

State of Tennessee

2020-24 Consolidated Plan

Substantial Amendment: HOME Geographic Priorities

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

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

Text of current 2020 – 2024 Consolidated Plan: HOME is competitive within certain categories. HOME funds are made available for competition as follows: 15 percent to the CHDO set-aside, 10 percent to the Supportive Housing Development set-aside, and 65 percent allocated for urban and rural areas of the state, based upon the percentage of low-income households in the designated urban and rural counties, excluding local HOME Participating Jurisdictions (PJs). The urban allocation is 44 percent of the funds allocated to urban and rural areas and the rural allocation is 56 percent of the funds allocated to urban and rural areas. Local PJs are those local governments in Tennessee that receive HOME funds directly from HUD and include: Bristol, Johnson City, Bluff City, Kingsport, Sullivan County, Washington County, Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County and Shelby County.

HOME Amendment January 2025: While HOME typically distributes its funding through a competitive process, as described above, the State of Tennessee is amending the 2020 – 2024 Consolidated Plan to allow the HOME program to distribute its funds on a discretionary basis in response to federally declared disasters. For example, Hurricane Helene caused widespread flooding and landslides in eastern Tennessee, and Governor Lee announced the acceptance of his request for an Expedited Major Disaster Declaration on October 2, 2024, covering Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi, and Washington counties in Tennessee. The HOME Program will be making HOME funds available by discretionary application to these counties in FY 24 – 25. If another federally declared disaster were to occur in the years governed by the 2020 – 2024 Consolidated Plan, HOME could make funds available on a discretionary basis to the counties impacted.

Please see the amendment to the FY 24 – 25 Annual Action Plan for more details about the HOME Homeowner Rehabilitation Program for East Tennessee Disaster Recovery, especially sections AP-

15 Expected Resources, AP-20 Annual Goals, AP – 30 Methods of Distribution and AP – 50 Geographic Distribution.

Only this section of the 2020 – 2024 Consolidated Plan is being amended.

State of Tennessee

2024-25 Annual Action Plan

Substantial Amendment: HOME Method of Distribution & Geographic Distribution

AP-05 Executive Summary – 24 CFR 91.300(c), 91.320(b)

4. Summary of Citizen Participation Process and consultation process

HOME Amendment January 2025: An amendment to the 2020 – 2024 Consolidated Plan and FY 24 – 25 Annual Action Plan was put forth for public comment from Wednesday, January 22, 2025 through Wednesday, January 29, 2025. This truncated public comment period is permissible using a disaster relief waiver from the U.S. Department of Housing and Urban Development (HUD), allowing a minimum 7-day public comment period. In addition, this amendment also uses a similar waiver to shorten the reasonable notice requirement for the comment period and public hearing. Both waivers aim to expedite the implementation of disaster relief funding and activities.

A public hearing for the amendment will be held on Wednesday, January 29, 2025 at 10:00 AM CST in the Andrew Jackson Building’s General Hearing Room. For more details, see [Tennessee Housing Development Agency | Consolidated Planning](#).

Public notices for the proposed amendment, the public comment period, and the public hearing were placed on THDA’s website, as well as in newspaper ads in the following publications.

- 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 Prensa Latina – Memphis, Chattanooga, Hamilton County (in Spanish)
- The Leaf Chronicle – Clarksville
- State Gazette – Dyersburg
- The Tennessean – Nashville

AP-15 Expected Resources – 91.320(c)(1,2)

Program	Uses of Funds	Expected Resources Year 5			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
HOME	Acquisition; Homebuyer assistance; Homeowner rehab; Multifamily rental new construction; Multifamily rental rehab; New construction for ownership; TBRA New construction home rental	\$12,910,084	\$0	\$2,722,613 \$10,332,958.12	HOME funds and any program income or recovered funds are used to promote the production, preservation and rehabilitation of single-family housing and rental housing of 11 units or fewer for low-income households. Though funds and estimates are assigned to a particular program year, funds may not be sub granted until a future program year.

HOME Amendment January 2025: In the FY 24 – 25 Annual Action Plan, THDA originally reported \$2,722,613 of previous years’ HOME funding as available in the table below. This amount accounted for HOME funding that had not been allocated to subgrants or activities from previous years’ allocations. However, this amount did not account for previous years’ HOME funding that had been allocated to subgrants and activities but, upon the grant expiring, had funding unspent that could be reincorporated into available funding. In addition, this amount did not account for any program income available.

The current amount of HOME funding THDA has available for future use is \$10,332,958.12, as of December 12, 2024, which is now reflected in the Prior Year Resources column in the table above. This amount includes 1) HOME funding that has never been allocated to subgrants or activities, 2) HOME funding that was previously allocated to subgrants or activities but can be reincorporated into available funding because funds were not spent before the grant expired, and 3) program income. \$8 million of these available HOME funds will be allocated to the HOME Homeowner Rehab: East Tennessee Disaster Recovery Program.

Funding from HOME’s 2024 annual allocation was distributed according to the Methods of Distribution in section AP-30 to the HOME CHDO, HOME Urban/Rural, and HOME Rental Development programs, and this amendment does not impact those programs or their funding.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME Amendment January 2025: For the HOME Homeowner Rehabilitation: East Tennessee Recovery Program, the matching requirement typically in place for HOME will be waived for this program only, per a disaster relief waiver from the U.S. Department of Housing and Urban Development (HUD).

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goal Name	Category	Geographic Area	Anticipated Funding	Goal Outcome Indicator
Creation and preservation of affordable housing	Affordable Housing	Non-Entitlement Statewide Grant Allocation Priority	HOME: \$12,910,084 (annual allocation) + \$10,332,958.12 (prior year resources)	HOME: Rental units constructed (Household Housing Units): 12 Rental units rehabilitated (Household Housing Units): 12 Homeowner Housing Added (Household Housing Units): 30 Homeowner Housing Rehabilitated (Household Housing Units): 40 80 Direct Financial Assistance to Homebuyers (Households Assisted): 9

HOME Amendment January 2025: The proposed \$8 million in funding for the HOME Homeowner Rehabilitation: East Tennessee Disaster Recovery Program funding will produce an estimated 40 units of homeowner housing rehabilitated across the eight counties federally declared as disaster areas. Similar to other HOME programs, beneficiaries will be low-income with incomes at or below 80% of Area Median Income. As a result of this new program, the initial goal for Homeowner Housing Rehabilitated has been adjusted from 40 to 80 units.

AP-30 Methods of Distribution – 91.320(d)&(k)

Distribution Methods

HOME Amendment January 2025: The proposed amendment establishes the HOME Homeowner Rehabilitation: East Tennessee Disaster Relief Program. See below for details of its funding and method of distribution.

10	State Program Name:	2024 HOME Homeowner Rehabilitation: East Tennessee Disaster Recovery Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<ol style="list-style-type: none"> 1. The only eligible activity under this program description is Homeowner Rehabilitation, including reconstruction. All projects must address the housing needs of low-income households, (80% Area Median Income or less). 2. The value of the HOME-assisted property after rehabilitation must not exceed 110% of HUD’s published property value limit for new construction housing for the area. 3. If the proposed HOME investment for hard construction costs for a unit to be rehabilitated exceeds 75% of the after-rehabilitation value of the unit, as determined by a method approved by THDA, the unit must be reconstructed. <ol style="list-style-type: none"> a) THDA may waive this requirement, in its sole discretion, and allow the unit to be rehabilitated. b) Hard construction costs exclude costs for building inspections, lead-based paint inspections, energy related inspections, and work write-ups, but include all remaining costs associated with addressing lead-based paint hazards for the unit. 4. “Reconstruction” is defined as the rebuilding, on the same lot, of housing standing on a site at the time of project commitment, except that housing that was destroyed by a disaster may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project. However, the number of rooms per unit may be increased or decreased depending upon the needs and the size of the household. The reconstructed housing must be substantially similar to the original housing unit. All debris and demolition associated with the reconstruction of the home must be properly disposed. All reconstructed housing will have a compliance period of 15 years. 5. Assisted units must meet one of the following three housing types: <ol style="list-style-type: none"> a) Stick-built single-family (1-unit structure) residence sited on a lot owned by the homeowner; b) Manufactured housing built in conformance with 24 CFR

		<p>3280.2 and must, at the time of project completion, be connected to permanent utility hook-ups, affixed to a permanent foundation, and sited on land that is owned by the homeowner. Manufactured housing must be reconstructed; or</p> <p>c) Modular built in conformance with State of Tennessee Modular Building Program established under the authority of the Tennessee Code Annotated 68-126-301 as implemented by the Tennessee Department of Commerce and Insurance and in accordance with the Property Standards requirements outlined in Section H.5 of this program description. Additionally, the unit must be on a lot owned by the homeowner.</p> <p>6. Emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, and dormitories, including those for farm workers or housing for students are not eligible housing types.</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 applications for the 2024 HOME Homeowner Rehabilitation: East Tennessee Disaster Recovery Program from:</p> <ul style="list-style-type: none"> Local County Governments that received individual assistance designations from FEMA as a result of Hurricane Helene as specified above. <p>Grantees under the Program must either:</p> <ul style="list-style-type: none"> Administer the program using County staff, or A recognized administrator with a minimum of 3 years of experience administering HOME Homeowner Rehabilitation Grant programs awarded by THDA in the last Ten (10) years.
	<p>Describe how resources will be allocated among funding categories.</p>	<p>HOME typically divides its funds between several allowable activities, including homeowner rehabilitation (see HOME Urban/Rural Method of Distribution), homeowner development (see HOME CHDO Method of Distribution), rental development (see HOME Rental Method of Distribution), accepting applications for funding on a competitive basis. These Methods of Distribution are unchanged.</p> <p>In January 2025, the State of Tennessee proposed an amendment to its 2020 – 2024 Consolidated Plan to allow the HOME Program to make HOME funds available on a discretionary basis in the event of a federally declared</p>

		<p>disaster. This was in response to widespread flooding and landslides in eastern Tennessee after Hurricane Helene.</p> <p>In January 2025, the State of Tennessee also proposed an amendment to the FY 24 – 25 Annual Action Plan to create the HOME Homeowner Rehabilitation Program for East Tennessee, the Method of Distribution for which is described here. \$8 million of available HOME funds were made available to county governments in Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi, and Washington counties in Tennessee, which were federally declared disaster areas as of October 2, 2024. In addition, THDA will also make an amount equal to 8% of each HOME grantee’s award from THDA’s administrative set aside towards Grantee administrative expenses.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>An applicant must apply for at least \$250,000 and may apply for a maximum HOME grant of \$1,000,000.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures will be the number of single-family homes rehabilitated. (Note: In the event of a disaster, the new construction of a single-family home is also an allowable homeowner rehabilitation activity if on a site where a single-family home previously stood, provided the new construction begins within 12 months of the federally declared disaster.)</p> <p>The expected outcome is an estimated 40 single-family homes will be rehabilitated across the eight counties eligible for funding. Actual outcomes will differ based on the funding counties apply for and receive, as well as how they allocate this funding to projects.</p>

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

HOME Amendment January 2025: While HOME typically distributes its funding through a competitive application process and uses a county needs score to determine where funding for eligible activities is most needed, as described above, the State of Tennessee is amending the 2020 – 2024 Consolidated Plan, as well as the FY 24 – 25 Annual Action Plan, to allow the HOME program to distribute its funds on a discretionary basis in response to federally declared disasters. For FY 24 – 25, Hurricane Helene caused widespread flooding and landslides in eastern Tennessee, and Governor Lee announced the acceptance of his request for an Expedited Major Disaster Declaration on October 2, 2024, covering Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi, and Washington counties in Tennessee. The HOME Program will be making HOME funds available by discretionary application to these counties in FY 24 – 25. If another federally declared disaster were to occur in the years governed by the 2020 – 2024 Consolidated Plan, HOME could make funds available on a discretionary basis to the counties impacted.

Rationale for the priorities for allocating investments geographically

HOME Amendment January 2025: As mentioned above, the HOME Homeowner Rehabilitation for East TN Disaster Relief program will provide discretionary funding to counties that were federally declared as disaster areas after experiencing flooding and landslides due to Hurricane Helene to help low-income homeowners recover. This funding does not alter the geographic priorities for funding previously described in the FY 24 – 25 Annual Action Plan.