year 1			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
(CDBG-RHP)					
Housing Trust Fund (HTF)	<p>Rehabilitation and preservation of affordable rental housing units</p> <p>New construction of affordable rental housing units</p>	Approximately \$3,150,564.64	\$0	\$5,290,023.02	<p>The Tennessee Housing Development Agency (THDA) distributes the State's Housing Trust Fund (HTF) program funds to produce, rehabilitate, and preserve affordable rental housing for extremely low-income households, including homeless families. Though HTF funds and outcome estimates are assigned to a particular program year, HTF projects take multiple years to complete. THDA awards HTF program funds to rental development and rental rehabilitation projects that also have been selected for the Low Income Housing Tax Credit (LIHTC) through the State of Tennessee's Qualified Allocation Plan (QAP). HTF funds are further targeted to projects in rural areas, or which provide permanent supportive housing to vulnerable populations.</p> <p>The amount of prior year resources was reported on January 30, 2025.</p>
HOME Investment Partnerships Program (HOME)	<p>Acquisition</p> <p>Rehabilitation and preservation of affordable rental units</p> <p>New construction of affordable rental units</p> <p>New construction of affordable homes for sale</p> <p>Rehabilitation of affordable homes for low-income homeowners</p> <p>Tenant based rental assistance (TBRA)</p>	Approximately \$12,910,084	\$0	\$15,292,351	<p>The Tennessee Housing Development Agency (THDA) distributes the State's HOME funds to produce, rehabilitate, and preserve single-family housing and rental housing (of 11 units or fewer per project) for low-income households. Though HOME funds and outcome estimates are assigned to a particular program year, these HOME projects take multiple years to complete.</p> <p>The amount of prior year resources was reported on January 29, 2025.</p>

Program	Uses of Funds	Expected Resources Year 1			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
Community Development Block Grant (CDBG)	Acquisition	Approximately \$27,571,438	\$97,552.79	\$1,130,907.38	The Tennessee Department of Economic and Community Development (ECD) distributes the State's CDBG funds to smaller cities with a substantial low-to-moderate income populations for public infrastructure and facilities projects.
	Administration and planning				
	Economic development				
	Affordable housing				
	Public infrastructure improvements				
	Public facility improvements				
	Public Services				

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Housing Opportunities for Persons with AIDS/HIV (HOPWA): Tennessee's HOPWA program does not leverage additional resources and does not require a match for their grants.

Emergency Solutions Grants (ESG): Tennessee's ESG program does not leverage other State resources, but it does require grantees to provide a dollar-for-dollar match of ESG funds. The State's ESG grantees must provide a certification of matching funds, and they must supplement their ESG funds with an equal amount of funding or in-kind support from non-ESG sources. Matching funds or in-kind support must be provided after the date of the grant award to the recipient and within the period of the ESG contract with THDA. The recipient may not include funds used to match any previous ESG grants. The State's ESG grantees should be mindful that some other federal grants contain language that prohibits their use as matching funds.

CDBG Recovery Housing Program (CDBG-RHP): The CDBG-RHP program does not leverage other State resources, and there is no matching requirement. However, the amount of funds grantees leverage from other sources for the construction of transitional housing will be considered when determining the locations of developments and entities to be awarded CDBG-RHP funds.

Housing Trust Fund (HTF): The Tennessee Housing Development Agency (THDA) will count funds HTF applicants leverage from other sources as match funds. A contribution of value in the form of cash, materials or labor in a pre-approved form and method toward the hard development costs of a project is considered leveraged funds. In the scoring matrix, any project that has leveraged funds will receive additional points.

HOME Investment Partnerships Program: The Tennessee Housing Development Agency (THDA) will provide the required federal match for HOME funds. Although no local match is required from applicants, THDA will count any nonfederal project funds that qualify as match under the HOME rule toward a project's matching requirement. In the scoring matrix, any project that has leveraged funds will receive additional points.

Community Development Block Grant (CDBG): The CDBG program uses an Ability to Pay (ATP) Index to develop the required local match amounts from the applying local governments. The ATP was developed as a requirement of the EPA-backed State Revolving Fund (SRF) for all city and county governments based on factors such as median household income, poverty rate, unemployment rate, food stamp dependency, etc. The Tennessee Department of Economic and Community Development (ECD) uses this ATP to create a match rate range of 10% - 30%. Additionally, local governments can receive a 4% reduction on their match when located in a county actively participating in the ThreeStar program.

Applicants must submit a local government resolution with the application for the commitment of

matching funds. If, upon bidding, the project budget must be increased, the local government must provide a commitment, usually in the form of a resolution, to cover the overage. During the reimbursement process, ECD only reimburses based on the percentage of each budget line item attributed to the grant. For instance, if the construction line item is 50% CDBG-funded, when a request for payment is submitted only 50% of the construction amount invoiced will be reimbursed.

The State has other programs whose activities align with the Consolidated Plan's strategic priorities and goals.

The other programs aligned with Priority 1 to prevent, address, and decrease homelessness are:

- HOME-ARP Supportive Services
 - Expected Resources: \$1,763,175.43 remaining of the one-time \$6,144,070 allocation (as of January 29, 2025)
 - Program Description: The Tennessee Housing Development Agency (THDA) was allocated federal funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) for the HOME Investment Partnerships Program to provide homelessness assistance and supportive services through the HOME-American Rescue Plan Program. The portion allocated to Supportive Services, which totaled \$6,144,070, will be used to provide financial assistance and essential services to the program's qualifying populations which include, but are not limited to, persons who are experiencing homelessness, those "at risk" of homelessness, persons fleeing or attempting to flee domestic violence, and special populations.
 - Matching Requirements: N/A
- Housing Choice Voucher (HCV) program
 - Expected Resources: 50,772,090.46 anticipated
 - Program Description: The Housing Choice Voucher (HCV) program is a federal rental assistance program funded through the U.S. Department of Housing and Urban Development (HUD) where very low-income individuals, families, the elderly and the disabled receive assistance to afford decent, safe and sanitary housing in the private market. In addition to the HCV program, the Tennessee Housing Development Agency (THDA) Rental Assistance division administers the Mainstream and Emergency Housing Voucher (EHV) program, which have separate funding not included in this table. For FY25, THDA anticipates approximately \$1,177,705.52 for Mainstream vouchers and \$1,098,249.29 for EHV.
 - Matching Requirements: N/A

The other programs aligned with Priority 2 to produce, rehabilitate, and preserve affordable housing are:

- Low Income Housing Tax Credit (LIHTC) program
 - Expected Resources: Approximately \$20,300,000
 - Program Description: The LIHTC program allocates federal tax credits to developers of

- low-income rental housing. LIHTC allocations are made on the front end for 10 years.
 - Matching Requirements: N/A
- Community Investment Tax Credit (CITC)
 - Expected Resources: Approximately \$438,655,226
 - Program Description: Financial institutions may obtain a credit against the franchise and excise tax liability when qualified loans, investments, grants, or contributions are extended to eligible nonprofit organizations, development districts, public housing authorities, or the Tennessee Housing Development Agency (THDA) for activities that create or preserve affordable housing, help low-income Tennesseans obtain affordable housing, or help build the capacity of eligible nonprofit organizations who provide housing opportunities for low-income Tennesseans.
 - Matching Requirements: N/A
- HOME-American Rescue Plan (ARP) Rental Development
 - Expected Resources: \$X,XXX,XXX remaining of the one-time \$33M allocation
 - Program Description: The Tennessee Housing Development Agency (THDA) was allocated federal funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) for the HOME Investment Partnerships Program to provide homelessness assistance and supportive services through the HOME-ARP program. Program funding, which was a one-time allocation totaling approximately \$33 million, can be used for acquisition, construction, and rehabilitation of affordable rental housing for qualifying populations and low-income households. The funding may be combined with other resources but may also be used to cover 100% of project development costs.
 - Matching Requirements: Grantees must provide a 25% match.
- Tennessee Housing Trust Fund (THTF)
 - Expected Resources: \$7,500,000
 - Program Description: THTF funds six State programs to address unmet housing needs in Tennessee and to help build the capacity of nonprofit housing development organizations. The Competitive Grants program targets rental housing needs across Tennessee for low-, very low-, and extremely low-income residents. Other programs provide housing modifications for persons with disabilities, home repair for the elderly and disabled, new home construction and purchase for low-income Tennesseans, and assistance for communities impacted by weather-related incidents.
 - Matching Requirements: The Competitive Grants Program requires a 50% match of development dollars.

Finally, although affirmatively furthering fair housing is not a formal strategic priority with its own funding allocations or numerical goals, the State prioritizes removing barriers to affordable housing. The State's Homebuyer Education Initiative (HBEI) program is aligned to that priority.

- Homebuyer Education Initiative (HBEI) program
 - Expected Resources: \$840,000
 - Program Description: The Tennessee Housing Development Agency (THDA) requires

homebuyer education for our home loan programs and encourages it for everyone considering homeownership. The purpose of homebuyer education is not only to assist people with purchasing homes, but also to help them become successful homeowners. THDA provides approved local nonprofit organizations and University of Tennessee Extension agents with materials to teach first-time homebuyer education classes as well as hosts certification and continuing education courses for homebuyer education providers. THDA is also a U.S. Department of Housing and Urban Development (HUD) Intermediary for the Office of Housing Counseling, administering the oversight of HUD's Housing Counseling Grant to participating agencies.

- Matching Requirements: N/A
- HBEI anticipates serving 2,800 individuals in FY 25-26

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The State's Community Development Block Grant (CDBG) program awards many projects, like water and wastewater treatment system improvements or community facilities, each year that will be completed on publicly owned property.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

The numeric outcomes for Annual Action Plan goals are estimated each year based on anticipated program funding and previous years' program outcomes. However, increases or decreases in actual program funding, as well as the actual number of applications received that qualify for program funding will impact the actual outcomes. In addition, some programs, like the HOME Investment Partnerships (HOME) program and Housing Trust Fund (HTF) program, fund projects that take multiple years to complete. As a result, actual yearly outcomes for these programs will differ somewhat from estimates, since individual projects may be completed more quickly or slowly than anticipated.

The order of the goals in the table below are aligned to the order of the State's strategic priorities, not ordered according to a goal's relative level of importance.

Goal Name	Category	Geographic Area	Anticipated Funding (% of allocation from MOD)	Goal Outcome Indicator
Preserve housing for persons with HIV/AIDS	Affordable Housing Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning: HOPWA: Approximately \$2,303,205	Consolidated Planning: HOPWA: Tenant-based rental assistance / Rapid Rehousing (Households Assisted): 145 Overnight/ Emergency Shelter/Transitional Housing Beds added (Beds): 85 Homelessness Prevention (Persons Assisted): 300 Other - Permanent Housing Placement (Households assisted): 130 Other – Supportive Services (Households Assisted): 200 Other - Housing Information Services (Households Assisted): 400

Homelessness prevention & preservation of homeless facilities, supportive services, and access to permanent housing	Homeless	Non-Entitlement Statewide Grant Allocation Priority	<p>Consolidated Planning: ESG: Approximately \$3,082,387</p> <p>Other Programs: HOME-ARP Supportive Services: \$1,763,175.43 (remaining portion of a one-time allocation)</p> <p>HCV: Approximately \$45,960,936.84</p>	<p>Consolidated Planning: ESG: Tenant-based rental assistance / Rapid Rehousing (Households Assisted): 390</p> <p>Homeless Person Overnight Shelter (Persons Assisted): 2,698</p> <p>Homelessness Prevention (Households Assisted): 205</p> <p>Other - Street Outreach (Unsheltered Persons Engaged): 595</p> <p>Other Programs: HOME-ARP Supportive Services: Tenant-based rental assistance/Rapid Rehousing (Households Assisted): 700 (multi-year goal for total funding amount)</p> <p>Homelessness Prevention (Persons Assisted): 600 (multi-year goal for total funding amount)</p> <p>Housing Choice Voucher (HCV): Tenant-based rental assistance (Households Assisted): 6,329 (plus 179 mainstream vouchers and 284 ECV, funded separately)</p>
Transitional housing for recovery	Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	<p>Consolidated Planning: CDBG-RHP: \$1,429,368</p>	<p>CDBG-RHP: Other - Transitional housing for people recovering from substance use disorders (Beds): 10</p>

Creation, rehabilitation, and preservation of affordable housing	Affordable Housing	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning:	Consolidated Planning:
			HTF:	Housing Trust Fund:
			Approximately \$3,150,564.64	Rental units constructed (Household Housing Units): 20
			HOME:	Rental units rehabilitated (Household Housing Units): 0
			Approximately \$12,910,084	
			Other Programs:	HOME:
			HOME-ARP Rental:	Rental units constructed (Household Housing Units): 20
			\$22,925,066	
			(remaining portion of a one-time allocation)	Rental units rehabilitated (Household Housing Units): 25
			LIHTC:	Homeowner Housing Added (Household Housing Units): 20
			Approximately \$20,300,000	
			CITC:	Homeowner Housing Rehabilitated (Household Housing Units): 35
			Approximately \$438,655,226	
			THTF:	Direct Financial Assistance to Homebuyers (Households Assisted): 0
			Approximately \$7,500,000	
				Other Programs:
				HOME-ARP Rental Development:
				Rental units constructed (Household Housing Units): 175
				(multi-year goal for total funding amount)
				Rental units rehabilitated (Household Housing Units): 100
				(multi-year goal for total funding amount)
				LIHTC:
				Rental units constructed (Household Housing Unit):

				530
			Rental units rehabilitated (Household Housing Unit):	500
			CITC:	
			Rental units constructed (Household Housing Units):	1,810
			Rental units rehabilitated (Household Housing Units):	366
			Homeowner Housing Added (Household Housing Units):	82
			Homeowner Housing Rehabilitated (Household Housing Units):	0
			THTF:	
			Rental units constructed (Household Housing Units):	46
			Rental units rehabilitated (Household Housing Units):	48
			Homeowner Housing Added (Household Housing Units):	20
			Homeowner Housing Rehabilitated (Household Housing Units):	110
			Housing for Homeless added (Household Housing Units):	16

Physical infrastructure development	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning: CDBG: Approximately \$12,614,173	Consolidated Planning: CDBG: Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit (Persons Assisted): 55,000
Revitalize disinvested areas & improve livability	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning: CDBG: Approximately \$14,030,122	Consolidated Planning: CDBG: Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Persons Assisted): 220,000
TA, Job/Business Development, Administration	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning: CDBG: Approximately \$927,143 CDBG-RHP: Approximately \$75,230	N/A

Goal Descriptions

The order of the goals in the table are aligned to the order of the State's strategic priorities, not ordered according to a goal's relative level of importance.

Goals 1 and 2 are aligned to Strategic Priority 1 to prevent, address, and decrease homelessness.

Goals 3 and 4 are aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing.

Goals 5 and 6 are aligned to Strategic Priority 3 to improve community livability and resilience.

1	Goal Name	Preserve housing for persons with AIDS/HIV
	Goal Description	Provide resources to preserve affordable housing options for people with HIV/AIDS and their families.
2	Goal Name	Homelessness prevention and preservation of homeless facilities, supportive services, and opportunities to access permanent housing
	Goal Description	Prevent homelessness through short-term rental, mortgage and utility assistance (STRMU); preserve homeless facilities to meet the needs of Tennessee's homeless population; provide supportive services and resources, like tenant based rental assistance (TBRA), to connect those people experiencing homelessness or at risk of experiencing homelessness to permanent housing
3	Goal Name	Create recovery transitional housing
	Goal Description	Created under the SUPPORT Act to develop transitional housing for persons in recovery from a substance use disorder (SUD).
4	Goal Name	Creation, rehabilitation, and preservation of affordable housing
	Goal Description	Create, rehabilitate, and preserve affordable rental and homeownership stock with the construction of new affordable housing, rehabilitation of existing affordable housing, provision of down payment assistance.
5	Goal Name	Physical infrastructure development
	Goal Description	Provide resources to cities and communities to update and repair water and sewer systems. Also, create the base of infrastructure that will provide for a high quality of life for individuals and productive capacity for communities to support economic development.
6	Goal Name	Revitalize disinvested areas & improve livability
	Goal Description	These projects are activities designed to provide other community development services to meet health and safety needs of the communities, particularly to benefit LMI persons. These projects can include purchasing fire trucks or ambulances, repaving roads, assisting with the building of community centers, treatment centers or other public service buildings not for the general use of government.

7	Goal Name	Technical Assistance, Administration, Job/Business Development
	Goal Description	Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities. Also, technical assistance to non-profit organizations, local development corporations, and local governing bodies. This goal will also help implement programs that will create a climate that is receptive to and encourages the growth of jobs.
8	Goal Name	Microenterprise support and development*
	Goal Description	This goal aims to support and encourage microenterprise development and growth by funding local governments and non-profits to provide tools, education, and technical assistance.
9	Goal Name	Emergency job creation/retention*
	Goal Description	Intended to respond to the economic impacts of infectious disease pandemics, such as the Novel Coronavirus by providing grants and/or loans to impacted businesses to retain jobs and/or to businesses creating jobs for those lost as a result of the pandemic.

Note: Goals 8 and 9 are aligned to Strategic Priority 3, but they are not funded for FY 25-26, or have been funded through other means, and have been removed from allocation charts in this report. However, these goals are included in the Consolidated Plan to allow the State to report on the outcomes of activities aligned to these goals, which were prioritized in past years. Outcomes aligned to these goals will be reported in future Consolidated Annual Performance and Evaluation Reports (CAPERs). These goals are also included to allow future program activities aligned to these goals, should the need arise.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Extremely low-income households have incomes of 30% or less of Area Median Income (AMI). Very low-income households have incomes greater than 30% but less than or equal to 50% of AMI. Low-income households have incomes greater than 50% but less than or equal to 80% of AMI. However, sometimes these three categories are grouped together and simply referred to as low-income households with incomes of 80% or less of AMI. Moderate income households have incomes greater than 80% but less than or equal to 120% of Area Median Income.

Here are estimates of the low-income households, including expected income distributions when available, the Consolidated Planning programs will serve in FY 25-26:

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The State's HOPWA program serves low-income households (with incomes of less than 80% of Area Median Income) with a member who has been diagnosed with HIV and/or AIDS. HOPWA frequently serves households who are homeless or are at risk of becoming homeless. During FY 25-26, HOPWA expects to serve 145 households experiencing homelessness, providing them with tenant-based rental assistance (TBRA). HOPWA also expects to provide 85 transitional beds in the form of hotel vouchers to individuals and families experiencing homelessness. Finally, HOPWA expects to provide short-term mortgage, rental, and utility (STRMU) assistance for homelessness prevention to about 300 low-income households. The distribution of these households' incomes (with respect to Area Median Income) for FY 25-26 cannot be known in advance. However, the distribution may be similar to previous years, during which the majority of households served were extremely low-income. For example, in FY 24-25, HOPWA provided TBRA to 42 extremely low-income households, 6 very low-income households, and 3 low-income households. The program also provided STRMU to 162 extremely low-income households, 65 very low-income households, and 53 low-income households.

Emergency Solutions Grant (ESG): The State's ESG program serves people experiencing homelessness, as well as those at risk of experiencing it. During FY 25-26, ESG estimates it will provide tenant based rental assistance (TBRA)/Rapid Rehousing benefits to 390 households. It estimates it will provide short-term rental, mortgage, and utility assistance (STRMU) to 205 households. In addition, ESG expects to support a total of 2,698 people experiencing homelessness in overnight shelters, and 595 people through street outreach. The ESG program does not categorize the people who receive services by the income categories defined above, for FY 24-25 ESG's program grantees reported 1849 (51.8%) of 3570 people who received services had no income when first engaged, and nearly all people who received services were earning less than \$2,000 per month when first engaged. Nearly all households ESG serves would be categorized as extremely low-income (with incomes at 30% or less of Area Median Income).

Housing Trust Fund (HTF): Using FY 25-26 funding, the State's HTF program expects to construct and/or rehabilitate 20 units for extremely low-income renter households. HTF projects take multiple years to complete, so outcomes reported in the FY 25-26 Consolidated Annual Performance and Evaluation

Report (CAPER) should more closely match Annual Action Plan estimates from two to three years prior. However, HTF produces rental units only for extremely low-income households, so 100% of beneficiaries will be from this group. For example, in FY 24-25 HTF placed 34 rental units into service for this income group.

HOME Investment Partnerships Program (HOME): The State's HOME program serves low-income households (with incomes of 80% or less of Area Median Income). Using FY 25-26 funding, the HOME program expects to rehabilitate 35 existing single-family homes for low-income homeowners, to construct 20 new affordable single-family homes for sale to low-income homebuyers, and to rehabilitate 25 and construct 20 units of rental housing for low-income households. HOME's rehabilitation and construction projects take multiple years to complete, so outcomes reported in the FY 25-26 Consolidated Annual Performance and Evaluation Report (CAPER) should more closely match Annual Action Plan estimates from two to three years prior. The distribution of the households' incomes (with respect to Area Median Income) for FY 25-26 cannot be known in advance. However, the distribution may be similar to previous years. For example, for FY 24-25 HOME reported serving 39 extremely low-income households, 41 very low-income households, and 63 low-income households through its construction and rehabilitation activities.

For FY 25-26, State's CDBG program will not carry out housing activities, focusing instead on infrastructure, facility, and community revitalization activities.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Tennessee will address the strategic priorities as articulated in the 2025 – 2029 Consolidated Plan through the five Consolidated Planning programs. As stated in the narrative section of AP-15 Expected Resources, the State has other programs and resources aligned to the Consolidated Plan’s strategic priorities and goals, which are briefly discussed in the narrative section below.

Funding Allocation Priorities

	Goals Aligned to Strategic Priority 1		Goals Aligned to Strategic Priority 2		Goals Aligned to Strategic Priority 3			
	Homelessness prevention and preservation of homeless facilities, supportive services, and opportunities to access permanent housing (%)	Preserve housing for persons with AIDS/HIV (%)	Create recovery transitional housing (%)	Creation, rehabilitation, and preservation of affordable housing (%)	Physical infrastructure development (%)	Revitalize disinvested areas & improve livability (%)	TA, Job/Business Development, Administration (%)	Total (%)
ESG	100	-	-	-	-	-	-	100
HOPWA	-	100	-	-	-	-	-	100
CDBG-RHP	-	-	100	-	-	-	-	100
HTF	-	-	-	100	-	-	-	100
HOME	-	-	-	100	-	-	-	100
CDBG	-	-	-	-	45	52	3	100

Reason for Allocation Priorities

Since exact amounts of funding are often unknown when the Annual Action Plan is developed, the percentages above show how the programs will allocate their actual allocation amounts to goals if/when they differ from the previous year’s allocations. Conditions under which programs may move funds between goals are outlined in much more detail in section AP-30 Methods of Distribution.

For example, CDBG’s final allocation priorities are determined by the actual applications submitted to ensure the CDBG program can meet needs in a timely manner. While the percentages above represent Tennessee’s Department of Economic and Community Development’s (ECD’s) best estimate of percentages allocated to each goal based on past applications received, ECD will review the number of submitted applications and the overall amount of funding requested, then allocate funding proportionally. For instance, if 70% of funding requested across the total number of applications submitted are for physical infrastructure development, then 70% of the State’s total CDBG allocation will be used to fund those types of activities. The priorities and eligible activity types, along with the proportional allocation methodology are discussed each fall for the upcoming funding round in the

spring. A public meeting was held in the fall of 2024 for the upcoming 2025 funding round, and no comments were received in opposition to the current priorities and processes.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds is aligned to the following strategic priorities and objectives described in the 2025 – 2029 Consolidated Plan.

Priority 1: Prevent, address, and decrease homelessness

- Prevent homelessness
- Conduct outreach to people experiencing homelessness
- Provide emergency shelter to people experiencing homelessness
- Connect people experiencing homelessness with stable housing and/or rental assistance
- Provide supportive services to help people attain and maintain their housing
- House vulnerable populations (e.g. people living with HIV/AIDS, people fleeing domestic violence, people recovering from a substance use disorder) and connect them with appropriate resources

The ESG, HOPWA, and HOME TBRA activities and goals address this priority need. In addition, the State has other resources, like HOME-ARP Supportive Services and the Housing Choice Voucher (HCV) programs, aligned to this priority need.

Priority 2: Produce, rehabilitate, and preserve affordable housing

- Rehabilitate and preserve existing, affordable multifamily housing
- Rehabilitate and preserve existing, affordable single-family housing
- Weatherize existing housing
- Produce new, affordable multifamily housing
- Produce new, affordable single-family housing

The CDBG-RHP, HTF, and HOME programs' activities and goals address this priority need. In addition, the State has other resources, like the Low Income Housing Tax Credit (LIHTC), Community Investment Tax Credit (CITC), and Tennessee Housing Trust Fund (THTF) programs aligned to this priority need.

Priority 3: Improve community livability and resilience

- Expand and improve community infrastructure
- Weatherize existing infrastructure
- Promote recovery after natural disasters

The CDBG program activities and goals address this priority need. In addition, the State has other

resources, like the CDBG-DR program, aligned to this priority need.

Finally, as previously mentioned, the State of Tennessee has not made furthering fair housing a formal strategic priority because this initiative does not have allocated funding with numerical goals and outcomes. However, the State acts to remove barriers to affordable housing in alignment with fair housing initiatives, and the Homebuyer Education Initiative (HBEI) program is aligned to this.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

The methods of distribution for funding program activities are described below, detailing how individual Consolidated Planning programs will allocate their funding to eligible activities/projects and specifying the program parameters for selecting applications for funding. Additional details are available in program manuals and descriptions available on each program's website and linked in section AP-90.

Distribution Methods

The following programs and activities are aligned to Strategic Priority 1: Prevent, address, and decrease homelessness

1	State Program Name:	HOPWA
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	<p>HOPWA's goal is to establish and maintain affordable and stable housing for qualifying clients impacted by HIV or AIDS.</p> <p>The State is divided into seven (7) HOPWA regions (East Tennessee, North East Tennessee, Upper Cumberland, Mid Cumberland, South Central Tennessee, West Tennessee and South East Tennessee). The regions and project sponsors for each region are listed below.</p> <ul style="list-style-type: none">• East Tennessee (Positively Living)• North East Tennessee (Frontier Health – HOPE for TN)• Upper Cumberland (Positively Living)• Mid Cumberland (Nashville CARES)• South Central Tennessee (Columbia CARES)• West Tennessee (Children & Family Services)• South East Tennessee (Chattanooga CARES)
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>For FY 2025-2026, the HOPWA allocation will be distributed through a formula process based on the reported HIV and AIDS case data provided by CDC and further adjusted based on the seven (7) State of TN HOPWA Regions for areas of growing need. For example, if a region reports an HIV outbreak, additional funds may be allocated to that region to assist with stabilizing housing for clients in that area.</p> <p>Pursuant to HOPWA regulations, changes in eligibility jurisdictions for HOPWA may occur if a metropolitan area reaches a population of more than 500,000 and has a least 1,500 cumulative AIDS cases. The State's method of distribution selects projects and proposals targeted at meeting local needs and taking steps to affirmatively further fair housing during implementation, supportive service gaps, and addressing the regions of the state reporting an increase of homelessness.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Sponsors are solicited through grant proposals that include grass roots faith-based and other community-based organizations. The purpose of this Request for Grant Proposal (RFGP) is to define the State's minimum requirements, solicit grant proposals and gain adequate information from which the State can evaluate the services potential project sponsors propose to provide. The contracts for these agencies are for one year with the option to renew for four additional years. However, the State reserves the right to terminate a contract should there be substandard performance by a project sponsor. In the event a contract is terminated the State will solicit new agency proposals. The Tennessee Department of Health will contract with established not-for-profit agencies that continually show both the capability to plan for, as well as the ability to provide direct intervention and housing assistance to eligible clients and their families. Proposals are evaluated on criteria such as technical services, organization, experience, and budget, etc. Funds will be awarded to sponsors who submitted proposals that best meet or exceed the required criteria and provide a detailed budget to meet the needs of HOPWA clients.</p> <p>The current RFGP was approved in March 2021 for use between July 1, 2021 through June 30, 2026.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>To address urgent needs of persons living with AIDS/HIV and to assist in meeting the State's goal, project sponsors will pursue the following eligible HOPWA activities:</p> <ul style="list-style-type: none"> • Administration • STRMU- Short term rent, mortgage and utility (STRMU) assistance • Tenant based rental assistance (TBRA) • Supportive Services to include nutrition, transportation, housing information services, and non-medical case management • Permanent Housing Placement (PHP), which can include payment of security deposits and other up-front housing costs • Facility-Based Short-term/Transitional Housing – Hotel/Motel Voucher • Housing Information Systems (HIS) to provide navigation to appropriate housing resources • Resource ID to obtain identification and documents needed for accessing resources <p>Project sponsors may use funds for allocation of indirect cost of no more than 7% for grant administration. The State will draw down admin funds of no more than 3%.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The amount of funding allocated to each of HOPWA's regional project sponsors is determined through a set formula with no minimum or maximum limits.</p> <p>Project sponsors may use funds for allocation of indirect cost of no more than 7% for grant administration. Also, the Tennessee Department of Health (TDH) will not exceed the 3% administrative cap for the HOPWA program.</p>
<p>What are the outcome measures expected as</p>	<p>The outcome measures for this program are:</p>

	a result of the method of distribution?	<ul style="list-style-type: none"> • Tenant-based rental assistance / Rapid Rehousing (Households Assisted) • Overnight/ Emergency Shelter/Transitional Housing Beds added (Beds) • Homelessness Prevention (Persons Assisted) • Other - Permanent Housing Placement (Households assisted) • Other - Supportive Services (Households Assisted) • Other - Housing Information Services (Households Assisted) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>
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2	State Program Name:	Emergency Solutions Grants Program Competition
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	<p>The ESG Program is designed to identify sheltered and unsheltered persons experiencing homelessness, as well as those at risk of homelessness, and provide the services and resources necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. Eligible activities include street outreach, shelter activities, homelessness prevention, rapid rehousing, Homeless Management Information Systems (HMIS) and administration activities.</p> <p>Funding is made available competitively to non-profit organizations and local units of government serving communities outside the U.S. Department of Housing and Urban Development's ESG entitlement communities of Knoxville, Memphis, and Nashville-Davidson County.</p> <p>The Tennessee Housing Development Agency (THDA) will allocate \$125,000 of ESG funds to each of the following cities: Chattanooga, Clarksville, Johnson City, and Murfreesboro. Each of these jurisdictions have either recently lost their direct ESG allocation from HUD or are the location of a major entity serving veterans, a key priority under the Tennessee State Plan to End Homelessness. Each program will operate its ESG program in accordance with its approved Consolidated Plan.</p> <p>THDA will allocate 7.5% of ESG funding for administrative and planning expenses. THDA will share the amount available for administration with local governments participating as a "Set-Aside" city through the State's ESG program or to local governments which are awarded funding through the State's funding competition. Nonprofit agencies are not eligible to receive funds for administration.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>THDA will award funding to organizations based on the following general scoring criteria:</p> <ul style="list-style-type: none"> • Program Design – Up to 40 Points • Applicant Experience and Capacity – Up to 20 Points • Applicant Fiscal Capacity – Up to 20 Points • Coordination with CoC Priorities – Up to 20 Points <p>For complete criteria, please consult the current ESG Program Description and ESG Guide at https://thda.org/government-nonprofit-partners/emergency-solution-grants-</p>

	esg-program
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	<p>Non-profits and local governments compete in a competitive round for ESG funds. Additionally, local government recipients may distribute all or a part of their ESG funds to eligible, private 501(c)(3) nonprofit organizations for allowable ESG activities. Once a year, THDA hosts grantee workshops throughout the state, posts notifications on the THDA website, and notifies CoC lead agencies to notify their CoC members and other agencies which include community and faith-based organizations, of funding opportunities. Non-profit organizations are eligible to receive shelter funds only if such funding is approved by the local government jurisdiction where programs are based.</p> <p>Non-profits must be an eligible non-profit agency as defined in the 2025 ESG Program Description.</p> <p>As previously mentioned, four local governments (Chattanooga, Clarksville, Johnson City, and Murfreesboro) each receive a \$125,000 set-aside of ESG funding to distribute all or a part of their ESG funds to eligible, private 501(c)(3) non-profit organizations for allowable ESG activities.</p>
Describe how resources will be allocated among funding categories.	<p>The funding categories within ESG are Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Rehousing, and Data Collection.</p> <p>Eligible applicants may request funding for different categories based on assessed community needs and input from local CoC priorities. Expenditure limits of combined Street Outreach and Emergency Shelters cannot exceed 60% of the entire ESG allocation. THDA reserves the right to adjust applicants' budgets, if needed, to remain within this requirement.</p>
Describe threshold factors and grant size limits.	<p>Threshold criteria include submission of a complete application, proposal of an eligible activity, proposal of a project that meets the requirements of 24 CFR Part 576 and 91, as amended, programs with established written ESG standards, habitability standards, and confidentiality and privacy policies, and compliance with and participation in the applicable Continuum of Care, including its Coordinated Entry system.</p> <p>Non-profit applicants must also upload required organizational documentation through THDA's Participant Information Management System (PIMS).</p> <p>An applicant must apply for at least \$35,000 and may apply for a maximum of \$125,000 in ESG funding.</p>
What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Tenant-based rental assistance / Rapid Rehousing (Households Assisted) • Homeless Person Overnight Shelter (Persons Assisted) • Homelessness Prevention (Persons Assisted) • Other - Street Outreach (Unsheltered Persons Engaged) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p> <p>Additionally, the Tennessee ESG Guide instructs grantees to adopt performance standards consistent with HUD and THDA program requirements. Examples of outcome measures expected are reducing the average length of time a person is</p>

		<p>homeless, reducing returns to homelessness, improving program coverage, reducing the number of homeless individuals and families, reducing the number of chronically homeless individuals and families, improving employment rate and income amounts of program participants, reducing first time homelessness, and preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs.</p> <p>Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources to ensure the ongoing housing stability of program participants.</p>
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The following programs and activities are aligned to Strategic Priority 2: Produce, rehabilitate, and preserve affordable housing

3	State Program Name:	CDBG-Recovery Housing Program
	Funding Sources:	CDBG-RHP
	Describe the state program addressed by the Method of Distribution.	Pilot program as part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>This is a continuation of the pilot program that addresses existing gaps in transitional housing to prioritize where the transitional housing units will be developed or constructed.</p> <p>All applications must meet the below criteria, before being scored:</p> <ul style="list-style-type: none"> • Meet a National Objective • Be an eligible activity • Be a local government <p>CDBG-RHP applications will be scored on the following criteria:</p> <p>Project Need</p> <ul style="list-style-type: none"> • County fatal overdose rate (TDH) • County non-fatal overdose rate (TDH) • County poverty rate (Census/ACS) • Explanation of need of population served <p>Project Impact</p> <ul style="list-style-type: none"> • Readiness (planning, design, shovel-ready, additional funding availability) • Community support • Explanation of supportive programs provided • Project located in an Opportunity Zone

		Project Feasibility <ul style="list-style-type: none"> • Timeline • Sustainability • Budget • Leveraged Funds • Prior experience (with TDMHSAS and/or TNECD programs, with Recovery Housing programs, with construction projects) • Organizational Capacity and Partnerships
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Program guidelines and requirements are available on the CDBG website. See Section AP-90 for the link.
	Describe how resources will be allocated among funding categories.	<p>No additional categories will be created under the initial pilot program.</p> <p>In the even the State of Tennessee's CDBG-RHP allocation significantly differs from prior years, grant awards may be reduced to accommodate more awards.</p>
	Describe threshold factors and grant size limits.	Maximum grant amount will be \$750,000.
	What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Other - Transitional housing for people recovering from substance use disorders (Beds) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

4	State Program Name:	Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by	The Housing Trust Fund (HTF) is an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve safe,

	<p>the Method of Distribution.</p>	<p>sanitary, decent, and affordable rental housing for extremely low- and very low-income households, including homeless families.</p> <p>Specifically, HTF program funds will finance the construction and/or preservation of affordable rental units for extremely low-income households through a deferred loan to projects that have also been awarded Low Income Housing Tax Credits.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>THDA will accept/consider proposals that are consistent with the State's certification to affirmatively further fair housing.</p> <p>THDA will establish a minimum score threshold that must be received to be eligible for HTF funding. This minimum score ensures that sound, well-designed, and financially viable rental housing will be financed using the HTF program.</p> <p>THDA reserves the right not to select a proposed project if sufficient funding is not available to award all funds requested by the applicant. In such instances and at its sole and absolute discretion, THDA may move to the next lower scoring project to meet its commitment obligations under the HTF.</p> <p>Geographic Diversity. THDA will rank applications consistent with the Qualified Allocation Plan (QAP) and HTF Program Description.</p> <p>Ability to obligate HTF funds. THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity to carry out the proposed housing project. THDA will evaluate the experience and capacity of the organization to ensure compliance with the requirements and regulations of all Federal, State and local housing programs used in conjunction with HTF funds; THDA will evaluate the history of the applicant and their team in serving the community in which the HTF-assisted housing is proposed.</p> <p>Ability to undertake eligible activities in a timely manner. Applicant must be capable of undertaking and completing HTF-funded activities in a timely manner. THDA will evaluate past performance of the applicant in completing THDA funded activities.</p> <p>For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low-income families. THDA will provide a preference for applications which propose to preserve existing housing with project-based rental assistance and for proposals with binding commitments of project-based vouchers to the project.</p> <p>For rental housing, the duration of the units' affordability period. All rental developments assisted with HTF resources will have a 30 year affordability period.</p> <p>Merits of the application in meeting the State's priority housing needs. THDA will prioritize applications in rural areas with a higher rental housing need and applications addressing the need for permanent supportive housing.</p> <p>Extent to which application makes use of non-federal funding sources. To encourage the diversity of funding, THDA will provide a preference for applications that include the use of non-THDA, federal and non-federal resources towards the development of the housing. THDA will not consider rental assistance provided for the purposes of this</p>

		category. THDA will award points based on the actual percentage of other non-THDA funds in the project against the total development costs of the project.
	Describe how resources will be allocated among funding categories.	10% of HTF funding will serve as an administrative fee for THDA, and 90% will finance projects.
	Describe threshold factors and grant size limits.	The minimum allocation is \$100,000 and the maximum is \$1,500,000. There is no difference in minimum or maximum for non-entitlement, entitlement, urban and rural jurisdictions.
	What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Rental units constructed (Household Housing Units) • Rental units rehabilitated (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

5	State Program Name:	HOME Rental Development (HOME Rental in previous Annual Action Plans)
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>All activities funded through the annual HOME allocation must address the housing needs of low-income households. However, several types of activities are eligible for funding.</p> <p>HOME Rental Development focuses on the eligible activity of rental rehabilitation. THDA provides HOME funds for the rehabilitation of existing affordable rental units for low-income households.</p> <p>Specifically, HOME Rental funds must be used for the new construction of or the acquisition and/or rehabilitation of existing affordable, permanent rental housing projects that consist of eleven (11) total units or less that address the needs of low-income households, families whose annual incomes do not exceed 80 percent of the area median income ("AMI"), as further defined at 24 CFR 92.2. The housing may be stick-built or modular housing, as defined in Tennessee Code Annotated Title 68 -126-202 & 303, provided that the housing meets all of the applicable state and local codes. All HOME Units must be occupied by low-income families and meet the requirements of 24 CFR 92.252.</p>
	Describe all of the criteria that will be used to select applications and the	<p><u>PROGRAM DESIGN AND PLANNING- Up to 35 points</u></p> <p>a) The proposed project demonstrates appropriate planning, readiness to proceed, and administrative capability. All necessary components to accomplish the project have been identified in the application including all necessary funding to complete the project. The applicant has site control of the proposed site to be developed.</p>

	<p>relative importance of these criteria.</p>	<p>b) Firm financial commitments for non-HOME resources have been secured, are current, and are demonstrated within the application.</p> <p>c) The extent to which the project has a binding commitment for Federal, State, or local project-based rental assistance so rents are affordable to extremely low and very low-income families and sufficient funds support the project's operation.</p> <p style="padding-left: 40px;">i) Projects with committed project-based VASH vouchers, Continuum of Care rental assistance, or project-based Section 8 vouchers are preferred.</p> <p style="padding-left: 40px;">ii) Projects that preserve existing housing with project-based rental assistance also are encouraged.</p> <p>d) The project's proforma demonstrates sufficient cash flow to supports the project's operation without a contribution of HOME funds by THDA to an operating reserve account for the project.</p> <p>e) The extent to which the proposed project fills the need demonstrated by the neighborhood market conditions.</p> <p>f) The extent to which the design of the proposed project is appropriate and meets the needs of the targeted population to be served.</p> <p>g) The extent to which formal partnerships have been established and demonstrated within the application to provide voluntary and appropriate support services for the targeted population.</p> <p>h) The extent to which the proposed project provides easy access to community living, including retail, employment, transportation, medical, education, recreation, and government services.</p> <p>i) The extent to which Universal Design and Visitability features will be included in the design of the projects.</p> <p>j) The extent to which energy efficiency features exceed the requirements of THDA's Design Standards for New Construction or Rehabilitation, as applicable.</p> <p><u>APPLICANT'S CAPACITY AND EXPERIENCE - Up to 30 points</u></p> <p>The applicant's experience with owning, developing and managing rental units of similar size and scope serving the intended population proposed.</p> <p>b) The capacity of the applicant and its development and management team to carry out the proposed project within the schedule proposed.</p> <p>c) The past experience of the applicant and its development and management team to successfully develop or manage rental housing in compliance with all Federal, state or local program requirements.</p> <p>d) The past experience of the applicant and its development and management team to undertake THDA rental development projects in a timely manner.</p>
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	<p>e) The past history of the applicant in serving the community in which the proposed project is to be located.</p> <p>f) The past history of the applicant and its development and management team to comply with THDA funding requirements and processes.</p> <p>g) The applicant is a qualified Community Housing Development Organization.</p> <p><u>NEED - Up to 10 Points</u></p> <p>THDA has determined rental housing need factors for households whose annual incomes do not exceed 80% of the current published area median income. The county need factors are a weighted measure of the percent of renters who are low-income (with incomes of 80% or less of Area Median Income), the percentage of the renter population who are cost burdened (spending more than 30% of their incomes on rent), and the county's projected Five-year population growth. Scores to be used in the evaluation of rental projects are available on HOME's website. See Section AP-90 for the link.</p> <p><u>AREAS OF OPPORTUNITY SCORE - Up to 10 Points</u></p> <p>THDA has also determined factors which indicate census tracts of high opportunity. These factors include areas of high median gross rent, high cost burden, proximity to employment, high workforce participation, low levels of abandoned housing, rental market (LIHTC) vacancy rate, and the pipeline of rental housing financed under the LIHTC Program under construction and in lease-up. Scores to be used in the evaluation of areas of opportunity are available on HOME's website. See Section AP-90 for the link.</p> <p><u>CHDO DESIGNATION – Up to 5 points</u></p> <p>THDA will award 5 points for applications where the applicant meets the requirements of a CHDO under the HOME program.</p> <p><u>RURAL DESIGNATION– Up to 5 points</u></p> <p>THDA will award 3 points for applications with projects located in designated rural areas of Tennessee. For this program description, "rural" is defined as all Tennessee counties except the following: Anderson, Bedford, Blount, Bradley, Carter, Coffee, Hamblen, Hamilton, Haywood, Hawkins, Loudon, Madison, Maury, McMinn, Montgomery, Putnam, Roane, Robertson, Rutherford, Sevier, Sumner, Williamson and Wilson. All other counties are considered Rural.</p> <p>THDA will award an additional 2 points if the applicant is a Tennessee Public Housing Authority in one of the above identified rural counties.</p> <p><u>PROJECTS LOCATED OUTSIDE OF A LOCAL PJ – 5 points</u></p> <p>HUD has awarded HOME funds directly to Local Participating Jurisdictions (Local PJs). The Local PJs are Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville/Davidson County, Knox County, Shelby County, and the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Kingsport, Johnson City, Bluff City, Sullivan County, and Washington County, excluding the Town of Jonesborough).</p>
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	<p>Projects that are located outside the jurisdictional limits of a Local PJ will receive points under this criteria.</p> <p><u>DESIGNATED DISTRESSED COUNTIES – 5 points Bonus</u></p> <p>The Appalachian Regional Commission has designated eight counties in Tennessee as distressed, including: Bledsoe, Clay, Cocke, Hancock, Hardeman, Lake, Perry, and Scott. THDA will award 5 bonus points for applications with projects in these designated counties.</p> <p><u>MATCH EXCEEDING 25% MINIMUM – 5 points Bonus</u></p> <p>For project that provide match in excess of 40%, THDA will award a 5 point bonus.</p>
Describe how resources will be allocated among funding categories.	<p>Since the actual amount of the FY 25-26 HOME allocation is unknown at the time the Annual Action Plan is prepared, and because the HOME allocation supports several eligible HOME activities, the following describes how THDA's HOME program intends to apportion its annual allocation and make funding available to eligible applicants.</p> <p>THDA will initially set aside up to 10% of its total allocation for administrative and planning purposes, 20% for its CHDO set aside, and up to 5% for CHDO Operating Expenses.</p> <p>Next, 50% of the remaining funding will be for Homeowner Rehabilitation activities and 50% for Rental Development Activities.</p> <p>Note: After applications for each type of HOME activity (e.g. Homeowner Development, Homeowner Rehabilitation, Rental Development) are received, if there are not enough eligible applications for the funding available, unutilized funding may be used to fund additional applications for another eligible HOME activity. In addition, any leftover funding from previous years' allocations may also be used to fund additional applications for any of the eligible HOME activities. Finally, while THDA intends to implement the competitive process outlined above, the distribution of HOME program funds among eligible HOME activities may be adjusted if a significant need arises (e.g. natural disaster, change in housing market, macroeconomic change). In addition, HOME funds can be awarded on a discretionary basis, rather than competitive, in these instances.</p>
Describe threshold factors and grant size limits.	<p>Program funding will be administered as grants through a competitive application process for projects located in any of Tennessee's 95 counties. Applicants must apply for at least \$300,000 and may apply for a maximum grant of \$1,500,000.</p>
What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Rental units constructed (Household Housing Units) • Rental units rehabilitated (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

State Program Name:	HOME Homeowner Rehabilitation (HOME Urban/Rural in previous Annual Action Plans)
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6	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>All activities funded through the annual HOME allocation must address the housing needs of low-income households. However, several types of activities are eligible for funding.</p> <p>HOME Homeowner Rehabilitation focuses on the eligible activity of homeowner rehabilitation. THDA provides HOME funds for the rehabilitation of existing affordable homes for current low income homeowners.</p> <p>The use of HOME funds will be limited to the rehabilitation or reconstruction of existing housing units. A maximum investment per unit will be limited by both (1) the federal maximum HOME subsidy limit as adjusted by the number of bedrooms per unit and (2) the after rehabilitation value of the unit permitted under the federal regulations. By regulation, the after rehabilitation value may not exceed 95% of the median purchase price for the area.</p> <p>HOME funds are awarded under this Program Description through a competitive application process to cities, counties, and non-profit organizations that are located outside of local participating jurisdictions. Local participating jurisdictions ("Local PJs") are those local governments that also receive HOME funds directly from the United States Department of Housing and Urban Development ("HUD"). The Local PJs in Tennessee are Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville-Davidson County, Knox County, Shelby County, and the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Kingsport, Johnson City, Bluff City, Sullivan County, and Washington County, excluding the Town of Jonesborough). Non-profit organizations located in a Local PJ may apply for projects located outside of a Local PJ.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<ol style="list-style-type: none"> 1. PROGRAM DESIGN - Up to 60 points: The proposed program demonstrates exceptional planning, readiness and administrative capability. All necessary components to accomplish the project have been identified in the application. 2. NEED - Up to 10 points: THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. The need factors used are the percent of owner households who are low-income (80% or less of Area Median Income), the percent of owner occupied homes built before 1980, the percent of owner occupied homes in need of kitchen and/or plumbing rehabilitation, and the percent of housing structures that are manufactured homes. Scores to be used in the evaluations are shown in 2025 HOME Need Scores for Homeowner Projects are posted online. See Section AP-90 for the website link. For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county. 3. NOT PROPORTIONALLY SERVED - Up to 10 points: THDA shall award up to 10 additional points to applications submitted from areas where the amount of prior THDA and HOME funding is below the state average. The formula for awarding these points is based on the percentage of HOME dollars awarded in each county during the previous 10-year period. 4. DISASTER AREAS - 5 points THDA shall award 5 additional points to applications for projects located in counties that have been declared a presidential disaster area

		<p>under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date.</p> <p>5. MATCH - Up to 5 points: THDA shall award up to 5 points to applications that include a committed contribution of eligible match resources towards the project implementation. A commitment of eligible match contribution from an external source must be documented in the application from the source providing the contribution. To determine the points awarded, THDA will not round the percentage calculated. For more details about points, please refer to the HOME Program Description in the appendix.</p> <p>6. TENNESSEE GROWTH POLICY ACT - 10 points: TCA Section 6-58-109(c) requires THDA to award 10 points on a 100 point scale or a comparable percentage on a different point scale to municipalities or counties with approved growth plans when the local communities apply for HOME funds. Applications from counties not subject to the Tennessee Growth Policy Act will also receive these points.</p> <p>7. PRIOR YEAR UNEXPENDED HOME FUNDS DEDUCTIONS - Up to -7 points Applicants that have administered a HOME grant in prior years, 2018 to present and that have successfully closed their HOME grant are eligible for application under the 2025 HOME Homeowner Rehabilitation Funding Competition if the spend down requirements are met as detailed in Section B. Any grant that successfully closed, but did not commit or expend 100% of the HOME grant funds awarded will be subject to a point deduction. The maximum number of point that can be deducted under this category is 7. The amount of points deducted is contingent upon the balance of HOME funds left uncommitted or spent.</p> <p>The balance of unspent HOME funds will be subject to the following deductions:</p> <ul style="list-style-type: none"> • \$100,00 and Over -7 Points • \$60,000 - \$99,999 – 3 Points • \$30,000 - \$59,999 – 2 Points • \$0 - \$29,999 – 1 Point <p>Applications must receive a minimum threshold score equal to 60% of the total points available under the applicable scoring matrix.</p> <p>Applications that do not meet the threshold score will not be considered for funding. There is a \$750,000 maximum grant per county. Grants to successful applicants in the same county will be reduced proportionately should there be multiple successful applicants from the same county with a minimum grant of \$250,000. However, the THDA Board of Directors may award less than \$250,000 should there be more than three successful applicants from the same county.</p> <p>HOME awards will be in the form of a grant. Grantees will be required to repay any HOME funds expended on projects that are not completed and ready for occupancy by the close of the grant period. Grantees may also be required to repay HOME funds as described in the Working Agreement.</p>
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		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.
	Describe how resources will be allocated among funding categories.	<p>Since the actual amount of the FY 25-26 HOME allocation is unknown at the time the Annual Action Plan is prepared, and because the HOME allocation supports several eligible HOME activities, the following describes how THDA's HOME program intends to apportion its annual allocation and make funding available to eligible applicants.</p> <p>THDA will initially set aside up to 10% of its total allocation for administrative and planning purposes, 20% for its CHDO set aside, and up to 5% for CHDO Operating Expenses.</p> <p>Next, 50% of the remaining funding will be for Homeowner Rehabilitation activities and 50% for Rental Development Activities.</p> <p>An amount equal to 8% of each grantee's award from the administrative set aside will be put toward grantee administrative expenses.</p> <p>THDA will initially set aside one of third of the amount available for the Homeowner Rehabilitation Program to be awarded to eligible applicants from each of Tennessee's three Grant Divisions, starting with the highest scoring, eligible application and then in order as ranked from highest to lowest scores for each Grand Division. If any funds are left over after all eligible applicants from a specific Grand Division have been funded, the remaining applications for all Grand Divisions will be ranked by score, highest to lowest, and funded in order of next highest score until all remaining funds have been expended.</p> <p>Note: After applications for each type of HOME activity (e.g. Homeowner Development, Homeowner Rehabilitation, Rental Development) are received, if there are not enough eligible applications for the funding available, unutilized funding may be used to fund additional applications for another eligible HOME activity. In addition, any leftover funding from previous years' allocations may also be used to fund additional applications for any of the eligible HOME activities. Finally, while THDA intends to implement the competitive process outlined above, the distribution of HOME program funds among eligible HOME activities may be adjusted if a significant need arises (e.g. natural disaster, change in housing market, macroeconomic change). In addition, HOME funds can be awarded on a discretionary basis, rather than competitive, in these instances.</p>
	Describe threshold factors and grant size limits.	Applicants under the Homeowner Rehabilitation matrices must apply for at least \$250,000 and may apply for a maximum HOME grant of \$750,000. There is a \$1,000,000 limit on the amount of HOME funds that can be awarded in any one county.
	What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Homeowner Housing Rehabilitated (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

7	State Program Name:	HOME Homeownership Development (HOME CHDO in previous Annual Action Plans)
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>All activities funded through the annual HOME allocation must address the housing needs of low-income households. However, several types of activities are eligible for funding.</p> <p>HOME Homeownership Development focuses on the eligible activity of homeowner development. THDA provides HOME funds for the development of affordable new homes for sale to low income households.</p> <p>THDA provides funds to the Community Housing Development Organization (CHDO) as a grant for the rehabilitation or new construction of units that will be sold to qualified households. Each CHDO must provide an amount of down payment assistance not to exceed \$39,999 for use by the home buyer as a soft second mortgage necessary to qualify the household for permanent financing. CHDOs may retain the remaining balance from the sale of the unit as CHDO proceeds for development of future HOME eligible housing.</p> <p>CHDO's may request up to 7% of the funds awarded as operating expense assistance and up to 8% of the actual hard project costs as a developer fee. Additional qualified soft costs may be charged to each project. All soft costs will count towards the HOME maximum subsidy.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>1. CAPACITY - Up to 60 points: The proposed project demonstrates exceptional planning and readiness and the organization demonstrates sufficient capacity beyond threshold.</p> <p>2. CHDO SERVICE AREA NOT IN A PJ - 5 points: THDA shall award up to 5 points to applications submitted from CHDOs where the service area of the CHDO does not include an area designated as an entitlement area/PJ by HUD.</p> <p>3. PUBLIC PRIVATE PARTNERSHIP FOR NEIGHBORHOOD REDEVELOPMENT - 10 Points: To receive points under this criteria, the CHDO must partner with a local unit of government or a local quasi-governmental entity by means of a MOU or other partnership agreement, outside of THDA's contract, for the purpose of the development of affordable housing.</p> <p>4. MATCH - Up to 15 points: THDA shall award up to 15 points to applications that include a committed contribution of eligible match resources towards the project implementation. A commitment of eligible match contribution from an external source must be documented in the application from the source providing the contribution. To determine the points awarded, THDA will not round the percentage calculated.</p> <p>5. LEVERAGE - Up to 10 points: THDA shall award up to 10 additional points to applications that include the use of funds from other sources. THDA will award points in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent</p>

	<p>years. To receive points, there must be written documentation for the leveraged funds in the application.</p> <p>6. ENERGY CONSERVATION - Up to 10 points: For acquisition/rehabilitation and sale type homeownership projects, THDA shall award up to 10 points to applications that, to the extent feasible, include at least three energy conservation measures beyond that required by THDA's Design Standards for Rehabilitation in the rehabilitation of each unit. For new construction homeownership projects, THDA shall award up to 10 points to applications that agree to construct each single-family unit in accordance with the standards beyond which is required by THDA's Design Standards for New Construction.</p> <p>7. UNIVERSAL DESIGN - Up to 10 points: For new construction or acquisition/rehabilitation type homeownership projects, THDA shall award up to 10 total points to applications that include additional identified universal design features in each unit.</p> <p>8. PRIOR YEAR UNEXPENDED HOME FUNDS DEDUCTIONS - Up to -5 Points: CHDOs that administered a HOME grant years in 2019-2023 and have successfully closed their HOME grant are eligible for application if the spend down requirement is met, as detailed under Eligible Applicants, Item 8 of this program description. Any grant that successfully closed, but did not expend 100% of the HOME grant funds awarded will be subject to a point deduction. The maximum number of points that can be deducted under this category is 5. The amount of points deducted is contingent upon the balance of HOME grant funds left unspent.</p> <p>Applications must receive a minimum threshold score equal to 60% of the total points available under the applicable scoring matrix to be eligible for funding.</p>
Describe how resources will be allocated among funding categories.	<p>Since the actual amount of the FY 25-26 HOME allocation is unknown at the time the Annual Action Plan is prepared, and because the HOME allocation supports several eligible HOME activities, the following describes how THDA's HOME program intends to apportion its annual allocation and make funding available to eligible applicants.</p> <p>THDA will initially set aside up to 10% of its total allocation for administrative and planning purposes, 20% for its CHDO set aside, and up to 5% for CHDO Operating Expenses.</p> <p>The HOME Homeowner Development activity is funded with the CHDO set-aside.</p> <p>CHDO Set-aside. Twenty percent (20%) of 2024 HOME allocations will be reserved for eligible applications from CHDOs, including CHDOs located in Local PJs. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the maximum per county grant.</p> <p>A successful CHDO that receives an allocation of 2025 CHDO funds must commit those funds to specific units no later than January 31, 2027. If in the opinion of THDA, the applications submitted do not contain viable proposals or are from a CHDO that lacks the organizational potential to comply with all HOME affordability requirements, THDA</p>

	<p>may choose not to award any or all of the funds set-aside for CHDOs in the current application round.</p> <p>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.</p> <p>Note: After applications for each type of HOME activity (e.g. Homeowner Development, Homeowner Rehabilitation, Rental Development) are received, if there are not enough eligible applications for the funding available, unutilized funding may be used to fund additional applications for another eligible HOME activity. In addition, any leftover funding from previous years' allocations may also be used to fund additional applications for any of the eligible HOME activities. Finally, while THDA intends to implement the competitive process outlined above, the distribution of HOME program funds among eligible HOME activities may be adjusted if a significant need arises (e.g. natural disaster, change in housing market, macroeconomic change). In addition, HOME funds can be awarded on a discretionary basis, rather than competitive, in these instances.</p>
Describe threshold factors and grant size limits.	An applicant must apply for at least \$250,000 and may apply for a maximum HOME grant of \$1,000,000. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the \$1,000,000 maximum grant.
What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Homeowner Housing Added (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

The following programs and activities are aligned to Strategic Priority 3: Improve community livability and resilience

8	State Program Name:	CDBG - Regular Round
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The State of Tennessee holds an annual round of applications open to all non-entitlement jurisdictions that do not have a grant open at the time of application. The public meeting was held in October of 2024 to discuss the application and award process of the 2025 grants. All local officials from eligible non-entitlement jurisdictions, along with administrators and engineers who frequently work with CDBG projects, were invited to participate and offer comments. The public meeting was held in-person with a virtual option to increase participation.
	Describe all of the criteria that will be used to select	<p>All applications must meet four criteria, before being scored:</p> <ol style="list-style-type: none"> 1. Meet a National Objective 2. Be an eligible activity

	<p>applications and the relative importance of these criteria.</p>	<ol style="list-style-type: none"> 3. Be a non-entitlement jurisdiction 4. Be one of four eligible community development objectives: <ul style="list-style-type: none"> • Physical Infrastructure Development - to create the base of infrastructure that will provide for a high quality of life for individuals and productive capacity for communities. • Community Livability Development - to develop an improved community livability by enhancing emergency and protective services or making improvements to the physical environment. • Target Economic Distress - to deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged areas of the state. • Maximize Grantees - to use the resources available to the state in a manner which will maximize the number of grantees and, therefore, beneficiaries of the programs. <p>For State FY 25-26, applicants may apply for funding from one of four different program categories: Water/Sewer, Community Infrastructure, Community Revitalization, or Public Health and Safety. All Urgent Need/Imminent Threat projects must also fall into one of the program categories.</p> <p>Applications are scored based on the following criteria:</p> <ol style="list-style-type: none"> 1. Community Need <ul style="list-style-type: none"> • Decennial Census/5 Year ACS poverty • Target area/Census tract per capita income • Three year average county unemployment rate • Decennial Census/5 Year ACS per capita income 2. Project Need: Project need points measure the degree to which there is a need for the project (example: no existing facilities or existing facilities are inadequate). Due to the different types of projects, project need points are structured differently based on project type. 3. Project Feasibility: Project Feasibility is not scored and is instead a threshold for water/sewer projects. Community Infrastructure, Community Revitalization, and Public Health and Safety projects have their own set of Project Feasibility criteria: 1) quality of design, 2) cost effectiveness, 3) alternatives, 4) adequacy of operating budget, 5) quality of documentation that the project will solve the problem. Housing feasibility is based on the assessment of the amount of work needed as proposed and the magnitude of the problems. 4. Project Impact: Project Impact is scored on the CDBG cost per person and the CDBG cost per LMI person (based on county LMI percentage) for all applications. The rate factor is also included for water/sewer applications.
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	<p>5. Project Essentialness: Project essentialness points apply only to Community Infrastructure, Community Revitalization, and Public Health and Safety projects and are designed to assess the degree to which the project is essential for the maintenance of safe and tolerable living conditions. Scores of three ECD reviewers will be averaged.</p> <p>6. Economic Development: Up to 10 additional points are available to applications that exhibit economic development impacts as a result of the project.</p>												
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	All CDBG manuals and applications materials are available on the CDBG website and by request. See Section AP-90 for the link.												
Describe how resources will be allocated among funding categories.	<p>The balance of CDBG awards across funding categories will be proportional to the amount of funding requests received for each category. The percentages below are estimates based on the prior application round. Actual percentage allocations for this funding round will be based on applications received this year.</p> <table> <tr> <td>Water and Sewer Projects</td><td>39%</td></tr> <tr> <td>Community Infrastructure Projects</td><td>8%</td></tr> <tr> <td>Community Revitalization Projects</td><td>28%</td></tr> <tr> <td>Public Health and Safety Projects</td><td>22%</td></tr> <tr> <td>Administration and Tech. Assistance</td><td>3%</td></tr> <tr> <td>Total</td><td>100%</td></tr> </table> <p>Program income will be applied to the funding of additional regular round activities. Up to \$1,000,000 of recovered funds from prior activities may be held for funding imminent threat projects during the year. At the end of the year, excessive balances will be allocated for use in the next program year.</p> <p>In the even the State of Tennessee's CDBG allocation significantly differs from prior years, the program will still award grants proportionally and will not cut categories or prioritize geographies or regions.</p>	Water and Sewer Projects	39%	Community Infrastructure Projects	8%	Community Revitalization Projects	28%	Public Health and Safety Projects	22%	Administration and Tech. Assistance	3%	Total	100%
Water and Sewer Projects	39%												
Community Infrastructure Projects	8%												
Community Revitalization Projects	28%												
Public Health and Safety Projects	22%												
Administration and Tech. Assistance	3%												
Total	100%												
Describe threshold factors and grant size limits.	Non-construction grants have a maximum threshold request of \$420,000. A construction grant will have a maximum threshold request of \$1,000,000.												

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit (Persons Assisted) • Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Persons Assisted) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p> <p>Additionally, the CDBG program tracks each project upon close regarding the following outcome categories:</p> <ul style="list-style-type: none"> • Accessibility/Availability • Affordability • Sustainability
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AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The State's HOPWA program allocates funding to seven HOPWA regions (overseen by six Project Sponsors), which include all counties in the state not covered by the HOPWA Eligible Metropolitan Statistical Area (EMSA) entitlements (Nashville EMSA and Memphis EMSA).

See HOPWA's Program Description, which is linked in Section AP-90, for a list of HOPWA regions and their Project Sponsors.

Emergency Solutions Grant (ESG): The State's ESG program invites applications from eligible entities in Non-entitlement Communities. Entitlement Communities receive their own ESG funding directly from the U.S. Department of Housing and Urban Development (HUD) and, therefore, are excluded. In addition, the ESG program sets aside an amount of funding each year for applicants located within Set-Aside Cities. In addition, applicants within Set-Aside Cities can also apply for the funds available to non-Entitlement communities up to the amount set as a funding cap.

See ESG's Program Description, which is linked in Section AP-90, for a list of Entitlement Communities and Set-Aside Cities.

Housing Trust Fund (HTF): The State's national HTF program invites statewide applications from eligible entities for funding to preserve, rehabilitate, and/or construct affordable multifamily units for extremely low-income Tennesseans (households with incomes of 30% or less of Area Median Income). HTF priorities permanent supportive housing throughout the state, and family housing rural areas of the state for HTF investment. Additionally, applications for HTF funding are accepted concurrent with and as a part of the application for a competitive Low Income Housing Tax Credit (LIHTC). As a result, the State's Qualified Action Plan (QAP) for the LIHTC program will further influence the locations of the HTF funded units.

See the Qualified Action Plan, which is linked in Section AP-90, for more information on potential geographic impacts of the LIHTC program.

HOME Investment Partnerships (HOME) Program: The State's HOME program invites *statewide* applications from eligible entities for funding for the following Homeowner Development activities and Rental Development activities.

Homeowner Development activities are the construction of affordable single-family homes for sale to low-income Tennesseans (households with incomes of 80% or less of Area Median Income in the households' counties).

Rental Development activities are the acquisition, rehabilitation and/or construction of affordable multifamily housing for low-income Tennesseans (households with incomes of 80% or less of Area Median Income in the households' counties).

For these activities, HOME does not prioritize applications in specific geographic areas of Tennessee. However, for the Homeowner Development activity, the program uses a county-level need scores to prioritize funding areas of the state with greater need. In addition, for the Rental Development activity, the program uses a county-level need score and a tract-level opportunity score to prioritize funding areas of the state with greater need and/or opportunity. For the Rental Development activity, applicants can also earn points for activities in a rural area of Tennessee.

Finally, the State's HOME program invites applications from eligible entities in non-local Project Jurisdictions (PJs) for Homeowner Rehabilitation activities, which are the rehabilitation of existing affordable single-family homes for low-income homeowners in Tennessee. Local PJs receive their own HOME funding directly from HUD and, therefore, are excluded from applying. For Homeowner Development activities, the program uses a county-level need score to prioritize funding areas of the state with greater need. The program also uses a county-level "Not Proportionately Served" score to prioritize areas of the state for funding that have receive fewer dollars per low-income household over a set period of time compared to other counties.

While all applications for HOME funding are typically scored competitively, the HOME program may make HOME funding available discretionarily to respond to changes in the housing market and/or a natural disaster. In addition, the scoring methodologies, including their geographic impacts, may be revised from year-to-year, as described in the annual Program Descriptions.

See HOME's Program Descriptions, which are linked in Section AP-90, for a list of local Project Jurisdictions (PJs) and current details of application scoring and its geographic impacts.

Community Development Block Grant (CDBG): The State's CDBG program invites applications from eligible entities in Non-entitlement Jurisdictions (cities and counties). Entitlement Jurisdictions receive their own CDBG funding directly from HUD and, therefore, are excluded. In addition, the area benefiting from CDBG activities must have 51% or more of households that have low-to-moderate incomes (incomes of 80% or less of Area Median Income), except areas considered under the slums, blight, and urgent need national objectives.

Please see CDBG's Program Descriptions, which are linked in Section AP-90, for lists of Entitlement Cities. The LMI areas benefiting from CDBG activities will be included in the appendix of the State's Consolidated Action Plan Evaluation Report (CAPER), which shares the State's goal accomplishments and outcomes with program funding.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The table below shows the one-year estimated goals for households the Consolidated Planning programs expect to serve. These estimates are based on prior year's outcomes and adjusted for anticipated increases or decreases in funding and/or changes in activities. These goals do not capture every household served by the programs.

One Year Goals for the Number of Households to be Supported	HOPWA	ESG
Homeless	85	3,683
Non-Homeless	300	205
Special-Needs	150	
Total	535	3,888

One Year Goals for the Number of Households Supported by	HOPWA	ESG	CDBG-RHP	HTF	HOME
Rental Assistance	435	595		-	-
The Production of New Units	-	-		20	40
Rehab of Existing Units	-	-		-	60
Acquisition of Existing Units	-	-		-	0
Total	435	595		20	100

Discussion

AP-60 Public Housing - 24 CFR 91.320(j)

Actions planned during the next year to address the needs of public housing

The 2023 Qualified Allocation Plan (QAP) for the Low-income Housing Credit (LIHTC) program includes a set-aside of up to 25% of the state's annual competitive housing credit authority to assist the redevelopment of public housing units. Within the set-aside, the Tennessee Housing Development Agency (THDA) prioritizes applications involving public housing authorities (PHAs) which the U.S. Department of Housing and Urban Development (HUD) has selected for the Rental Assistance Demonstration (RAD) program.

The 2019, 2020, 2021, 2022, and 2023 QAPs set aside an additional \$1.7 million of Tennessee's annual competitive tax credit authority to assist PHAs awarded a Choice Neighborhoods Initiative (CNI) Implementation Grant from HUD. In this way THDA is confronting gentrification and helping serve Tennessee's low-income residents and communities. THDA also uses its discretionary basis boost authority under the Housing and Economic Recovery Act (HERA) to ensure these transactions are financially viable. Both of these policies will continue under the 2024 QAP.

For FY 24-25, THDA will continue to prioritize CNI and will allocate at least \$1.7 million in annual credits (approximately \$16-17 million across 10 years). THDA is continuing its use of basis boost authority under HERA to all applicants under the 2024 QAP. In 2020 THDA incentivized investment in rural rental housing. Pursuant to the Governor's emphasis on serving at risk and distressed rural counties, THDA amended the 2019-20 QAP to make it easier to produce small developments in these areas, which continues currently. Applications for competitive LIHTC have increased maximum credit requests, removed the cap of total development cost limits, and increased use of the basis-boost under HERA. These provisions are only available to proposals to develop rental housing in counties designated as at risk or distressed by the Appalachian Regional Commission (ARC). This policy produced immediate results. In 2020 THDA awarded \$1.3 million of annual tax credits to an affordable housing development in one of Tennessee's most economically troubled counties, though now developers can request up to \$1.8 million in annual credits. The development will meaningfully increase the availability of affordable rental housing in an underserved rural area. This policy will also continue under the 2024 QAP.

Additionally, in 2024 the national Housing Trust Fund (HTF) migrated to being administered by THDA's Multifamily Programs division. HTF funds are being utilized for proposals that provide permanent supportive housing and/or projects located in rural counties as defined in the HTF Program Description. PHA's are eligible applicants for the Housing Trust Fund and often provide supportive housing to extremely low-income households that meet the statutory program requirements for HTF.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

THDA manages the Family Self Sufficiency (FSS) program for its Housing Choice Voucher (HCV) Program

participants, which includes financial counseling and pre-purchase homeownership counseling for participants. THDA also offers a homeownership voucher option to participants of the FSS program (Section 8 to Homeownership). THDA is not able to offer these services to families participating in other PHA public housing or HCV programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

1. Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

ESG commits up to 60% of its annual funding to Street Outreach and Emergency shelters to assist individuals and families who are experiencing literal homelessness. Grantees use person-centered approaches to ensure that all immediate needs are met and develop an individualized housing plan to ensure that the length of homelessness is brief and sparse. The grantees will work within their Continuums of Care (CoCs) to ensure that resources are used in the most efficient and effective way possible.

The Tennessee Housing Development Agency (THDA) conducted a workshop specific to Street Outreach, which covered its core components. The workshop encouraged ESG Street Outreach programs to be housing-focused, coordinated, person-centered, trauma-informed and culturally-responsive, as well as safety-oriented. This workshop was available to current grantees, those interested in applying for ESG funding, and to the public. The workshop is also now available on the THDA website.

Eligible program participants for Street Outreach activities include unsheltered individuals and families who qualify as homeless under Category 1 of HUD's Definition of Homelessness.

Allowable Street Outreach activities include:

- Engagement – Activities to locate, identify, and build relationships with unsheltered homeless persons for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or social services and housing programs. Eligible costs include: initial assessment of need and eligibility; providing crisis counseling; addressing urgent physical needs; and actively connecting and providing information and referral. Eligible costs also include the cell phone costs of outreach workers during the performance of these activities
- Case Management – Assessing housing and service needs, and coordinating the delivery of individualized services. Eligible costs include: using a Continuum of Care centralized or coordinated assessment system; initial evaluation including verifying and documenting eligibility; counseling; helping to obtain Federal, State and local benefits; providing information 55 2022 – 2023 State of Tennessee Annual Action Plan and referral to other providers; and developing an individualized housing/service plan
- Emergency Health Services – Outpatient treatment of urgent medical conditions by licensed medical professionals; and providing medication and follow-up services
- Emergency Mental Health Services – Outpatient treatment of urgent mental health

- conditions by licensed professionals; medication costs and follow up services
- Transportation – Travel by outreach workers or other service providers during the provision of eligible outreach activities; costs of transportation of clients to emergency shelters or other service providers; and costs of public transportation for clients.
- Services to Special Populations – Essential Services that have been tailored to address the needs of homeless youth, victims of domestic violence, and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

2. Addressing the emergency shelter and transitional housing needs of homeless persons

ESG funding provided emergency shelters, as defined by 24 CFR 576.2, is used for the operation and essential services to address the needs of those experiencing homelessness. ESG funds are used for family shelters, domestic violence shelters, day shelters and as overflow (warming/cooling) shelters as needed during extreme weather.

Eligible program participants for Emergency Shelter activities include individuals and families who qualify as homeless under Categories 1 and 4 of HUD's Definition of Homelessness.

Emergency Shelter allowable activities include:

- Essential Services - This includes services concerned with employment, health, drug abuse, education and staff salaries necessary to provide these services and may include, but are not limited to: assistance in obtaining permanent housing; medical and psychological counseling and supervision; employment counseling; nutritional counseling; substance abuse treatment and counseling; assistance in obtaining other Federal, State and local assistance including mental health benefits; employment counseling; medical assistance; Veteran's benefits; and income support assistance such as Supplemental Security Income, Supplemental Nutrition Assistance Program (SNAP) and Families First (Temporary Assistance for Needy Families/TANF); Other services such as child care, legal services, life skills training, transportation, job placement and job training; and Staff salaries necessary to provide the above services.
- Operating expenses - Payment of eligible operation costs related to the operation of emergency and transitional housing, including but not limited to, maintenance, operation, rent, repair, security, fuel, equipment, insurance, utilities, food and furnishings.

3. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

ESG funds are used to fund projects providing rapid re-housing services. These projects provide rental assistance and housing relocation and stabilization services to quickly housed individuals and decrease the length of time persons experience homelessness. After individuals are housed, projects

provide up to 24 months of case management to ensure the household is able to maintain stable housing.

Eligible program participants for rapid re-housing services include individuals and families who meet the definition of “homeless” who live in an emergency shelter or other place described in the definition provided by HUD.

Homelessness Prevention and Rapid Re-Housing eligible activities include:

- Financial Assistance – Rental application fee (excludes pet deposit); moving costs; security deposit for rental or utility; payment of rental arrears up to six months; and short-term (up to 3 months) or medium-term (up to 9 months) rental and/or utility assistance.
- Housing Relocation and Stabilization Services – Housing search and placement; assessment of housing barriers and needs; landlord mediation; legal services resolving landlord/tenant matters; assistance with submitting rental applications and leases; assessment of housing for habitability, lead-based paint and rent reasonableness; case management; HMIS data collection and submission; credit repair counseling; budget classes; and monitoring and re-evaluating program participants.

Short and Medium Term Rental Assistance Requirements and Restrictions:

- Compliance with Fair Market Rents (FMR) and Rent Reasonableness;
- For purposes of calculating rent, the rent must equal the sum of the total rent, any fees required for rental (excluding late fees and pet deposits), and, if the tenant pays separately for utilities (excluding telephone) the monthly allowance for utilities as established by the public housing authority for the area in which the housing is located
- Compliance with minimum habitability standards;
- Tenant based rental assistance means that participants select a housing unit in which to live and receive rental assistance. Project based rental assistance means that grantees identify permanent housing units that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize it so that eligible program participants have access to the unit;
- A standard and legal lease must be in place;
- No rental assistance can be provided to a household receiving assistance from another public source for the same time period (with the exception of rental arrears); and
- Participants must meet with a case manager at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting would increase the risk of danger to client).
- The Grantee must develop an individualized plan to help the program participant remain in permanent housing after the ESG assistance ends.

4. Helping low-income individuals and families avoid becoming homeless, especially

extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

5. Discussion

AP-70 HOPWA Goals – 91.320(k)(4)

Narrative:

The goals below are based on households served during the prior fiscal year. However, the individuals HOPWA serves during this fiscal year will have unique needs, and services provided will be tailed to the clients. Therefore, the goals below should be understood as an educated guess about what might happen.

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	300
Tenant-based rental assistance	145
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	N/A
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	
Note: for Tennessee's HOPWA program, these are hotel vouchers.	85
Total	530

AP-85 Other Actions – 91.320(j)

Actions planned to address obstacles to meeting underserved needs

See the Fair Housing summary in the appendix.

Actions planned to foster and maintain affordable housing

See Section AP-20.

Actions planned to reduce lead-based paint hazards

See Section SP-65.

Actions planned to reduce the number of poverty-level families

See Section SP-70.

Actions planned to develop institutional structure

See Section SP-40.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

The Consolidated Planning programs regularly update their program descriptions, program manuals, scoring, and other program information on their websites. Links to relevant websites and documents are below.

Housing Opportunities for Persons with HIV/AIDS (HOPWA):

Program website: <https://www.tn.gov/health/health-program-areas/std/std/hopwa.html>

Emergency Solutions Grant (ESG):

2025 Program Description: <https://thda.org/documents/2025-ESG-Program-Description.pdf>

Program website: <https://thda.org/government-nonprofit-partners/emergency-solution-grants-esg-program>

Housing Trust Fund (HTF):

2025 Program Description: **COMING SOON**

Program website: <https://thda.org/government-nonprofit-partners/national-housing-trust-fund>

2025 Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP): [2025-QAP-signed-by-Governor-2.10.2025-Updated-for-Website.pdf](#)

HOME Investment Partnerships Program (HOME):

2025 HOME Homeowner Rehabilitation Program Description: https://thda.org/documents/2025-HOME-Homeowner-Rehabilitation-Program-Description-BD-Approved-11.19.2024_2025-01-02-190432_bgkf.pdf

2025 HOME Rental Development Program Description: https://thda.org/documents/2025-HOME-Rental-Development-Development-PD-Bd-Appr_2024-12-30-135628_cyku.pdf

2025 HOME Homeownership Development Program Description: https://thda.org/documents/2025-HOME-Homeownership-Development-Program-BD-Approved-11.19.2024_2025-01-02-190433_axsk.pdf

Program website: <https://thda.org/government-nonprofit-partners/home-program>

Operating Manual: <https://thda.org/pdf/HOME-operating-Manual.pdf>

Community Development Block Grant (CDBG)

Handbook: <https://www.tn.gov/ecd/community-development-block-grant/cdbg/cdbg-manual.html>

Program website: <https://www.tn.gov/ecd/community-development-block-grant/cdbg.html>

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	300,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	200,000
5. The amount of income from float-funded activities	0
Total Program Income	500,000

Other CDBG Requirements

1. The amount of urgent need activities	1,000,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

HOME Investment Partnerships Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

HOME funds may be used by nonprofit developers, including CHDOs, to develop units for homeownership, including new construction or acquisition and substantial rehabilitation of substandard single-family dwellings. HOME funds are to be used as the primary method of financing (without interest cost) for the development of affordable single-family units. The nonprofit developer must be the owner-developer of the project. At the time of permanent financing the HOME funds are repaid to the nonprofit, and if a CHDO, used as CHDO proceeds to develop additional single-family units for homeownership. Any homeownership unit developed that cannot be sold to an eligible homeowner within nine months of project completion must be converted to rental housing and rented to an income eligible tenant.

HOME funds used for a soft second mortgage in homeownership programs are limited to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify the household for permanent financing, but not less than \$1,000. THDA requires that a subsidy remain in the financing when the unit is sold so affordability is based on the less restrictive recapture provisions of the HOME regulations. All grant recipients using HOME for soft second mortgages must use the THDA single-family underwriting template to determine the amount of HOME assistance, and must submit the determination to THDA for review and final approval. If the underwriting template indicates that the homebuyer does not have an unmet need for the soft second mortgage, the grant recipient may not provide direct HOME assistance to that homebuyer. The amount of the soft second mortgage is the "direct HOME subsidy" provided to the homebuyer and subject to recapture.

The soft second mortgage will have an affordability period of five years, which is forgiven at the end of the fifth year if the unit remains in compliance, i.e., the unit remains the permanent residence of the initial buyer and is not leased or vacated. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid.

THDA requires that the nonprofit developer be listed as a Loss Payee on the homeowner's insurance during the period of affordability.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Down Payment Assistance Programs by Local Communities or Non-CHDO Nonprofit Orgs: A grant recipient who is a local community or a non-CHDO nonprofit organization may provide down payment and closing costs assistance as a soft second mortgage in an amount equal to the lesser of \$39,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five to ten years, secured by a Note and Deed of Trust between the grant recipient and the homebuyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial buyer and is not leased or vacated. If the property is sold or transferred at the end of the affordability period, the homebuyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid.

CHDOs: At the time of the sale of the unit to an eligible homebuyer, the CHDO must leave up to \$39,999 of HOME funds in the unit as a soft second mortgage in an amount equal to the lesser of \$39,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five to ten years, secured by a Note and Deed of Trust between the CHDO and the homebuyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial homebuyer and is not leased or vacated. If the property is sold or transferred at the end of the affordability period, the homebuyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid.

Sale/Transfer of the Property: The HOME-assisted homebuyer may sell or otherwise transfer the unit on or before the end of the affordability period to any willing buyer at any price, and the amount of the HOME subsidy subject to recapture will be reduced by 10 to 20 percent per year of occupancy by the initial buyer. The amount subject to recapture is limited by the availability of net proceeds. The net proceeds are the sales price minus superior non-HOME loan repayments minus closing costs. If the net proceeds are not sufficient to recapture the remaining outstanding principal balance of the HOME Note plus the amount of the down payment made by the homeowner, if any, plus the amount of any capital improvement investment made by the homeowner, then the Grantee shall recapture a pro rata share of the net proceeds of the sale in lieu of the full remaining outstanding principal balance of the HOME Note. "Capital improvement investment" means the improvements to the property made at the homeowner's expense (and not through some other form of subsidy),

as evidenced by receipts or cancelled checks detailing the capital improvements made. Capital improvements do not include items of maintenance, deferred maintenance or cosmetic improvements. The pro rata amount to be recaptured shall be calculated in accordance with the HOME Program Regulations at 24 CFR 92.254(a)(5)(ii)(A)(3).

Additional guidelines are included in the appendix. Guidelines are also included in the HOME Program Manual, which is updated annually and posted to the THDA website.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

Emergency Solutions Grant (ESG)

Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

The written standards for providing ESG assistance, *the Emergency Solutions Grants Guide*, are attached and can also be found at the THDA ESG Program webpage: <https://thda.org/pdf/1.-ESG-Guide.pdf>

2. If the Continuum of Care (CoC) has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Tennessee has seven Continuums of Care (CoC) under the ESG funding umbrella. Each CoC is attempting to address the coordinated assessment system in a way that meets the needs of the individual region. For instance, the Cities of Murfreesboro and Chattanooga have centralized physical locations for those needing assistance. While effective for a city, the model does not work for the other CoC regions that cover eight to 23 counties. In Upper East Tennessee, led by Appalachian Regional Homeless Coalition (ARCH), there are three physical intake locations in Bristol, Kingsport and Johnson City as well as a hotline available CoC-wide. West Tennessee, led by TN Homeless Solutions, also has created an ESG-funded hotline to assess over the phone and refer potential clients to the closest agency for services. All agencies in their CoC who receive ESG and/or CoC funding also act as coordinated access points. Two CoCs (Homeless Advocacy for Rural TN and Community Housing Partnership of Williamson County) have opted for a centralized system of intake for their Continuum agencies. TN Valley Coalition to End Homelessness operates a centralized access point for nine counties, as well as supporting CoC member agencies who offer coordinated assessment for three other counties. Using the 'No Wrong Door' philosophy, each agency within a Continuum uses the same intake process/paperwork within that region.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The method of distribution across the geographic areas both with set asides and competition for funds is described in the AP-30 Method of Distribution section.

The State of Tennessee, through THDA, will accept applications for the ESG program from nonprofit organizations. Nonprofit applicants must submit **PART V: Nonprofit Checklist** with supporting documentation, and **PART VI: Nonprofit Board Composition**.

To be eligible to apply for ESG funding the nonprofit organization must:

- Be organized or existing as a nonprofit agency under Tennessee law, as evidenced by a Certificate of

Existence from the Tennessee Secretary of State dated within 30 days of the application due date
OR

- Be organized or existing under the laws of another state but eligible to conduct business in the State of Tennessee;
- Demonstrate at least two (2) years of experience providing affordable housing or affordable housing related services in the State of Tennessee satisfactory to THDA, in its sole discretion.
- Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
- Be established for charitable purposes and whose activities include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of shelter and services to the homeless;
- Have standards of financial accountability that conform to 24 CFR 84.21, Standards of Financial Management Systems; and
- Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) nonprofit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) nonprofit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the nonprofit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.
- Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
- Have approved established ESG Written Standards in accordance with Continuum of Care Coordinated Entry process.
- Submit certification of participation in local Continuum of Care activities and HMIS reporting.

Nonprofit organizations are eligible to receive funds for shelter activities only if such funding is approved by the local government jurisdiction where programs are based. Each application from a nonprofit seeking funds for shelter activities should contain **PART VII: Certification of Local Government Approval** specific to housing and service locations that it controls within each jurisdiction. This Attachment must be submitted to THDA at the time of application. If the organization intends to provide homeless assistance in a number of jurisdictions, the certification of approval must be submitted by each of the units of local government in which the projects are to be located.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

It is a requirement for all ESG subrecipients to formulate homelessness participation in their program. It is required information on the application. All grantees either have a homeless or formerly homeless individual on staff or on the board, or they have incorporated a process to

involve the homeless to participate in policy-making decisions.

5. Describe performance standards for evaluating ESG.

The Tennessee ESG Policies and Procedures Manual instructs grantees to adopt performance standards consistent with HUD and THDA program requirements.

Performance Standards/Measures: THDA must ensure that programs and activities funded through the ESG program meet certain Performance Standards as set by the local Continuum of Care, THDA, and HUD. The following is an example of the types of Standards that THDA and its sub-recipients will be required to meet to demonstrate success of the ESG program:

- Reducing the average length of time a person is homeless
- Reducing returns to homelessness
- Improving program coverage
- Reducing the number of homeless individuals and families
- Reducing the number of chronically homeless individuals and families
- Improving employment rate and income amounts of program participants
- Reducing first time homelessness
- Preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs

Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources that will ensure the ongoing housing stability of program participants.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

- ☒ Applications submitted by eligible recipients
- ☐ Subgrantees that are State Agencies
- ☐ Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to State agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The Tennessee Housing Development Agency will distribute HTF funds by selecting applications submitted by eligible recipients. Eligible recipients include public housing authorities and nonprofit entities. A recipient must:

- Be organized and existing to do business in the State of Tennessee, or if organized in another state, must be qualified to do business in the State of Tennessee. All Applicants must demonstrate at least two years of related housing experience in Tennessee.
- Demonstrate the financial capacity necessary to undertake, complete, and manage the proposed project, as demonstrated by its ability to own, construct, or rehabilitate and manage and operate affordable rental housing. THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity before the applicant qualifies as an eligible recipient.
- Have demonstrated understanding of the Federal, State and local housing programs used in conjunction with HTF funds to ensure compliance with all applicable program requirements and regulations.
- Not be debarred or excluded from receiving federal assistance or THDA assistance prior to selection or entering into a Written Agreement or closing the loan.

- Certify that housing units assisted with the HTF will comply with HTF program requirements during the entire period that begins upon selection and ending upon the conclusion of all HTF - funded activities.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

- Eligible participants will include public housing authorities, for-profit entities, and non-profit organizations that are organized and existing to do business in the State of Tennessee, or if organized in another state, must be qualified to do business in the State of Tennessee. All Applicants must demonstrate at least two years of related housing experience in Tennessee.
- Demonstrate the financial capacity necessary to undertake, complete, and manage the proposed project, as demonstrated by its ability to own, construct, or rehabilitate and manage and operate affordable rental housing. THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity before the applicant qualifies as an eligible recipient.
- Have demonstrated understanding of the Federal, State and local housing programs used in conjunction with HTF funds to ensure compliance with all applicable program requirements and regulations.
- Not be debarred or excluded from receiving federal assistance or THDA assistance prior to selection or entering into a Written Agreement or closing the loan.
- Certify that housing units assisted with the HTF will comply with HTF program requirements during the entire period that begins upon selection and ending upon the conclusion of all HTF - funded activities.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Tennessee will select recipients of HTF resources through a competitive selection process that will evaluate the following factors. See the full program description in the appendix for additional detail.

PROJECT DESIGN - Up to 30 points

APPLICANT'S CAPACITY AND EXPERIENCE - Up to 30 points

NEED - Up to 10 points

AREAS OF OPPORTUNITY SCORE - Up to 10 Points

LEVERAGE - Up to 10 points

RURAL DESIGNATION – Up to 5 points

DESIGNATED DISTRESSED COUNTIES – 5 points

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

THDA will accept and consider proposals for HTF resources that will serve communities across the state consistent with the State's certification to affirmatively further fair housing. THDA will establish a minimum score threshold that must be received in order to be eligible for HTF funding. This minimum score will be determined to ensure that sound, well-designed, and financially viable rental housing will be financed using HTF resources. THDA will rank all applications consistent with the 2024 LIHTC Qualified Allocation Plan (QAP) and the 2024 HTF Program Description. THDA reserves the right not to select a proposed project if sufficient funding is not available to award all funds requested by the applicant. In such instances and at its sole and absolute discretion, THDA may move to the next lower scoring project(s) to meet its commitment obligations under the HTF program.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity to carry out the proposed housing project before the applicant qualifies as an eligible recipient. THDA will also evaluate the experience and capacity of the organization to ensure compliance with the requirements and regulations of all Federal, State and local housing programs used in conjunction with HTF funds; THDA will also evaluate the history of the applicant and project team in serving the community in which the HTF - assisted housing is proposed.

The applicant must be capable of undertaking and completing HTF-funded activities in a timely manner. THDA will evaluate the past performance of the applicant in completing THDA funded development activities.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low-income families: THDA will provide a preference for

applications which propose to preserve existing housing with project-based rental assistance and for proposals with binding commitments of project-based vouchers to the project.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

For rental housing, the duration of the units' affordability period: All rental units assisted with HTF resources will have a 30-year period of affordability. No additional consideration is proposed for units that will extend the period of affordability beyond this minimum requirement.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The merits of the application in meeting the State's priority housing needs: THDA will provide a priority for applications in counties with a higher rental housing need based on variables determined by THDA, which may include, but are not limited to, percent of extremely low-income renters, population growth rate, vacancy rate, and the pipeline of rental housing under construction.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The extent to which application makes use of non-federal funding sources: THDA manages federal resources, including the HOME Investment Partnerships Program and the Housing Choice Voucher Program. In order to encourage the diversity of funding sources, THDA will provide a preference for applications that include the use of non-THDA, federal and non-federal resources towards the development of the housing. THDA will not consider rental assistance provided for the purposes of this category. THDA will award points based on the actual percentage of other non-THDA funds in the project against the total development costs of the project. In order to receive points, written documentation committing the non-THDA funds must be included in the application.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low-income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The investment of HTF funds must conform to the following minimum and maximum standards per unit:

a. Minimum HTF Funds: \$1,000 per unit

b. Maximum HTF Funds Per Unit:

\$119,815	0-Bedroom (Efficiency) Limit
\$137,349	1-Bedroom Limit
\$167,020	2-Bedroom Limit
\$267,250	3-Bedroom Limit
\$237,177	4-Bedroom Limit

THDA uses the HOME program's maximum per unit subsidy amounts for Tennessee as determined by HUD and adopted by THDA. Based upon development costs across the state, THDA has determined that the HOME maximum subsidy limits are appropriate for the HTF program. Periodically, THDA may update these limits pending approval from HUD. Updated limits will be effective for all activities in which the written agreement for the activity is entered into after the effective date for the limits issued by HUD.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

All HTF units must meet the specific Design Standards as prescribed by THDA in the Program description. These standards are specific to rehabilitation of existing units and new construction. In addition, all HTF units must meet all applicable local, state and federal building codes.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

___ The grantee will use the HUD issued affordable homeownership limits.

___ The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

The State will not permit the refinancing of existing debt.

Housing Opportunities for Persons with AIDS (HOPWA)

91.320(k)(4)

HOPWA selected sponsors through soliciting grant proposals from grass roots faith-based and other community-based organizations. The RFGP occurred in March 2021 for the time period July 1, 2021 through June 30, 2026. Additional details are included in the MOD.

Current and Proposed HOPWA Activities Include:

Supportive Services: Provide non-medical case management, advocacy, coordination of benefits, education, employment assistance and training for persons with HIV/AIDS, legal services, life skills management, support groups, nutritional services (including meals), outreach and transportation, health and medical services. Supportive Services may be provided in conjunction with HOPWA housing assistance or as a stand-alone service.

Housing Case Management simply means that the central emphasis of a case manager's work with a household is placed on housing issues, including evaluation of housing options, housing stability, and housing specific goals. Housing Case Management may be provided in conjunction with housing assistance services or as a standalone service.

Short-Term Rent, Mortgage, and Utility (STRMU) assistance is time-limited housing assistance designed to prevent homelessness and increase housing stability. Grantees may provide assistance for a period of up to 21 weeks in any 52-week period. The amount of assistance varies per client depending on funds available, tenant need, and program guidelines.

Tenant-Based Rental Assistance (TBRA) is a rental subsidy used to help households obtain permanent housing. The gross rent of the proposed unit must be at or below the lower of the rent standard or the reasonable rent.

Transitional Supportive Housing works the exact same way as TBRA except the rental assistance is unit-based as opposed to tenant-based AND transitional supportive housing can't last longer than 24 months.

Short Term Supportive Housing is used for hotel/motel and reserving shelter beds; it cannot last longer than 60 days in any 6 month period; there is no rent calculation; there is no lease; it doesn't have to pass habitability (although you probably should not use Federal funds in a hotel or shelter that is gross, uninhabitable, or unsafe).

Permanent Housing Placement allows for the payment of reasonable costs to move clients into permanent housing. Security deposit costs cannot exceed two months of rental costs. In addition to the security deposit, funds may also be used for utility connection fees and processing costs. A HOPWA rental assistance program that provides such rent and utility deposits should require that landlords and utility companies pay any returned deposits directly to the program rather than to the client. Funds recaptured in this manner are considered program income and must be applied to future rental program or housing placement activities.

Resource Identification can be utilized for a variety of activities related to outreach and expansion of housing resources, system coordination and needs assessments, among others. Resource ID has a broader community or system focus that includes activities that help establish, coordinate and develop housing assistance resources for eligible persons.

Housing Information Services include, but are not limited to, counseling, information, and referral services to assist households with locating, acquiring, financing, and maintaining housing. This may also include fair housing guidance for households that have encountered discrimination on the basis of a protected class.

Fair Housing Appendix

2025-2029 Consolidated Plan: Brief on Fair Housing Needs and Priorities Identified through Research and Consultation

The State of Tennessee will affirmatively further fair housing through the Consolidated Planning programs and other housing and community development programs. While fair housing initiatives are not a formal strategic priority for which the State sets numeric goals or allocates a specific funding stream in the Consolidated Plan, the State is committed to engaging in ongoing, meaningful actions to affirmatively further fair housing.

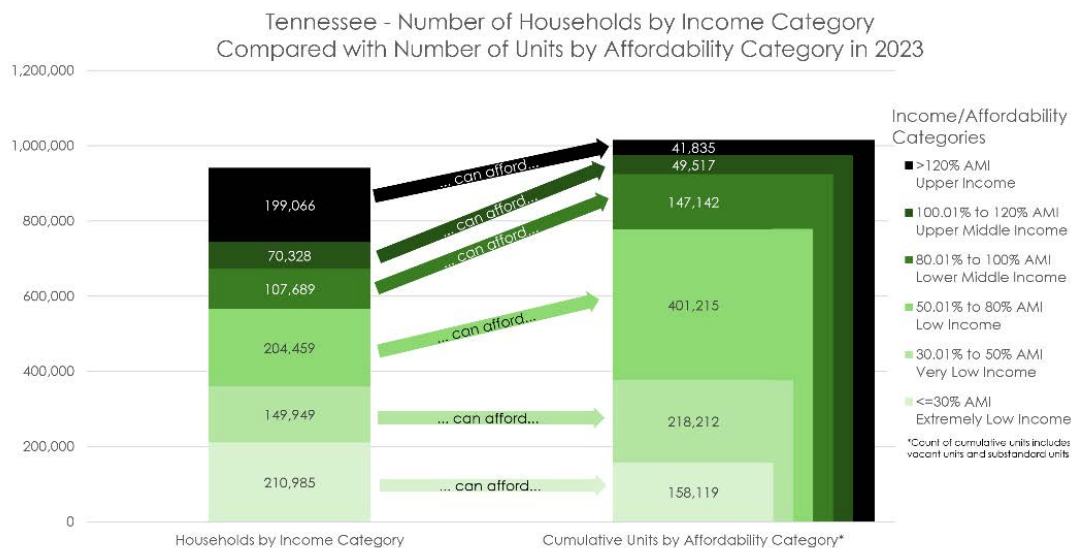
The State acts to remove barriers to housing access, reduce disparities in housing need based on protected characteristics, and reduce segregation. The State also provides resources to educate Tennesseans about their housing rights under the Fair Housing Act and to educate the State's Consolidated Planning program grantees about their fair housing obligations. Finally, the State addresses violations of the Fair Housing Act. These activities will continue throughout the 2025-2029 Consolidated Planning period.

The State identified the following fair housing needs through the 2025-2029 Consolidated Plan's Needs Assessment, and the State is in the process of developing/implementing strategies to address them.

Need 1: Remove barriers to housing access.

Barrier 1: Tennesseans faced (and still face) an affordable rental housing shortage, especially units affordable to extremely low-income (ELI) households, which has disproportionately impacted some groups in protected classes.

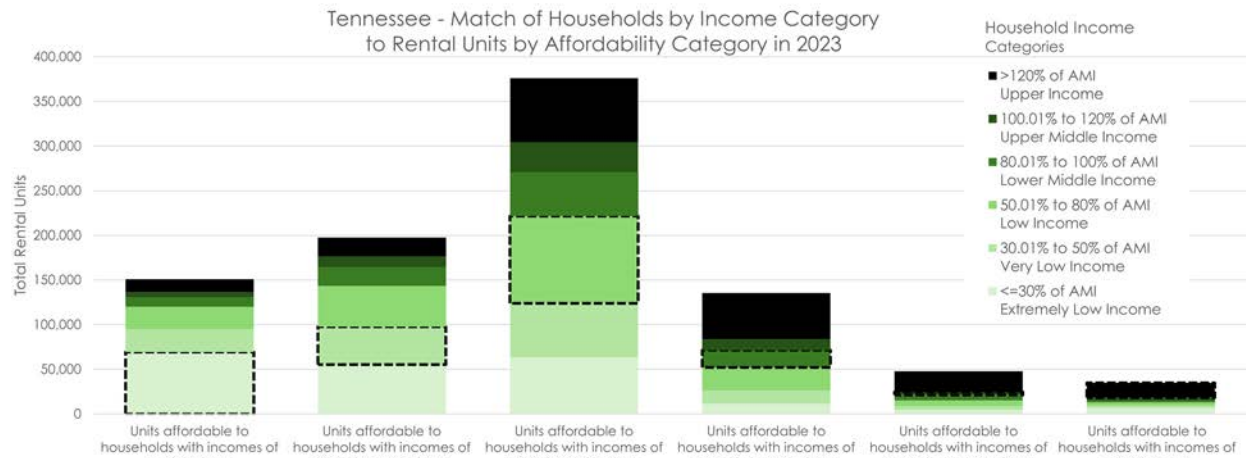
In 2023, Tennessee had an estimated absolute shortage of 52,866 rental units affordable to ELI households, according to the 2023 Public Use Microdata Sample (PUMS). ELI households have incomes of 30% or less of the Area Median Income (AMI). The graph below shows the estimated number of renter households by income category on the left, as well as the estimated number of units by affordability category on the right. Section MA-20 of the 2025-2029 Consolidated Plan contains more analysis of this housing shortage.



Fair Housing Appendix, Figure 1 – Graph of the Number of Households by Income Category and the Number of Units by Affordability Category in 2023
Public Use Microdata Sample (PUMS) 2023

Many units affordable to ELI households were occupied by households with higher incomes. The stacks in the graph below show the number of rental units in each affordability category and the income categories of the households occupying them in 2023. Households who were not able to obtain an affordable unit were cost

burdened. Based on the 2023 PUMS, 67.1% of extremely low-income renters were cost burdened, spending more 30% of their incomes on rent and utilities. Being cost burdened increases a household’s risk of housing instability and homelessness. See Section NA-10 of the 2025-2029 Consolidated Plan for further analysis of renter cost burden.



Fair Housing

Appendix, Figure 2 – Graph of the Match of Households by Income Category to Rental Units by Affordability Category in 2023
2023 Public Use Microdata Sample (PUMS)

Some racial and/or ethnic groups are disproportionately at risk of being cost burdened due to group-level differences in tenure and household income, in addition to the absolute shortage of rental units affordable to ELI households. The following table summarizes the estimated portions of each racial and/or ethnic group’s tenure, ELI population, levels of cost burden, and risk for housing insecurity.¹ These factors partially cause the different levels of housing insecurity for some protected class groups. See Sections NA-10, NA-15, NA-20, and NA-30 of the 2025-2029 Consolidated Plan for a more detailed analysis of housing problems by income category and by race and/or ethnicity. In addition, a visual representation of the data below is at the end of this document.

Racial and/or Ethnic Group	Percent of Racial/Ethnic Group Renting	Percent of Renter Households who are ELI	Percentage of Renters who are Cost Burdened	Percentage of Renters who are Severely Cost Burdened	Is the group likely more or less at risk of housing insecurity?
American Indian or Alaskan Native	40.7%	29.0%	46.9%	20.3%	More
Asian	42.3%	12.0%	25.5%	11.7%	Less
Black	56.3%	30.0%	50.1%	25.6%	More
Hispanic	54.8%	19.5%	45.1%	19.4%	More
Other races	44.6%	19.5%	40.4%	17.5%	Unclear
Pacific Islander	73.6%	17.5%	42.5%	25.0%	More
White	26.6%	19.8%	36.8%	17.5%	Less
All Renters	33.1%	22.5%	40.9%	19.8%	N/A

Fair Housing Appendix, Figure 3 – Table of Renter Population, Income Status, and Cost Burden Status by Race and/or Ethnic Group

¹ The data source is CHAS five-year estimates for 2017-2021. These were the latest estimates available to analyze tenure, Area Median Income (AMI), and cost burden by racial groups when the 2025-2029 Consolidated Plan’s Needs Assessment was conducted.

Although households with a disabled member tended to have similar rates of homeownership to the general population, renter households with a disabled member tended to have incomes skewed toward lower incomes as a percentage of AMI compared to Tennessee's overall renter population.² For instance, 34.7% of households with a disabled member were ELI, while 22.5% of all renter households were. As a result, the absolute shortage of rental units affordable to ELI households disproportionately impacts renter households with a disabled member. In addition, 52.0% of renter households with a disabled member were experiencing a housing problem (most likely cost burden) compared to 43.8% of the Tennessee's general renter population. See Section NA-35 for more information about different types of disabilities and household incomes.

Some protected class groups are disproportionately represented among Tennessee's homeless population. This is especially true for Black Tennesseans, who were an estimated 15.3% of Tennessee's overall population in 2023 but made up 33.7% of people identified as experiencing homelessness, according to the 2023 Point-in-Time Count (PITC). Disabled Tennesseans also are overrepresented in the homeless population. Disabled people were an estimated 15.3% of Tennessee's overall population in 2023, but they made up at least 21.6% of people identified as homeless in the 2023 PITC. See Section MA-40 for more analysis of the needs of Tennessee's homeless population.

Tennessee needs more rental units that are affordable to ELI households to create greater opportunities for some protected class groups whose needs are not being met by the market. Access to affordable housing allows lower income households to afford other necessary resources, save for emergencies, and remain stably housed.

Barrier 2: Renter households in Tennessee struggled to find and secure existing affordable rental housing.

The struggle to find and secure affordable rental housing was a consistent theme during the focus groups on housing affordability, homelessness, and fair housing, which the Tennessee Housing Development Agency's (THDA's) Research and Planning department conducted in each of Tennessee's nine development districts in August of 2024. While this difficulty partially stems from the overall shortage of affordable rental housing, focus group participants said many renter households were unsure how to locate affordable properties and struggled to find up-to-date contact information and details about current vacancies and rents. In addition, some focus group participants reported low-income households were struggling to secure affordable units that were available because doing so required paying multiple months of rent in advance along with a security deposit. Often, the household could afford the rental payment but not the total move-in costs. Some households also struggled to meet a common requirement that the household's income be three times higher than the rent. Other households who met this income requirement still sometimes struggled to demonstrate it in their rental applications due to technological difficulties and access to pay stubs. Finally, participants said renter households sometimes struggled with lengthy lease documents and other application requirements for securing affordable housing. They said some properties required multiple, repetitive forms, some of which had to be filled out in-person and on paper. Some renters struggled to find the time to complete these tasks and follow-up afterward.

Tennessee needs better systems for connecting low-income renters with affordable units and problem-solving to reduce barriers to securing these units.

Barrier 3: Tennesseans faced (and still face) a shortage of affordable single-family homes for sale, hampering low-to-middle income renters from becoming homeowners, which has disproportionately impacted some protected class

² The data source is CHAS five-year estimates for 2017-2021.

groups. Tennessee’s estimated median home value increased by 53% to \$232,100 over a five-year period.³ As a result, many Tennesseans who would have liked to purchase a home have not been able to afford it because the prices of single-family homes for sale are high relative to household incomes. In 2017, 71% of homes sold in Tennessee were affordable to a household with the AMI, according to Tennessee’s Annual Sales Price Data. In 2022, 43% of homes sold were affordable to a household with the AMI. During regional focus groups, many Tennesseans reported that purchasing a home seemed out of reach. They said they felt constrained to housing that did not meet their needs.

In addition, some racial and/or ethnic groups are disproportionately renters than homeowners, and the high prices of homes have made it more difficult for households in those groups to become homeowners. The following table shows homeownership rates by race and/or ethnicity.⁴

Racial/Ethnic Group	Homeownership Rate
State Average for All Races	66.9%
American Indian or Alaskan Native	59.3%
Asian	57.7%
Black	43.7%
Hispanic or Latino	45.2%
Other Races	55.4%
Pacific Islander or Native Hawaiian	26.4%
White	73.4%

Fair Housing Appendix, Figure 4 – Table of Homeownership Rate by Race and/or Ethnic Group
CHAS Five-Year Estimates for 2017-2021

For Tennesseans who have recently transitioned to homeownership, the gains have been uneven by racial and/or ethnic group. The table below shows the share of total borrowers by race and ethnicity for first lien mortgage loans originated from 2018-2023, according to Tennessee’s Home Mortgage Disclosure Act (HMDA) data. While the share of Tennessee’s Hispanic borrowers almost doubled over five years from 4.1% in 2018 to 8.1% in 2023, the share of Tennessee’s Black borrowers declined overall and fluctuated between 7.3% and 7.6%.

Borrower Race	2018	2019	2020	2021	2022	2023
American Indian	0.2%	0.3%	0.3%	0.3%	0.3%	0.4%
Asian	2.3%	2.2%	2.1%	2.8%	3.2%	3.5%
Black	7.5%	7.3%	7.6%	7.6%	7.3%	7.3%
Native Hawaiian	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
White	80.9%	80.1%	79.6%	77.1%	75.8%	75.2%
Other*	1.5%	1.6%	1.7%	1.9%	2.1%	2.4%
Race NA	7.5%	8.5%	8.6%	10.2%	11.1%	11.1%
Borrower Ethnicity	2018	2019	2020	2021	2022	2023
Hispanic or Latino	4.4%	4.9%	5.5%	6.2%	6.9%	8.1%

*Other races include two or more races, joint, and text-only categories.

Fair Housing Appendix, Figure 5 – Table with Share of Borrowers by Race and Ethnicity 2018-2023
HMDA 2018-2023

Additionally, Black households made 30% of all home purchases in low-or-moderate-income (LMI) Census tracts in 2023, compared to 24% of home purchases made by Hispanic households and 17% by White households. This may be related to 33% of Black borrowers identifying as low-to-moderate income (having incomes at 80% or less of AMI). The value and

³ ACS five-year estimates for 2013-2027 and 2018-2022.

⁴ CHAS five-year estimates for 2017-2021

location of the homes households are able to purchase has implications for the long-term accrual of wealth by racial and/or ethnic group.

Tract	Home Purchase						Refinance					
	White	Black	NA	Other	His-panic	Total	White	Black	NA	Other	His-panic	Total
LMI tract	8,937	1,508	1,384	658	1,306	12,487	2,292	735	643	87	128	3,757
Middle-income tract	25,670	2,188	3,629	1,787	2,691	33,274	8,053	977	1,640	223	307	10,893
High-income tract	16,567	1,294	2,581	1,895	1,492	22,337	3,762	488	835	149	140	5,234
Missing	362	27	31	24	45	444	146	7	9	3	5	165
Total by race	51,536	5,017	7,625	4,364	5,534	68,542	14,253	2,207	3,127	462	580	20,049
% in LMI tract	17%	30%	18%	15%	24%	18%	16%	33%	21%	19%	22%	19%

Fair Housing Appendix, Figure 6 – Table of Census Tracts for Home Purchases and Refinances by Race and Ethnicity in 2023
HMDA 2023

Tennesseans need more affordable homes for sale to ensure low-to-moderate income renters have opportunities to transition to homeownership when they are ready, which will enable these households to obtain greater housing stability and build wealth over time.

Barrier 4: Disabled Tennesseans struggle to obtain housing with the accessibility features they need.

In June and July of 2024, the State of Tennessee administered a housing needs survey for the public. The survey received 1,179 complete responses, and respondents could identify whether their households included a disabled person. Of the 1,179 complete respondents, 399 respondents (or 33.8%) answered yes. Of those who answered yes, 125 (or 31.3%) said their current housing was meeting all needs of the disabled person in their household, 99 (or 24.8%) said their housing met most needs, 87 (or 21.8%) said the housing met some needs, 70 (or 17.5%) said their housing did not meet any needs, and 18 (or 4.5%) preferred not to answer. These results indicate at least 64.1% of respondents thought they needed something different in their homes to meet the needs of the disabled person in their household. The respondents could identify what would make their current housing better for the disabled person. Of the 259 respondents, 109 (or 42.1%) described accessibility features, such as ramps, chair lifts, grab rails, accessible showers/tubs/closets/kitchens, wider doorways, wider hallways, and single-story spaces.

Additionally, during a meeting with fair housing advocates in January 2025, participants said they often received calls from disabled Tennesseans who were struggling to obtain accessibility features in their rental properties, even ones required by law, like accessible parking spaces. The advocates also stated some landlords were reluctant to rent to disabled people, especially if the applicant's main source of income was Supplemental Security Income (SSI).

Tennessee needs a greater number of accessible units and more resources for households with disabled members to obtain accessibility features.

Actions to remove barriers to affordable housing for individuals in protected classes whose needs are unmet by the market may include the following:

- Encourage (and fund, when possible and appropriate) the development of affordable rental units, especially units affordable to ELI households, as well as “starter homes” for sale.
- Develop or promote affordable housing navigation tools and resources.
- Provide public engagement or outreach on affordable rental and homeownership opportunities, as well as financial literacy and housing education. Take action to support other organizations engaged in this work.
- Promote universal design principles for new developments to ensure more housing is accessible to disabled and elderly people.
- Collaborate with local, regional, and statewide allies to align state solutions with local community solutions, especially where interests clearly overlap.

The Tennessee Housing Development Agency (THDA) is in the process of establishing an internal Equal Housing Opportunity committee to build fair housing objectives into new and existing program design. Program evaluations would include fair housing metrics. This effort may include:

- Consistent evaluation of newly proposed programs, policies, and actions associated with all THDA divisions for compliance with fair housing statutes and regulations. Evaluation would also consider the likelihood a program’s approach will affirmatively further fair housing.
- Audit existing programs’ key policies over the next three to five years to ensure compliance with fair housing statutes and regulations and assess how the program, policy, and related procedures are working to reduce or eliminate barriers for the protected classes.
- Where possible, create systems and practices to collect program data that can be disaggregated by race, ethnicity, primary language, sex, disability status, geographic location, and socioeconomic status to better assess fair housing outcomes during program evaluation.

Need 2: Educate Tennesseans about their housing rights.

Barrier 1: Some Tennesseans struggled with a lack of knowledge of fair housing rights, including the right and process to file a complaint with appropriate jurisdictional authorities when experiencing perceived or actual housing discrimination.

As previously mentioned, the State of Tennessee administered a Housing Needs Survey to the public, requesting input on their housing experiences and needs. The survey received 1,179 complete responses. THDA did not try to achieve a representative survey sample, and the survey’s 1,179 responses cannot be generalized as representative of all Tennesseans. However, the results make a case for further educating Tennesseans about their housing rights.

One question asked respondents if they had ever felt discriminated against when searching for housing, and 286 (or 24.3%) of respondents said yes. Of this group, 9 (or 3.15%) reported that they had filed a formal complaint, 59 (20.63%) reported they knew how to file a formal complaint, and 65 (or 22.72%) reported being “very familiar” or “familiar” with the Fair Housing Act. While it is likely some people who felt discriminated against would not have a legal basis for a claim, it is concerning that only one in four knew how to seek formal investigation and restitution for discrimination, indicating a need to further educate the public about its fair housing rights.

In addition, the survey asked the 286 people who felt they had experienced housing discrimination to identify on what basis the discrimination occurred. Respondents could select more than one answer, and the most common—selected by 169 (or 59.3%) of people—was “I did not make enough money.” In and of itself, this reason would not constitute discrimination. However, most people selected “I did not make enough money” along with another answer choice related to membership in a protected class. The following table shows the answer choices respondents selected as the reason(s) they believe discrimination occurred:

Answer Choices	Responses	
	Percent	Number
I did not make enough money.	59.3%	169
Of my source of income (examples: receiving public assistance, child support, rental assistance, WIC, etc.).	29.8%	85
Of my race.	24.9%	71
Of my familial status (examples: having children, being pregnant).	21.8%	62
Of my age (examples: being elderly, being young).	16.8%	48
Of my marital status (examples: being married, being in a domestic partnership, being single, being divorced).	14.0%	40
I have a disability (examples: physical, developmental).	12.6%	36
Of a felony or criminal conviction.	10.5%	30
I prefer not to answer.	7.0%	20
Of my sex.	6.0%	17
Of my religion.	3.2%	9
Of my sexual orientation.	3.2%	9
Of my national origin (examples: country where you were born, language spoken).	2.8%	8
Total Respondents		286

Fair Housing Appendix, Figure 7 – Table of Reasons for Real or Perceived Housing Discrimination
THDA Housing Needs Survey 2024

Additionally, 185 (or 64.7% of the 286 people who reported a reason) felt the reason for discrimination was based, at least in part, on their membership in protected classes. The following table shows the answer choices these respondents selected as the reason(s) for discrimination.

Answer Choices	Responses	
	Percent	Number
Of my race.	34.8%	71
Of my familial status (examples: having children, being pregnant).	30.4%	62
Of my age (examples: being elderly, being young).	23.5%	48
Of my marital status (examples: being married, being in a domestic partnership, being single, being divorced).	19.6%	40
I have a disability (examples: physical, developmental).	17.7%	36
Of a felony or criminal conviction.	14.7%	30
Of my sex.	8.3%	17
Of my religion.	4.4%	9
Of my sexual orientation.	4.4%	9
Of my national origin (examples: country where you were born, language spoken).	3.9%	8
Total Respondents		185

Fair Housing Appendix, Figure 8 – Table of Reasons for Real or Perceived Housing Discrimination Based on Protected Class Only
THDA Housing Needs Survey 2024

Respondents with lower incomes may have perceived or experienced discrimination more often. Of the 286 people who responded they had felt discriminated against when looking for housing, 175 (or 61.2%) had incomes between \$0 and \$50,000. This indicates lower income respondents who selected “I did not make enough money” as a reason for discrimination may have been thinking one of the following:

- 1) Respondents may have misunderstood that being denied housing only because they “did not make enough money” is not discrimination under current laws, and/or

2) Respondents may have believed they were experiencing discrimination based on membership in a protected class, but a socioeconomic reason was being provided as a “cover” for the person or entity who was discriminating.

Tennesseans need more public education about fair housing protections to better identify and describe discrimination when it occurs and seek investigation and remediation.

Actions to educate Tennesseans about their fair housing rights may include the following:

- Engage in fair housing outreach and education through sharing information and resources on THDA’s website and social media, including information on how fair housing rights and how the appropriate process for filing a complaint of discrimination.
- Support the activities of fair housing organizations and enforcement agencies, including HUD Fair Housing Assistance and Initiative Programs, to provide community and professional education on civil rights and fair housing and combat housing discrimination in all its forms.
- Ensure effective communication and public outreach through:
 - Explaining technical policies in plain language that is accessible to all community members, avoiding technical acronyms or other technical language in public facing documents, and using visuals where possible to better clarify complex policies or programs.
 - Producing vital documents and advertisements for program and assistance in languages commonly spoken other than English in Tennessee and following best practices for communicating with persons with a disability (ADA web and mobile accessibility requirements, WCAG 2.1AA).

Need 3: Educate the State’s Consolidated Planning program grantees and other housing-related organizations across the state about their fair housing obligations.

Barrier 1: Although the State incorporates education about fair housing into trainings for program grantees, some housing-related organizations need more effective education on fair housing because they may have engaged unintentionally in discrimination.

During the focus groups on fair housing, participants described several examples of housing partners discriminating in ways that may have stemmed from a lack of education about fair housing obligations. For example, one participant in the GNRC development district described how a local church built a set of small apartments for seniors on a property adjacent to their parish. The church leadership planned to lease these apartments exclusively to members of their church who were experiencing housing instability. They were surprised to learn exclusively reserving these apartments for their church members would constitute housing discrimination based on religion under the Fair Housing Act. In addition, a participant who was a housing case manager in the East development district described how some of her clients who were experiencing homelessness sought emergency shelter through a local church. Her client said shelter volunteers turned away her clients due to their sexual orientations. When the case manager approached the shelter leadership about these types of situations, the leadership followed up with the volunteers, who said they thought recent U.S. Supreme Court rulings protecting freedom of expression for religious people also meant religious organizations could reserve emergency shelter resources for people who shared the same beliefs regarding sexual orientation. The shelter leadership said they would conduct further trainings with their volunteers to help them distinguish those contexts. Finally, a participant in the Southeast development district said they encountered a landlord who said he would not house a person experiencing homelessness because she had children. When the participant inquired further about this, the landlord said he was concerned the rental property was too dangerous for kids. The case manager explained that, while this may be the case, landlords could not deny housing based on familial status, including whether applicants

had children. The landlord said he did not realize this and said he would rent to the client but that he was still worried about the children's safety.

Actions to educate housing-related organizations about their fair housing obligations may include the following:

- Engage in fair housing outreach and education through sharing information and resources on THDA's website and social media, including information on fair housing obligations of housing providers and training opportunities.
- Provide ongoing robust fair housing educational opportunities to agency staff and partners.
- Support the activities of fair housing organizations and enforcement agencies, including HUD Fair Housing Assistance and Initiative Programs, to provide community and professional education on civil rights and fair housing and combat housing discrimination in all its forms.

This fair housing brief was prepared based on housing needs research for the 2025-2029 Consolidated Plan and consultation with housing partners. In addition, the State of Tennessee engaged in an Analysis of Impediments in 2019, producing a series of briefs in 2020. Some of the findings in those briefs overlap with the findings in this one.

- [Impediments to Fair Housing for Tennessee Renters](#)
- [Fair Housing Impacts of Utility Costs and Broadband Access](#)
- [Disparities in Housing Opportunity for Persons with Disabilities](#)
- [Racial Disparities in Home Mortgage Originations in Tennessee](#)
- [Fair Housing Perspectives](#)

The Equal Housing Opportunity work group will consider any additional issues raised in those briefs when developing future actions to remove barriers to housing access, educate Tennesseans about their housing rights, and educate Tennessee's housing partners about their fair housing obligations.

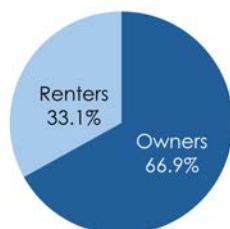
Additional Fair Housing Visualizations

Comparison of Tennessee's Total Renter Household Population and American Indian or Alaskan Native Renter Household Population

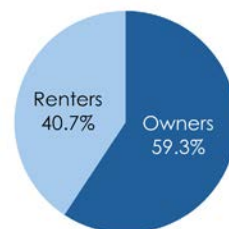
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's American Indian or Alaskan Native household population.

Tennessee - All Household Tenure



Tennessee - American Indian Household Tenure

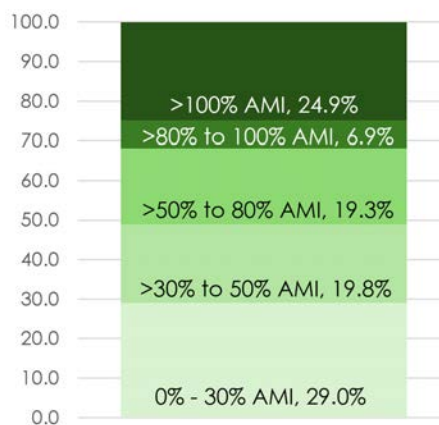


Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter Household Income Distribution as a Percentage of AMI



Tennessee - American Indian Renter Household Income Distribution as a Percentage of AMI



Number of Renters and Percent Cost Burdened

	All Renter Households	American Indian and/or Alaskan Native Renter Households
Number	881,515	1950
Percent Cost Burdened	40.9%	46.9%
Percent Severely Cost Burdened	19.8%	20.3%

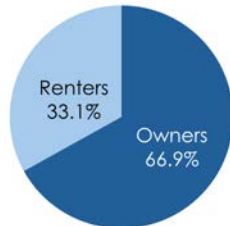
Based on income distributions and experiences of cost burden, American Indian or Alaskan Native renter households are *more* at-risk of experiencing housing instability and homelessness than Tennessee's general renter population.

Comparison of Tennessee's Total Renter Household Population and Asian Renter Household Population

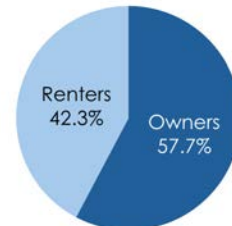
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's Asian household population.

Tennessee - All
Household Tenure



Tennessee - Asian
Household Tenure



Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter
Household Income
Distribution as a
Percentage of AMI



Tennessee - Asian
Renter Household
Income Distribution as a
Percentage of AMI



Number of Renters and Percent Cost Burdened

	All Renter Households	Asian Renter Households
Number	881,515	16,390
Percent Cost Burdened	40.9%	25.5%
Percent Severely Cost Burdened	19.8%	11.7%

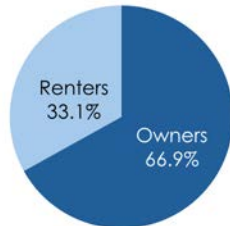
Based on income distributions and experiences of cost burden, Asian renter households are *less* at-risk of experiencing housing instability and homelessness than Tennessee's general renter population.

Comparison of Tennessee's Total Renter Household Population and Black Renter Household Population

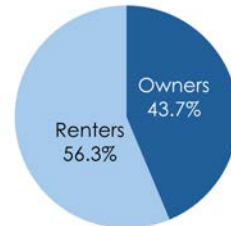
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's Black household population.

Tennessee - All
Household Tenure



Tennessee - Black
Household Tenure



Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter
Household Income
Distribution as a
Percentage of AMI



Tennessee - Black
Renter Household
Income Distribution as a
Percentage of AMI



Number of Renters and Percent Cost Burdened

	All Renter Households	Black Renter Households
Number	881,515	241,645
Percent Cost Burdened	40.9%	50.1%
Percent Severely Cost Burdened	19.8%	25.6%

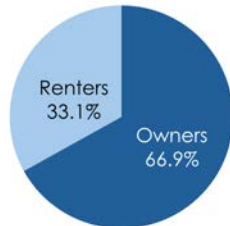
Based on income distributions and experiences of cost burden, Black renter households are *more* at-risk for experiencing housing instability and homelessness than Tennessee's general renter population.

Comparison of Tennessee's Total Renter Household Population and Hispanic Renter Household Population

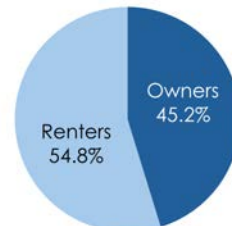
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's Hispanic household population.

Tennessee - All
Household Tenure



Tennessee - Hispanic
Household Tenure



Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter
Household Income
Distribution as a
Percentage of AMI



Tennessee - Hispanic
Renter Household
Income Distribution as a
Percentage of AMI



Number of Renters and Percent Cost Burdened

	All Renter Households	Hispanic Renter Households
Number	881,515	55,390
Percent Cost Burdened	40.9%	45.1%
Percent Severely Cost Burdened	19.8%	19.4%

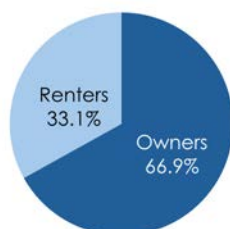
Based on income distributions and experiences of cost burden, Hispanic renter households are *more* at-risk for experiencing housing instability and homelessness than Tennessee's general renter population.

Comparison of Tennessee's Total Renter Household Population and Renter Household Population of Other Races

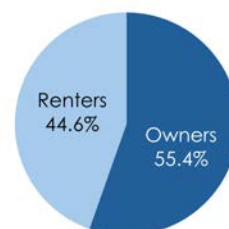
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's household population of other races.

Tennessee - All
Household Tenure



Tennessee - Tenure of
Households of Other
Races



Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter
Household Income
Distribution as a
Percentage of AMI



Tennessee - Renter
Income Distribution for
Households of Other
Races



Number of Renters and Percent Cost Burdened

	All Renter Households	Renter Households of Other Races
Number	881,515	25,220
Percent Cost Burdened	40.9%	40.4%
Percent Severely Cost Burdened	19.8%	17.5%

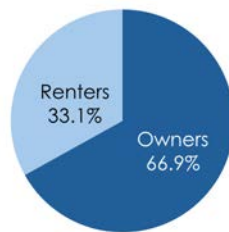
Based on income distributions and experiences of cost burden, the risk of Pacific Islander and/or Native Hawaiian renter households for experiencing housing instability and homelessness compared to the risk of Tennessee's general renter population is *unclear*. On one hand, households of other races are more likely to be renters than Tennessee's general population. On the other, however, the percent of renter households who are cost burdened is slightly lower.

Comparison of Tennessee's Total Renter Household Population and Pacific Islander or Native Hawaiian Renter Household Population

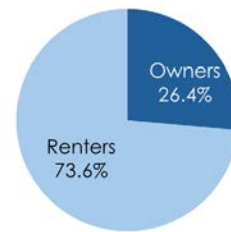
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's Pacific Islander or Native Hawaiian household population.

Tennessee - All Household Tenure



Tennessee - Pacific Islander Household Tenure



Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter Household Income Distribution as a Percentage of AMI



Tennessee - Pacific Islander Household Income Distribution as a Percentage of AMI



Number of Renters and Percent Cost Burdened

	All Renter Households	Pacific Islander and/or Native Hawaiian Renter Households
Number	881,515	600
Percent Cost Burdened	40.9%	42.5%
Percent Severely Cost Burdened	19.8%	25.0%

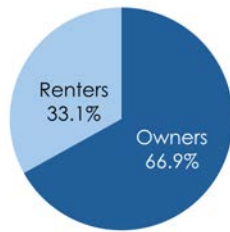
Pacific Islander households are more likely to be renters than Tennessee's overall population. As a result, this racial group is more at-risk of experiencing housing instability or homelessness compared to Tennessee's general population, which skews toward homeownership. However, based on renter income distributions and experiences of cost burden, Pacific Islander or Native Hawaiian renter households may be at *similar* risk of experiencing housing instability and homelessness as Tennessee's general renter population.

Comparison of Tennessee's Total Renter Household Population and White Renter Household Population

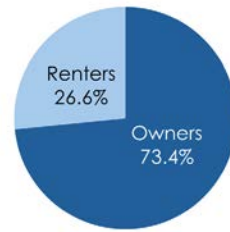
Renter and Homeowner Tenure

The following graphs show the proportions of renter and owner tenures for Tennessee's general household population, as well as Tennessee's White household population.

Tennessee - All
Household Tenure



Tennessee - White
Household Tenure

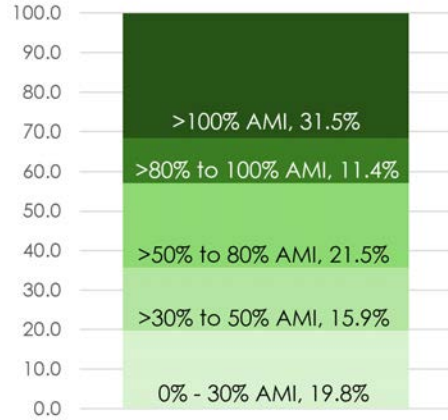


Renter Household Income Distributions as a Percentage of Area Median Income (AMI)

Tennessee - Renter
Household Income
Distribution as a
Percentage of AMI



Tennessee - White
Renter Household
Income Distribution as a
Percentage of AMI



Number of Renters and Percent Cost Burdened

	All Renter Households	White Renter Households
Number	881,515	241,645
Percent Cost Burdened	40.9%	36.8%
Percent Severely Cost Burdened	19.8%	17.5%

Based on income distributions and experiences of cost burden, White renter households are *less* at-risk for experiencing housing instability and homelessness than Tennessee's general renter population.