

STATE OF TENNESSEE
FISCAL YEAR 2024-25 ANNUAL ACTION PLAN
FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS



TENNESSEE HOUSING DEVELOPMENT AGENCY
TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
TENNESSEE DEPARTMENT OF HEALTH

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Executive Summary

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

1. Introduction

The State of Tennessee 2024-2025 Annual Action Plan serves as the State’s annual application to the U.S. Department of Housing and Urban Development (HUD) for the funding of HUD’s five formula grant programs listed below. The Annual Action Plan, which covers the period of July 1, 2024 through June 30, 2025, describes the allocations, strategies, and activities for carrying out the State’s goals, as described in the 2020 – 2024 Consolidated Plan.

HUD requires the State, as a recipient of federal formula grant funds, to develop a Consolidated Plan every five years. This plan describes the State’s housing and community development priorities and multi-year goals, based on an assessment of housing and community development needs, examination of housing and economic market conditions, and analysis of available resources. The Consolidated Plan covers the period of July 1, 2020 through June 30, 2025 and was approved in June 2020.

Federal resources provided by HUD discussed within the plan include:

- Community Development Block Grant (CDBG): This program promotes economic and community development in small cities across the state. Additionally, CDBG will be administering the Recovery Housing Program (CDBG-RHP), which provides funding for temporary supportive housing projects targeting persons recovering from substance use disorders.
- HOME Investment Partnerships (HOME) Program: This program promotes the production, preservation, and rehabilitation of affordable housing for rent or home ownership for low-income households.
- Housing Trust Fund (HTF): This program promotes the production, preservation, rehabilitation, and operation of affordable rental housing for extremely low-income (ELI) households.
- Emergency Solutions Grants (ESG) Program: This program provides services necessary to support persons who are at-risk of homelessness or persons who are experiencing homelessness, allowing them to regain stability in permanent housing.
- Housing Opportunities for Persons with AIDS (HOPWA) Program: This program addresses the housing needs for low-income persons who are living with HIV/AIDS and their families.

The Tennessee Housing Development Agency (THDA) administers the HOME, HTF, and ESG programs; the Tennessee Department of Economic and Community Development (TNECD) administers CDBG and CDBG-RHP; and the Tennessee Department of Health (TDH) administers HOPWA. While THDA is the lead agency responsible for coordinating the development of the Consolidated Planning documents, all of the administering agencies of the five grant programs participated in their development.

The Annual Action Plan describes the amounts expected to be made available during Program Year 2024 – 2025 for the five formula grant programs. It also discusses the methods by which funds will be distributed to eligible applicants by the administering agencies. Funds are made available either through a competitive grant process, through a formula basis, or in some cases, both.

For Fiscal Year 2024 – 2025, the State, is expected to be allocated \$50 - \$60 million in funding, which is similar to previous years’ allocations. Here are the FY 2023 allocations for reference:

Program	FY23 Allocations	FY24 Allocations
CDBG	\$28,091,254	To be announced
CDBG-RHP	\$1,368,779	To be announced
HOME	\$15,292,351	To be announced
HTF	\$5,290,023	To be announced
ESG	\$3,230,622	To be announced
HOPWA	\$2,238,477	To be announced
TOTAL:	\$55,511,506	

Additionally, the State was previously awarded \$33M to be used for HOME-ARP Rental Development and \$6,114,070 for HOME-ARP Supportive Services, the activities of which will take place in FY 2023 and FY2024 and are covered in this document. Other affordable housing resources available to the State that impact the State’s performance are discussed in the Consolidated Plan. These include HUD’s Section 8 Tenant-Based Housing Choice Voucher (HCV), the THDA Homebuyer Education Programs, Tennessee’s Community Investment Tax Credit Program (CITC), the Low-Income Housing Tax Credit (LIHTC) Program, and the Tennessee Housing Trust Fund Program (THTF).

The Consolidated Planning process is an opportunity for strategic planning and citizen participation to take place comprehensively. The Consolidated Plan serves as a guide for decisions regarding the use of these federal resources and sets forth program goals, specific objectives, and benchmarks for measuring progress. Citizens had the opportunity annually to give input on these goals, objectives, and benchmarks.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The State of Tennessee identified four priority needs for the five-year period covered by the 2020 – 2024 Consolidated Plan. These priority needs include:

- Limited housing opportunities: Preserve affordable housing stock, increase the amount of affordable housing, and increase access to affordable housing for low- and moderate-income families.
- Aging infrastructure, disinvestment in communities, and disaster recovery: Improve the safety and livability of communities through investment in infrastructure, economic opportunities, and disaster recovery.
- Limited non-housing supportive services: Increase availability and awareness of supportive services for persons with HIV/AIDs, homeless persons, and other special populations.
- Affirmatively furthering fair housing: Ensure access to quality housing for protected classes and provide fair housing outreach, education and counseling.

In addition to these priority needs, HUD set forth three basic goals and objectives against which the plan and the State’s performance under the plan will be evaluated. These goals include providing decent housing, providing a suitable living environment, and expanding economic opportunities for low- and moderate-income persons.

3. Evaluation of past performance

The State of Tennessee will continue to build upon past progress to increase the number of affordable and accessible housing units, contribute to economic sustainability, and foster community vibrancy in all areas across Tennessee. The State will continue to support program activities proven to be effective while also looking for areas where the efficiency or impact of these programs can be improved. Specific information on the State's performance can be found within the Consolidated Annual Performance and Evaluation Report (CAPER), which is available on 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 public comment period, March 18 - April 18, 2024. Public notices were translated into Spanish, Arabic, Somali, Chinese, Korean, Laotian, Vietnamese, Badini, and Sorani. Additional accommodations such as translation services into other languages or services for persons with disabilities were available upon request.

A public hearing will be held on Monday, April 15, 2024 in the Ground Floor Hearing Room of the Andrew Jackson Building in Nashville, Tennessee.

The public was invited to participate through posts on Tennessee's state government websites, development district websites, and social media accounts (Facebook, Instagram, and Twitter). THDA also used its email lists to invite partners and other interested parties to comment. Finally, public notices informing communities of the public comment period were 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 were posted together, except for the newspapers where only the relevant notice was published. In addition to publicizing the Annual Action Plan, the THDA Board of Directors discuss and vote on program descriptions for each THDA-administered program. These meetings are open and available to the public.

Please see the appendix for documentation of this year's website postings, social media posts, 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.

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 are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	TENNESSEE	Department of Economic and Community Development
HOPWA Administrator	TENNESSEE	Department of Health
HOME Administrator	TENNESSEE	THDA, Community Programs
ESG Administrator	TENNESSEE	THDA, Community Programs
HTF Administrator	TENNESSEE	THDA, Community Programs

Narrative

As previously stated in the Executive Summary, the Tennessee Housing Development Agency (THDA) administers HOME, HTF, and ESG programs; the Tennessee Department of Economic and Community Development (TNECD) administers CDBG and CDBG-RHP; and the Tennessee Department of Health (TDH) administers HOPWA. While THDA is the lead agency responsible for coordinating the development of the Consolidated Plan, all of the administering agencies of the five grant programs participated in the development of the Consolidated Plan.

Additionally, developing the plan involved input from citizens, organizations, state, local and federal government officials, developers, public housing authorities and housing professionals.

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))

During the 2020-24 Consolidated Planning consultation phase, staff and representatives from governmental, health, mental health, environmental, and other service agencies were invited to participate in various forms of feedback activities. Data and conversations from these departments were instrumental in creating our special population analysis, homeless needs assessment, our HIV/AIDS assessment and our lead-based poison prevention approach.

Furthermore, a series of stakeholder feedback sessions meetings and interviews were conducted to discuss issues and opportunities related to housing, community development, and fair housing throughout Tennessee. Individuals representing government and policy makers, nonprofit organizations, affordable housing providers, and other interested parties were invited to participate in interviews and meetings to ensure the priorities discussed in the Consolidated Plan were inclusive of the needs of all Tennesseans.

Each year, THDA looks for ways to further communication efforts and relationships with other state departments, related agencies, and the public. Recently, additional efforts have been made to partner with Tennessee Continuums of Care for a variety of program goals. Development Districts across the State also assist the Consolidated Planning partners with activities related to and outside of the Consolidated Plan.

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

THDA administers Emergency Solutions Grants (ESG) contracts for the Tennessee Balance of State and non-entitlement Continuums of Care (CoCs). Because service delivery structure and the extent of homelessness differ regionally throughout Tennessee, THDA supports local continuums while administering the ESG program.

During the initial Consolidated Planning process, THDA communicated with the CoCs and ESG grantees through feedback sessions at ESG workshops held in January 2020 to better understand the needs of the homeless population, which were included in the Consolidated Plan. These meetings offered an opportunity to get feedback for the Consolidated Plan, as well as hear feedback on the ESG programs as staff consider potential changes to policies and procedures. Each year, ESG meets with potential grantees and their CoCs during the application workshops and again in the summer when grantees are officially selected as ESG recipients. Most recently, ESG held workshops with CoCs and ESG grantees in February 2024 and are planning grantee workshops again in June 2024.

THDA is a member of numerous consortia that assist low-income households, including those who are experiencing homelessness in Tennessee. THDA coordinates with these groups to align services regionally. Specific to the Consolidated Plan, THDA communicated with these groups through stakeholder meetings, public hearings, and other feedback channels.

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

THDA administers ESG contracts for the Tennessee Balance of State and Continuums of Care (CoCs), except in entitlement jurisdictions that receive their own allocation of ESG funds (Knoxville, Memphis, and Nashville-Davidson County). THDA works closely with the CoCs to administer the ESG program and address service gaps to homeless populations. During the scoring process for ESG resources, THDA seeks CoC feedback regarding the applications submitted.

During the development of the Consolidated Plan, CoCs were invited to attend the ESG application workshops held in January 2020 in Nashville, Knoxville, and Jackson. At each of these workshops, a member of the Research and Planning staff gave a presentation on the Consolidated Plan and led a discussion of homelessness and the strategy to address it, special populations and populations served, program policies, and ESG resources. ESG staff were present to hear and respond to questions, concerns, and feedback. Summaries of these conversations are available throughout the 2020-2024 Consolidated Plan and are reflected in the ongoing ESG goals. In addition, as a response to feedback during the public comment period on this Annual Action Plan, ESG staff will schedule meetings with CoCs, as appropriate, to enhance collaboration efforts and address concerns.

With increased ESG funding through the CARES Act (ESG-CV), THDA partnered with CoCs to assist THDA in distributing that funding according to need and CoC regional goals throughout the pandemic. CoCs helped score applicants and assist in reporting efforts for this funding as well. All ESG-CV funds were expended by June 30, 2023.

Identify any Agency Types not consulted and provide rationale for not consulting

All appropriate agencies received notice of consultation efforts. Numerous agencies such as CoC's, Development Districts, local governments, coalitions, formula sub-grantees, nonprofits, state and local agencies were notified of 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.

The State will solicit public input during the public comment period, March 18 - April 18, 2024. Public notices were translated into Spanish, Arabic, Somali, Chinese, Korean, Laotian, Vietnamese, Badini, and Sorani. Additional accommodations such as translation services into other languages or services for persons with disabilities were available upon request.

The public was invited to participate via posts on Tennessee's state government websites, development district websites, and social media accounts (Facebook, Instagram, and Twitter). THDA also used its email lists to invite partners and other interested parties to comment. Finally, public notices informing communities of the public comment period were published in the following 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 were posted together, except for the newspapers where only the relevant notice was published. A Survey Monkey feedback form will record comments. Brief guidelines for accepting public comments are listed in the feedback form.

In addition to publicizing the Annual Action Plan, the THDA Board of Directors discuss and vote on program descriptions for each THDA-administered program. These meetings are open and available to the public. Program descriptions and program manuals are publicly available on the THDA website and links to these documents are included in AP-90 Program Specific Requirements of this report. CDBG and HOPWA also solicit public feedback throughout the year in the development of their programs.

Expected Resources

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

Introduction

The following table summarizes the anticipated resources, broken down by program type, allocated by the State of Tennessee during year five of the Consolidated Plan's planning period (FY 2020-2024).

Program	Uses of Funds	Expected Resources Year 5			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
CDBG	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services	Approximately \$28,091,254	\$0	\$86,701.06	TNECD (Tennessee Economic and Community Development) receives CDBG funds for non-entitlement areas in Tennessee. These funds, as well as any program income or recovered funds, are used primarily for public facility projects across the state. Program income will be applied to the funding of additional regular round activities. At least \$1,000,000 of recovered funds from prior activities will 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.
CDBG-RHP	Transitional housing construction	Approximately \$1,368,779	\$0	\$0	TNECD administers the CDBG-RHP program, a pilot program with allocations as part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder.
HOME	Acquisition; Homebuyer assistance; Homeowner rehab; Multifamily rental new construction; Multifamily rental rehab; New construction for ownership; TBRA New construction home rental	Approximately \$15,292,351	\$0	\$2,722,613	THDA receives HOME funds for the cities, counties, and nonprofits outside of local participating jurisdictions (PJs) and for CHDO organizations statewide. The 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-ARP Rental Development	Acquisition, Multifamily rental new construction,	\$0	\$0	\$22,925,066	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) ("ARP") for the HOME Investment Partnerships Program ("HOME") to provide homelessness

	Multifamily rental rehab				assistance and supportive services through the HOME-American Rescue Plan Program (“HOME-ARP”). Program funding, which totaled \$33M, can be used for acquisition, construction, and rehabilitation of affordable rental housing for qualifying and low-income households. The funding may be combined with other resources, but may also be used to cover 100% of project development costs.
HOME-ARP Supportive Services	Mckinney Vento Supportive Services, Homelessness Prevention and Housing Counseling	\$0	\$0	\$5,342,172.57	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) (“ARP”) for the HOME Investment Partnerships Program (“HOME”) to provide homelessness assistance and supportive services through the HOME-American Rescue Plan Program (“HOME-ARP”). The portion allocated to Supportive Services, which totaled \$6,144,070, will be used to provide financial assistance and essential services to the qualifying populations which includes, 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.
Housing Trust Fund	Preservation; Rehabilitation and production of new construction of affordable rental housing units	Approximately \$5,290,023	\$0	\$277,000	The Housing Trust Fund (HTF) is an affordable housing production program that complements federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families. THDA receives HTF funds to award grants to Public Housing Authorities and Non-Profit Developers to implement eligible affordable rental housing development activities.

ESG	Financial assistance; Overnight/Day shelter; Rapid re-housing (rental assistance); Prevention; Rental Assistance; Services; Case Management; Transitional housing	Approximately \$3,230,622	\$0	\$0	THDA receives ESG funds to provide the services necessary to help persons experiencing homelessness or those at risk of becoming homeless to regain stability in permanent housing.
HOPWA	Permanent housing placement; Short term or transitional housing facilities; STRMU; Supportive services; TBRA	Approximately \$2,238,477	-	-	TDH receives HOPWA funds for housing activities that benefit low-income persons living with HIV/AIDS and their families.
LIHTC	Acquisition; Multifamily rental new construction; Multifamily rental rehab	Approximately \$20,300,000	-	-	The LIHTC program allocates federal tax credits to developers of low income rental housing. Allocations are made on the front end for 10 years.

Homebuyer Education	Homebuyer Education	\$450,000	-	-	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 UT 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 HUD Intermediary for the Office of Housing Counseling, administering the oversight of HUD's Housing Counseling Grant to participating agencies. HUD approved participating agencies are also able to participate in various federal programs such as the COVID Rent Relief Program and Housing Assistance Fund (HAF).
Tennessee Housing Trust Fund	Homeowner rehab; Multifamily rental new construction; Multifamily rental rehab; New construction for ownership; Short term or transitional housing facilities; Transitional housing	\$7,500,000	-	-	The Tennessee Housing Trust Fund (THTF) funds five programs to address unmet housing needs in Tennessee. 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.
CITC	Other	\$414,946,848	-	-	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 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.

Housing Choice Voucher Program	Rental Assistance	\$45,960,936.84	-	-	The Housing Choice Voucher (HCV) program is a federal rental assistance program funded through the 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 THDA Rental Assistance division administers the Mainstream and Emergency Housing Voucher (EHV) program, which have separate funding not included in this table. For FY24, Section 8 Rental Assistance is anticipating approximately \$931,609.08 for Mainstream vouchers and \$748,616.04 for EHV.
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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Community Development Block Grant

The CDBG program uses an Ability to Pay (ATP) Index to develop the required local match amounts from the applying local governments. The ATP 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. ECD uses this ATP to create a match rate range of 10 to 30 percent. Additionally, local governments can receive a 4% reduction on their match by being located in a county that is 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.

CDBG Recovery Housing Program

For the CDBG Recovery Housing Program (CDBG-RHP), a matching requirement will not be established. The amount of funds leveraged for the construction of transitional housing will be considered when determining the locations and entities to be awarded funds for these developments.

HOME Investment Partnership Program

For HOME, THDA will continue to provide the required federal match. Although no local match is required from applicants, THDA will count any nonfederal project funds that qualify as match under the HOME rule toward its matching requirement. In the scoring matrix, any project that has leveraged funds will receive additional points.

HOME – American Rescue Plan (ARP)

HOME-ARP Rental Development has no match requirement. THDA shall award up to 10 points to applications that include a committed contribution of other resources of funds towards the project development. Commitment documents from the source providing the contribution must be included in the application.

Housing Trust Fund

For HTF, THDA will count leveraged funds provided by the applicant and grants 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.

Emergency Solutions Grants (ESG)

The ESG program requires grantees to provide a dollar-for-dollar match of the ESG funds. Each grantee must provide a certification of matching funds. All grantees must supplement their ESG funds with equal amounts of funds or in-kind support from non-ESG sources. Certain other federal grants contain language that may prohibit their being used as a match. 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 grant.

Housing Opportunities for Persons with AIDS/HIV (HOPWA)

HOPWA does not require a match for their grants.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The TN CDBG program awards many projects each year that will be completed on publicly owned property, particularly water and sewer system improvement projects where work is often done at water and wastewater treatment plants or other similar properties.

Annual Goals and Objectives

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

Goals Summary Information

The estimated goals for households served by different activities are below. Numbers are estimated based on prior year outcomes and adjusted for anticipated increases or decreases in funding and/or changes in activities.

Goal Name	Category	Geographic Area	Anticipated Funding (% of allocation from MOD)	Goal Outcome Indicator
Creation and preservation of affordable housing	Affordable Housing	Non-Entitlement Statewide Grant Allocation Priority	<p>HOME: Approx. \$30,787,642 HOME-ARP Rental: \$22,925,066 HTF: Approx. \$14,050,023</p> <p>CITC: 414,946,848 THTF: \$7,500,000 HCV: 45,960,936.84 LIHTC: Approx. \$20,300,000</p>	<p>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 Direct Financial Assistance to Homebuyers (Households Assisted): 9 Tenant-based rental assistance / Rapid Rehousing (Households Assisted): 30</p> <p>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)</p> <p>Housing Trust Fund: Rental units constructed (Household Housing Units): 30 Rental units rehabilitated (Household Housing Units): 70</p> <p>CITC: Rental units constructed (Household Housing Units): 1203 Rental units rehabilitated (Household Housing Units): 953 Homeowner Housing Added (Household Housing Units): 80 Homeowner Housing Rehabilitated (Household Housing Units): 0</p> <p>THTF: Rental units constructed (Household Housing Units): 259 Rental units rehabilitated (Household Housing Units): 179 Homeowner Housing Added (Household Housing Units): 20 Homeowner Housing Rehabilitated (Household Housing Units): 425 Housing for Homeless added (Household Housing Units): 7</p> <p>HCV: Tenant-based rental assistance (Households Assisted): 6,233 (plus 179 mainstream vouchers and 322 ECV, funded separately)</p> <p>LIHTC: Rental units constructed (Household Housing Unit): 815 Rental units rehabilitated (Household Housing Unit): 450</p>

Preserve homeless facilities & supportive services	Homeless	Non-Entitlement Statewide Grant Allocation Priority	ESG: Approx. \$3,069,447 HOME-ARP Supportive Services: \$5,342,172.57	ESG: Tenant-based rental assistance / Rapid Rehousing (Households Assisted) 568 Homeless Person Overnight Shelter (Persons Assisted): 2227 Homelessness Prevention (Persons Assisted): 243 Other (Street Outreach – Unsheltered Persons Engaged): 818 HOME-ARP Supportive Services: Tenant-based rental assistance/Rapid Rehousing (Households Assisted): 700 (multi-year goal for total funding amount) Homelessness Prevention (Persons Assisted): 600 (multi-year goal for total funding amount)
Preserve housing for persons with AIDS/HIV	Affordable Housing Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	HOPWA: Approx. \$2,238,477	Tenant-based rental assistance / Rapid Rehousing (Households Assisted): 125 Overnight/ Emergency Shelter/Transitional Housing Beds added (Beds): 125 Homelessness Prevention (Persons Assisted): 550 HIV/AIDS Housing Operations (Household Housing Units): 125
Physical infrastructure development	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	CDBG: Approx. \$14,148,517	CDBG: Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit (Persons Assisted): 170,000
Revitalize disinvested areas & improve livability	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	CDBG: Approx. \$13,000,000	CDBG: Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Persons Assisted): 140,000
TA, Job/Business Development, Administration	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	CDBG: Approx. \$942,737 CDBG-RHP: Approx. \$68,438	N/a
Transitional housing for recovery	Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	CDBG-RHP: Approx. \$1,300,341	15 persons assisted
Fair Housing	Affordable Housing Public Housing Homeless	Non-Entitlement Statewide Grant Allocation Priority	ESG: Approx. \$161,550 Homebuyer Ed: \$450,000	HBE: Education provided to homeowners: 2,500

Goal Descriptions

1	Goal Name	Creation and preservation of affordable housing
	Goal Description	Create and maintain affordable rental and homeownership stock with the construction of new affordable housing, rehabilitate existing affordable housing, provide down payment assistance and provide tenant-based rental assistance to eligible populations
2	Goal Name	Preserve homeless facilities & supportive services
	Goal Description	Preserve homeless facilities to ensure they can continue to meet the needs of Tennessee's homeless population as well as provide resources to support those who are homeless or at-risk of homelessness.
3	Goal Name	Preserve housing for persons with AIDS/HIV
	Goal Description	Provide resources to preserve affordable housing options for those persons with HIV/AIDS.
4	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, productive capacity for communities, and that will support economic development.
5	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.
6	Goal Name	TA, Job/Business Development, Administration
	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.
7	Goal Name	Microenterprise support and development ¹
	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.

¹ Goals 7-9 are not funded for FY24, or have been funded through other means, and have been removed from allocation charts in this report.

8	Goal Name	Recidivism reduction through workforce development
	Goal Description	This goal aims to provide workforce development training and skills development programs for incarcerated individuals to reduce recidivism, or a return to prison.
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.
10	Goal Name	Create recovery transitional housing
	Goal Description	Pilot program as part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder.
11	Goal Name	Fair housing
	Goal Description	Affirmatively furthering fair housing by providing training and technical assistance to communities, organizations, realtors, lenders and other stakeholders. Also provide fair housing counseling, outreach, and education to households, organizations, realtors, lenders and other stakeholders. Fair housing practices will be integrated into all of our housing activities and therefore cannot be quantified at the state level. It also does not fit into the indicator categories provided.

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)

ESG serves homeless and at-risk individuals and families and plans to provide Rapid Rehousing benefits to 575 households and homeless prevention services to 250 persons. In addition, ESG expects to support a total of 2300 households experiencing homelessness in overnight shelters. However, this is not the limit of their services, as some services may be harder to measure.

HOME-ARP Supportive Services will serve persons experiencing homelessness, at risk of homelessness, persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking and populations at greatest risk of housing insecurity. HOME-ARP Supportive Services plan to provide McKinney Vento and Homelessness Prevention services to 7,000 individuals in order to prevent individuals from entering homelessness, rapidly exit homelessness and regain stability in permanent housing. These services will greatly reduce returns to homelessness after program exit.

The Housing Trust Fund plans to construct and rehab 100 units for extremely low-income renter households.

The HOME program at THDA has traditionally served only low-income owner households over the last few years and will start providing rental activities. HOME plans to provide 70 owner households with new units or rehab services and 24 rental households with new units or rehab services. Additionally, HOME plans to provide 39 households at 0-80% AMI with TBRA and other financial assistance.

HOME-ARP Rental Development activities must primarily benefit households in qualifying populations, as defined below. However, to improve the feasibility and maintain the long-term viability of projects with HOME-ARP Units, an Eligible Recipient may invest HOME-ARP funds in units that are not restricted

for occupancy by qualifying households, but such units must be restricted for low-income households. THDA has set a goal of 275 affordable rental units based on the rental housing production set-aside and 2022 subsidy limits for two (2) bedroom units. HOME-ARP projects are typically multi-year projects are not completed in the year in which funding was allocated.

HOPWA serves low-income households where a member has been diagnosed with HIV or AIDS, and frequently serve those who are homeless or are at risk of becoming homeless. 300 households experiencing homelessness are expected to receive HOPWA services geared toward this population. Other housing assistance, specifically rental assistance for homelessness prevention, will reach approximately 550 households at 0-80% AMI.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Tennessee will address the strategic housing and community needs as articulated in the Consolidated Plan through the five Consolidated Planning grants and other resources that the State and HUD provide to address this need.

Funding Allocation Priorities

	Creation and preservation of affordable housing (%)	Preserve homeless facilities & supportive services (%)	Preserve housing for persons with AIDS/HIV (%)	Physical infrastructure development (%)	Revitalize disinvested areas & improve livability (%)	TA, Job/Business Development, Administration (%)	Create recovery transitional housing	Fair housing (%)	Total (%)
CDBG	0	0	0	45	52	3	0	0	100
CDBG-RHP	0	0	0	0	0	5	95	0	100
HOME	100	0	0	0	0	0	0	0	100
HOME-ARP Rental Development	100	0	0	0	0	0	0	0	100
HOME-ARP Supportive Services	0	100	0	0	0	0	0	0	100
HTF	100	0	0	0	0	0	0	0	100
ESG	0	95	0	0	0	0	0	5	100
HOPWA	0	0	100	0	0	0	0	0	100
LIHTC	100	0	0	0	0	0	0	0	100
Homebuyer Education	0	0	0	0	0	0	0	100	100
Tennessee Housing Trust Fund	100	0	0	0	0	0	0	0	100
CITC	100	0	0	0	0	0	0	0	100

Housing Choice Voucher Program	100	0	0	0	0	0	0	0	100
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Reason for Allocation Priorities

The CDBG allocation priorities are determined by the applications submitted. TNECD reviews the amounts of the submitted applications and allocates funding proportionally. For instance, if 70% of the total requests of all applications submitted are for physical infrastructure development, then 70% of the states total allocation will be used to fund those types of activities. The amount provided in the tables above are based on the proportional allocation from the 2023 funding round.

The priorities and eligible activity types, along with the proportional allocation methodology are discussed each fall for the upcoming funding round in the spring. The public meeting held in the fall of 2023 for the 2024 funding round resulted in no public comments that conflict with the stated priorities and process.

ESG allocates the majority of funding toward providing supportive services and maintaining facilities for persons who are experiencing homelessness. The allocation of funding allows ESG programs to meet their primary goal of assisting people in gaining stability quickly in permanent housing after experiencing a housing crisis and/or homelessness, while also addressing the needs of people accessing homeless shelters. Allocating a smaller percentage to Fair Housing allows ESG programs to affirmatively further fair housing and remove impediments to obtaining services and permanent housing.

HOPWA: The proposed distribution of funds address all of our priority need housing areas outlined in the MOD and compliant with Federal and State statutory or regulatory requirements for the use of these funds to prevent and or alleviate homelessness among people living with HIV/AIDS.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

Each of the five formula Consolidated Planning Programs and special programs, including CDBG-RHP and HOME-ARP, has its own method of distribution. Each method is intended to ensure that all non-entitlement areas can compete for these funds. Program specific need-based preferences can be found in these methods of distribution.

HOME targets low-income households with rehab and construction activities. Often more than half of those served are considered very low income, with about a third of the total considered extremely low income. Last year, almost half of beneficiaries were elderly residents and 35 percent identified as non-White.

The Housing Trust Fund and the Tennessee Housing Trust Fund Competitive Grants programs will target

households at 30% AMI and 50% AMI, respectively. There is a deep need in all of these types of housing, and the provision of state funds in the rental housing sector is a reflection of our commitment to address each of these needs.

The Pilot Program to Help Individuals In Recovery From a Substance Use Disorder Become Stably Housed (Recovery Housing Program), was authorized under Section 8071 of the Support for Patients and Communities (SUPPORT) Act. The Recovery Housing Program (RHP) allows states and the District of Columbia to provide stable, transitional housing for individuals in recovery from a substance-use disorder. The funding covers a period of not more than two years or until the individual secures permanent housing, whichever is earlier. This new program has a separate allocation from the regular CDBG allocation. New applications for funds will be accepted in the summer of 2024, and these applications will be reviewed and funds distributed according to the Action Plan during FY24.

HOPWA allocations will be proportionally distributed among the project sponsors and be used to find, establish, and maintain affordable and stable housing in suitable neighborhoods based on specific qualifying clients need.

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

Introduction:

The below methods of distribution describe how individual programs will allocate their funding to particular projects and the program parameters used in assessing funding needs. Also included are methods for how competitive applications are assessed and awarded. Additional details are available in program manuals and descriptions available on each program's website and linked in AP-90.

Distribution Methods

1	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 2023 to discuss the application and award process of the 2024 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 applications and the relative importance of these criteria.	<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 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 Fiscal Year 2024 – 2025, applicants may apply for funding from one of four different program categories: Water/Sewer, Community Infrastructure, Community</p>

		<p>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. 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. 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)</p>	<p>All CDBG manuals and applications materials are available on the ECD website and by request.</p>
	<p>Describe how resources will be</p>	<p>The balance of CDBG awards across funding categories will be proportional to the amount of requests received for each category. The percentages below are estimates based on the prior application round.</p>

<p>allocated among funding categories.</p>	<table border="0"> <tr> <td>Water and Sewer Projects</td> <td>25%</td> </tr> <tr> <td>Community Infrastructure Projects</td> <td>20%</td> </tr> <tr> <td>Community Revitalization Projects</td> <td>23%</td> </tr> <tr> <td>Public Health and Safety Projects</td> <td>29%</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	25%	Community Infrastructure Projects	20%	Community Revitalization Projects	23%	Public Health and Safety Projects	29%	Administration and Tech. Assistance	3%	Total	100%
Water and Sewer Projects	25%												
Community Infrastructure Projects	20%												
Community Revitalization Projects	23%												
Public Health and Safety Projects	29%												
Administration and Tech. Assistance	3%												
Total	100%												
<p>Describe threshold factors and grant size limits.</p>	<p>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>												
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Number of projects expected to be completed under each of the activity descriptions based on prior grant years. Additionally, the CDBG program tracks each project upon close as meeting on the following outcome categories:</p> <ul style="list-style-type: none"> • Accessibility/Availability • Affordability • Sustainability 												
<p>2</p>	<table border="1"> <tr> <td data-bbox="248 1392 537 1444"> <p>State Program Name:</p> </td> <td data-bbox="537 1392 1515 1444"> <p>CDBG-Recovery Housing Program</p> </td> </tr> <tr> <td data-bbox="248 1444 537 1497"> <p>Funding Sources:</p> </td> <td data-bbox="537 1444 1515 1497"> <p>CDBG-RHP</p> </td> </tr> <tr> <td data-bbox="248 1497 537 1661"> <p>Describe the state program addressed by the Method of Distribution.</p> </td> <td data-bbox="537 1497 1515 1661"> <p>Pilot program as part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder.</p> </td> </tr> <tr> <td data-bbox="248 1661 537 1885"> <p>Describe all of the criteria that will be used to select applications and the</p> </td> <td data-bbox="537 1661 1515 1885"> <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 </td> </tr> </table>	<p>State Program Name:</p>	<p>CDBG-Recovery Housing Program</p>	<p>Funding Sources:</p>	<p>CDBG-RHP</p>	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Pilot program as part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder.</p>	<p>Describe all of the criteria that will be used to select applications and the</p>	<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 				
<p>State Program Name:</p>	<p>CDBG-Recovery Housing Program</p>												
<p>Funding Sources:</p>	<p>CDBG-RHP</p>												
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Pilot program as part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder.</p>												
<p>Describe all of the criteria that will be used to select applications and the</p>	<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 												

<p>relative importance of these criteria.</p>	<ul style="list-style-type: none"> • 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 <p>Project Feasibility</p> <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
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Program guidelines and requirements are available on the CDBG website.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<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?	Number of persons transitioned to permanent housing
3	State Program Name:	HOME - CHDO Round
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	Activities under the HOME Program must address the housing needs of low-income households. Eligible activities include: <i>Homeownership programs</i> - THDA provides funds for the development of affordable housing for sale to low and moderate income households. THDA provides funds to the 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. <i>CHDO Operating Expenses, Developer's Fees; and Project Soft Costs</i> - 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.
	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. CAPABILITY Up to 60 points: The proposed project demonstrates exceptional planning and readiness and the organization demonstrates sufficient capacity beyond threshold. 2. CHDO SERVICE AREA NOT IN A PJ 5 points: THDA shall award up to 5 points to applications submitted from CHDO's where the service area of the CHDO does not include an area designated as an entitlement area/PJ by HUD. 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. 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>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 years. In order 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 who administered a HOME grant in prior years who have successfully closed their HOME grant are eligible for application under the 2022 HOME CHDO Mini-Round if the spend down requirement are met, as detailed in Section A, item 14-C. 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 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 uncommitted or spent.</p> <p>Applications must receive a minimum threshold score equal to 60% of the total points available under the applicable scoring matrix.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>CHDO Set-aside. Eighteen percent (18%) 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 2024 CHDO funds, must commit those funds to specific units no later than January 31, 2026. 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 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>

	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?	The expected outcome measure is that the activities under the HOME Program effectively address the housing needs of low-income households.
4	State Program Name:	HOME Program – Urban and Rural
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	Activities under the HOME Program must address the housing needs of low-income households. Current activities include: <i>Housing Rehabilitation</i> - 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Updates to the program description and selection criteria are posted on https://thda.org/government-nonprofit-partners/home-program.</p> <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 percentage of owner households who are low income; the percentage of owner households with cost burden; the percentage of affordable owner units built before 1960; the percentage of food stamp recipient households in the county; percent of owner households greater than one and one-half times overcrowded; percent of county average homeowner delinquency rate; percent of county poverty rate for all households; and county unemployment rate. Scores to be used in the evaluations are shown in 2023 HOME Need Scores for Homeowner Projects are posted online at https://thda.org/government-nonprofit-partners/home-program. 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.

		<p>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 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 2023 HOME Urban and Rural 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>Describe how resources will be allocated among funding categories.</p>	<p>Urban and Rural Matrices.</p> <p>THDA will make available approximately \$5M for use under the Urban and Rural Matrices. The urban areas include the following counties: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen, Haywood, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties are considered Rural. The urban allocation is 45% of the remaining 70% of the funding, and the rural allocation is 55%. The percentages are based on the low-income population in the designated urban and rural counties. However, the urban areas do not include the low-income populations of the local participating jurisdictions</p>

		<p>of Chattanooga, Clarksville, Jackson, Knox County, Knoxville, Memphis, Metropolitan Nashville-Davidson County, Shelby County, Sullivan County, and Washington County, excluding the Town of Jonesborough. THDA will score, rank and fund urban and rural applications separately. THDA may re-allocate funding between the Urban and Rural matrices should an insufficient number of applications receive the minimum threshold score necessary to award all funds allocated under either of the respective matrices. To be considered for funding, an application must receive a minimum threshold score of 60, an amount equal to 60% of the total points available under the urban or rural matrices. All applications will be ranked in descending order from highest to lowest score and HOME funds will be awarded until all funds are awarded or until the lowest scoring application that meets the threshold score is funded. There will be an urban and a rural matrix and the applicants will be scored and ranked. 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> <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>
	Describe threshold factors and grant size limits.	Applicants under the Urban and Rural matrices must apply for at least \$250,000 and may apply for a maximum HOME grant of \$750,000. There is a \$750,000 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?	The outcome measure is that the activities under the HOME Program effectively address the housing needs of low-income households.
	State Program Name:	HOME Rental
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	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 relative importance of these criteria.</p>	<p><u>PROGRAM DESIGN AND PLANNING- Up to 35 points</u></p> <ul style="list-style-type: none"> 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. b) Firm financial commitments for non-HOME resources have been secured, are current, and are demonstrated within the application. 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. <ul style="list-style-type: none"> i) Projects with committed project based VASH vouchers, Continuum of Care rental assistance, or project-based Section 8 vouchers are preferred. ii) Projects that preserve existing housing with project-based rental assistance also are encouraged. 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. e) The extent to which the proposed project fills the need demonstrated by the neighborhood market conditions. f) The extent to which the design of the proposed project is appropriate and meets the needs of the targeted population to be served. 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. h) The extent to which the proposed project provides easy access to community living, including retail, employment, transportation, medical, education, recreation, and government services. i) The extent to which Universal Design and Visitability features will be included in the design of the projects. j) The extent to which energy efficiency features exceed the requirements of THDA’s Design Standards for New Construction or Rehabilitation, as applicable. <p><u>APPLICANT’S CAPACITY AND EXPERIENCE - Up to 30 points</u></p> <ul style="list-style-type: none"> a) The applicant’s experience with owning, developing and managing rental units of similar size and scope serving the intended population proposed. b) The capacity of the applicant and its development and management team to carry out the proposed project within the schedule proposed.
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		<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> <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 the percentage of low-income tenant households that are cost burdened; projected 10-year population growth rate; county’s projected 10-year population growth as a percent of the state’s overall growth; prior allocation amount per low income household; prior allocation; 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 rental projects are available HERE.</p> <p><u>AREAS OF OPPORTUNITY SCORE - Up to 10 Points</u></p> <p>THDA has 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 HERE.</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>
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		<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). 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>HOME funds committed to the State of Tennessee, through THDA, will be allocated as provided in the State of Tennessee's Consolidated Plan, as amended. The amount of the 2024 Allocation is currently unknown until there is an approved federal budget; however 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 Expense.</p> <p>THDA will make available approximately 50% of its remaining 2024 HOME allocation from HUD, after all set asides described above, for the 2024 HOME Rental Development Program Description. Additionally, THDA may make available any unallocated or returned funds from the 2023 or earlier funding rounds, as determined at the time of award in May 2024.</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 measure is that the activities under the HOME Program effectively address the housing needs of low-income households.</p>
5	State Program Name:	HOME – ARP Rental Development
	Funding Sources:	HOME-ARP
	Describe the state program addressed by the Method of	Activities under the HOME-ARP Program must address the housing needs of Qualifying Populations and low-income households. Eligible activities include acquisition, construction, and rehabilitation of affordable rental housing for qualifying and low-

<p>Distribution.</p>	<p>income households. The funding may be combined with other resources, but may also be used to cover 100% of project development costs. There will no subsidy limit associated with this activity.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<ol style="list-style-type: none"> 1. Project Design - Up to 30 points: The proposed project demonstrates exceptional planning and readiness and the organization demonstrates sufficient capacity beyond threshold. 2. Applicant’s Capacity and Experience - Up to 30 points: THDA shall award up to 30 points if applicant has experience with owning, developing and managing rental units of similar size and scope serving the intended population proposed. 3. Supportive Services for Targeted Qualified Populations - Up to 10 Points: The project application includes a thorough description and supporting documentation of its plan for the delivery of support services appropriate for the Qualified Population targeted by the proposed development. 4. Other Sources of Funds - Up to 10 points: THDA shall award up to 10 points to applications that include a committed contribution of other resources of funds towards the project development. 5. Areas of Opportunity Score - Up to 10 points: THDA has 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. 6. Continuum of Care Involvement - Up to 5 points: The project application includes a letter from the lead authorizing official (Board Chair or Executive Director role) of the local Continuum of Care (“CoC”) in which the project is located that indicates the CoC’s awareness of the proposed project and describes the applicant’s involvement and collaboration in the work of the CoC. 7. Projects Located Outside of a Local PJ - 5 points: HUD has awarded HOME-ARP funds directly to Local Participating Jurisdictions (Local PJs). 8. Counties Designated As Distressed – 10 Points Bonus: THDA will award 10 bonus points for applications with projects in the designated distressed counties.
<p>Describe how resources will be allocated among funding categories.</p>	<p>Program funds may be used for acquisition, construction, and rehabilitation of affordable rental housing for qualifying and low-income households as defined herein.</p> <ol style="list-style-type: none"> a. Development hard costs – defined in 24 CFR 92.206(a). b. Acquisition – the costs of acquiring improved or unimproved real property. c. Related soft costs – defined in 24 CFR 92.206(d). d. Relocation costs – as defined in 24 CFR 92.206(f), 24 CFR 92.353, and described in this Program Description.

		<p>e. Operating Cost Assistance – funds may be used to pay ongoing operating cost assistance or to capitalize an operating cost assistance reserve for HOME-ARP Units where THDA determines in its underwriting that the reserve is necessary to maintain the HOME-ARP Units’ long-term operational feasibility. However, Program funds cannot be used for both a capitalized operating cost assistance reserve and ongoing payments for operating cost during the minimum Affordability Period.</p> <p>Information about the HOME-ARP Program, including how resources will be allocated, can be found at https://thda.org/government-nonprofit-partners/home-program/home-program-applications-and-information/home-arp-program</p>
	Describe threshold factors and grant size limits.	Program funding will be administered as grants through a competitive application process for projects located in any of Tennessee’s 95 counties. An applicant must apply for at least \$500,000 and may apply for a maximum grant of \$2,500,000.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcome measure is that the activities under the HOME-ARP Program effectively address the rental housing needs of low-income households.
6	State Program Name:	HOME-ARP Supportive Services
	Funding Sources:	HOME-ARP
	Describe the state program addressed by the Method of Distribution.	<p>The HOME-ARP-SS Program funds (the “Program funds”) will be awarded on a competitive basis to eligible applicants across the State of Tennessee. Applicants applying for the Program funds must include supporting documentation in their application that demonstrates the applicant’s:</p> <ul style="list-style-type: none"> a. Need for the Program funds; b. Experience in servicing vulnerable or homelessness populations, or at-risk of homelessness populations, within the community; and c. Plan that summarizes how Program funds will be used to address the unmet needs of the community. <p>An applicant must apply for at least \$200,000 and may apply for a maximum of \$500,000 in Program funding.</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 based on the following scoring criteria:</p> <ul style="list-style-type: none"> • Program Design- up to 30 points • Agency Capacity- up to 30 points • Fiscal Capacity- up to 30 points • CoC Coordination- up to 10 points • 5 bonus points awarded to applicants outside of Local Participating Jurisdictions

	<p>For complete criteria, please consult the current HOME-ARP Supportive Services Program Description: https://thda.org/pdf/HOME-ARP-Supportive-Services-2023-Program-Description.pdf</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The funding categories within HOME-ARP Supportive Services are McKinney Vento Supportive Services, Homelessness Prevention Supportive Services and Housing Counseling. Resources will be allocated as requested by awarded grantees, allocating \$3.4M to McKinney Vento Supportive Services and \$2.7M to Homelessness Prevention Supportive Services.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All applicants must meet the following criteria:</p> <ol style="list-style-type: none"> 1. 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; 2. Have a minimum of two (2) years of experience assisting vulnerable individuals or families; 3. Have approved established HOME-ARP-SS Program Written Standards in accordance with the local Continuum of Care (“CoC”) Coordinated Entry process; 4. Be an active member of any local CoC in which the service will be provided and compliant with HMIS reporting requirements of the local CoC; 5. Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual; and 6. Have standards of financial accountability that conform to 24 CFR 84.21, Standards of Financial Management Systems. <p>Nonprofit applicants must meet the requirements listed above and meet the following criteria:</p> <ol style="list-style-type: none"> a. Meet one of the two structures below: <ol style="list-style-type: none"> (1) Must be organized and existing in the State of Tennessee (as evidenced by a Certificate of Existence from the Tennessee Secretary of State, dated no more than thirty (30) days prior to the application date); or (2) Be organized and existing under the laws of another state and be qualified to do business in Tennessee (as evidenced by a Certificate of Existence from the other state’s Secretary of State dated no more than thirty (30) days prior to the application date and by a Certificate of Authorization to do business in Tennessee from the Tennessee Secretary of State dated no more than thirty (30) days prior to the application date). b. Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status; and

		c. Be established for charitable purposes and have, among its activities, activities that 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.
	What are the outcome measures expected as a result of the method of distribution?	Examples of outcome measures expected are 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, and preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs.
7	State Program Name:	Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by the Method of Distribution.	The Housing Trust Fund (HTF) is an affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Geographic Diversity. THDA will accept/consider proposals that are consistent with the State's certification to AFFH. 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. THDA will rank applications consistent with the Qualified Allocation Plan (QAP) and 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 to meet its commitment obligations under the HTF.</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</p>

		<p>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 counties with a higher rental housing need based on variables determined by THDA, which may include, but is not limited to, percent of extremely low-income renters, population growth rate, vacancy rate, and the pipeline of rental housing under construction. 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 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.</p>
	Describe how resources will be allocated among funding categories.	In total, 10% of funding will serve as an administrative fee for THDA.
	Describe threshold factors and grant size limits.	The grant minimum is \$100,000 and the grant 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?	The outcome measure is that the activities under the HTF effectively address the housing needs of extremely low-income households.
8	State Program Name:	2023 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 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 nonprofit organizations and local units of government serving communities outside the HUD ESG entitlement communities of Knoxville, Memphis, and Nashville-Davidson County.</p> <p>THDA will allocate \$125,000 each to the cities of Chattanooga, Clarksville, Johnson City, and Murfreesboro. Each of these jurisdictions have either recently lost their direct ESG</p>

		<p>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 percent 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>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<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-esg-program</p>
	<p>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>	<p>Nonprofits and local governments compete in the competitive round of 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. Nonprofit organizations are eligible to receive shelter funds only if such funding is approved by the local government jurisdiction where programs are based.</p> <p>Nonprofits must be an eligible nonprofit agency as defined in the 2023 ESG Program Description.</p> <p>Four local governments (Chattanooga, Clarksville, Johnson City, and Murfreesboro) each receive a set-aside of funding of \$125,000 to distribute all or a part of their ESG funds to eligible, private 501(c)(3) nonprofit organizations for allowable ESG activities.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<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 percent of the entire ESG allocation. THDA reserves the right to adjust applicants’ budgets, if needed, to remain within this requirement.</p>

	<p>Describe threshold factors and grant size limits.</p>	<p>Threshold criteria includes 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>Nonprofit 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>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>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 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>
<p>9</p>	<p>State Program Name:</p>	<p>HOPWA</p>
	<p>Funding Sources:</p>	<p>HOPWA</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<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)

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>For FY2024-2025, 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 and 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 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 were awarded to sponsors who submitted proposals that best met or exceeded the required criteria and provided a detailed budget which best met the needs of HOPWA clients. 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 assistance • TBRA- Tenant based rental assistance • Supportive Services to include nutrition, transportation, housing information services, and non-medical case management • PHP- Permanent Housing Placement • Facility-Based Short-term/Transitional Housing – Hotel/Motel Voucher • HIS- Housing Information Systems • Resource ID <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>Project sponsors may also use funds for allocation of indirect cost of no more than 7% for grant administration. Also, the Tennessee Department of Health will not exceed the 3% administrative cap for the HOPWA program.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The state envisions the use of STRMU services, permanent housing placement (PHP) and Short-term Transitional Facilities Hotel/Motel Voucher to enhance the availability and sustainability by way of prevention of homelessness. HOPWA also provides tenant-based rental assistance to prevent homelessness among this population, Housing Information Systems, and Resource ID services to better reach potential clients who are having difficulty accessing housing systems in Tennessee. The seven project sponsors across the state will implement supportive services of various types to prevent homelessness. Our goal include meeting more with project sponsors by leading the development of resources needed to advance services adequately and timely to prevent homelessness. This will be accomplished through monthly conference calls and training and through bi-annual statewide meetings to discuss challenges, barriers, outcomes and new ideas to improving care. For additional information to HOPWA goals see AP-70 HOPWA Goals-90.320(k)(4) in the state’s action plan.</p>
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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

Funds are directed to the areas of the state with greatest need and/or areas that have had disproportionately fewer funds made available to them. HOME uses the Not Proportionally Served measure to advantage counties not receiving as much funding per capita as other counties. The HOME competition divides the resources between urban and rural counties to ensure a mixture of urban/city served by the state's HOME program. HOME also awards funding to CHDO's, which can be in either entitlement or non-entitlement areas.

HOME uses a needs score to determine areas of the state with the greatest need based on indicators of low income housing issues, housing conditions, etc. These scores are calculated at the county level for HOME and are used in the final application scoring for each of the programs. In addition, the HOME Urban/Rural program divides the resources between urban and rural counties to ensure a mixture of urban/city served by the state's HOME program.

The State's Non-Entitlement ESG funding is targeted to areas outside of the HUD entitlement communities of Memphis, Knoxville and Nashville-Davidson County. HOME-ARP Rental Development uses an Areas of Opportunity Score. THDA has 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.

For HTF, Public Housing Authorities (PHAs), for-profit entities, and non-profit entities in both entitlement and non-entitlement jurisdictions statewide are eligible to apply for HTF dollars.

For CDBG, funds are directed to the areas of the state with greatest need and/or areas that have had disproportionately fewer funds made available to them.

All applicants for the CDBG program are considered and scored in the same way. All applicants (other than those considered under the slums and blight and urgent need national objectives) must serve at least 51% LMI households. There is not a specific geographic distribution planned.

For CDBG-RHP, due to the limited amount of funding, geographic distribution will be considered but will only be one factor in the decision to distribute funds. Application scoring outlined in the CDBG-RHP Action Plan will make up this primary method of distribution.

Geographic Distribution

Target Area	Percentage of Funds
Statewide Grant Allocation Priority	13
Non-Entitlement Statewide Grant Allocation Priority	87

Rationale for the priorities for allocating investments geographically

CDBG: Geographic location is not part of the method of distribution for CDBG. Projects are selected based on how they compare to the other similar projects and if the eligible applicants have open projects.

HOME: There are three categories of competition for HOME funds, two of which have a geographic component. HOME funds are made available for competition as follows: 18% to the CHDO set-aside, and 67% 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). Within the 67% allocated for the urban and rural competitions, the urban allocation is 45% of the funds and the rural allocation is 55% of the funds. Local PJs are local governments in Tennessee that receive HOME funds directly from HUD: Bristol, Johnson City, Bluff City, Kingsport, Sullivan County, Washington County, Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County and Shelby County. Urban and rural designations are based on the percent of the county's population who live in areas designated as rural. THDA will spend up to ten percent (10%) of its 2024 HOME allocation for administrative and planning expenses, (four percent (4%) for its own administrative expenses and six percent (6%) is available to pay the administrative costs of local governments and non-CHDO nonprofit grant recipients). Any funds remaining following award under the Urban, Rural, and CHDO matrices will be made available for rental housing development and/or tenant based rental assistance.

HOME-ARP Rental Development: Represents approximately 62% of the total HOME-ARP HUD Issuance. HOME-ARP Rental Development awards Public housing authorities and nonprofit entities in entitlement and non-entitlement areas are eligible to apply for HOME-ARP funds. In total, 15% of funds will serve as an administrative fee for THDA. The state reserves the right to reallocate uncommitted operating funds to development costs if qualified applications for operating funds are insufficient to award all operating funds.

HTF: Public housing authorities, for-profit entities, and non-profit entities in entitlement and non-entitlement jurisdictions statewide are eligible to apply for HTF funds. In total, 10% of funds will serve as an administrative fee for THDA.

ESG: THDA will spend up to 7.5% of its ESG allocation for administrative and planning expenses. THDA will share the amount available for administration with the small city entitlement communities that do not receive their own ESG allocation from HUD as well as other successful local government applications

in the Competitive Round. Nonprofit agencies are not eligible to receive funds for administration. For FY24, THDA will set aside \$125,000 each to the cities of 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 non-entitlement city will operate its ESG programs in accordance with its approved Consolidated Plan. Eligible activities include street outreach, shelter activities, homelessness prevention, rapid rehousing, Homeless Management Information Systems (HMIS) and administration activities. After the small cities set-aside and administration funds are allocated, the remaining ESG funds will be allocated to eligible applicants in a competitive grant application process to implement any of the eligible activities noted above. The competitive scoring process weights applications based on CoC priorities and the applicant's ability to meet regional needs while preventing regional duplication of efforts.

HOPWA: Pursuant to HOPWA regulations, changes in eligible jurisdictions for HOPWA may occur if a metropolitan area reaches a population of more than 500,000 and more than 1,500 persons living with HIV or AIDS and states with more than 2,000 persons living with HIV or AIDS outside of eligible metropolitan areas. EMSAs receive HOPWA funds directly from HUD annually. At the inception of State HOPWA, it was determined that State HOPWA would serve non-EMSAs only. The State is divided into seven HOPWA regions (East Tennessee, North East Tennessee, Upper Cumberland, Mid Cumberland, South Central Tennessee, West Tennessee and South East Tennessee). The State will enter into a grant agreement with the seven regions for FY24-25. The formula for regional distribution of funds will be determined by the ratio of HIV/AIDS cases reported in each region to the total number of cases reported statewide.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The one year estimated goals for households served in different categories by program are below. These goals are not exhaustive of all households supported by the five formula programs. Numbers are estimated based on prior year outcomes and adjusted for anticipated increases or decreases in funding and/or changes in activities.

One Year Goals for the Number of Households to be Supported	HOPWA	ESG	HOME-ARP Supp. Serv.	CDBG-RHP
Homeless	250	2,700	2,000	-
Non-Homeless	550	250	1,500	7
Special-Needs	125	-	-	0
Total	925	2,950	3,500	7

One Year Goals for the Number of Households Supported Through	HOPWA	ESG	HOME-ARP Supp. Serv.	HTF	HOME	HOME-ARP Rental	CDBG-RHP
Rental Assistance	800	600	3,500	-	30	-	-
The Production of New Units	-	-	-	30	42	175	5
Rehab of Existing Units	-	-	-	70	52	100	-
Acquisition of Existing Units	-	-	-	-	9	-	5
Total	800	600	3,500	100	133	275	10

Discussion

A number of other affordable housing activities taken on by the state are not reflected in the numbers above. For example, much of the ESG assistance provided is not a dedicated housing unit, as is required to be reported above, but instead is support for a person experiencing homelessness. Similarly, HOPWA plans to provide 125 hotel vouchers while persons experiencing homelessness are assisted with finding permanent housing. Additionally, some clients are being served by funding awarded in 2020 to mitigate the impacts of the pandemic and assist vulnerable populations.

AP-60 Public Housing - 24 CFR 91.320(j)

Actions planned during the next year to address the needs to public housing

During the 2018-19 program year, THDA met with Public Housing Authority (PHA) Executive Directors and conducted a survey related to seniors/65+ persons residing in public housing and services available on site to inform ongoing discussion surrounding the growing need for affordable housing with integrated services among seniors.

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, THDA prioritizes applications involving public housing authorities (PHAs) which 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 that these transactions are financially viable. Both of these policies will continue under the 2024 QAP.

In FY 2024-25 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 still continues. 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.

To bring awareness to the needs of public housing residents and other affordable housing recipients, the Research and Planning Division of THDA published a report which provided an in-depth look at the age and physical condition of existing affordable housing properties in the state, along with other risk factors for loss of affordable units, such as HUD rental subsidy contract expirations. The report also contains a county-by-county breakdown of the number of Section 8, public housing and USDA units that are greater than 15 years old. This report will help to guide THDA's efforts and resources to help fill this gap of aging affordable housing, including the aging of public housing options in the State of Tennessee.

Additionally, in 2024 the National Housing Trust Fund has 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 grantees will engage unsheltered persons experiencing homelessness to connect them to shelter and/or permanent housing. Grantees performing Street Outreach activities will assess individuals housing and immediate needs to provide eligible participants with emergency health services, emergency mental health services, transportation, meet urgent physical needs (food, clothing, toiletries) and connect individuals to mainstream benefits and housing services. Engaging unsheltered persons experiencing homelessness will lead to permanent housing solutions.

HOME-ARP requires that funds be used to primarily benefit individuals and families in the following specified “qualifying populations.” Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through the Program without meeting additional criteria (e.g., additional income criteria). All income calculations to meet income criteria of a qualifying population or required for income determinations in HOME-ARP eligible activities must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203(a)(1).

a. Qualifying Populations:

- i) Homeless, as defined in 24 CFR 91.5.**
- ii) At risk of Homelessness, as defined in 24 CFR 91.5.**
- iii) Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.**

Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family’s homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the specific criteria.

2. Addressing the emergency shelter and transitional housing needs of homeless persons

THDA will allocate up to 60% of ESG funding to Street Outreach and Emergency Shelter services. ESG grantees will provide low barrier emergency shelter essential services to persons experiencing homeless, as well as individual/families fleeing or attempting to flee domestic violence. Essential services may include, but are not limited to case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse services and treatment, transportation and services for special populations. Grantees will also use funding for shelter operations, including 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 for a homeless family or individual, grantees may use ESG funds to pay for a hotel or motel voucher for that family or individual.

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 grantees will use their Homeless Management Information System (HMIS) and Coordinated Entry (CE) to quickly and efficiently move homeless individuals and families from homelessness into permanent housing. ESG grantees will work with their COC and community partners to provide Rapid Rehousing services including case management, rental assistance, and financial assistance to help individuals to gain access to housing. Using the Housing First model all housing services will be low barrier and provide continued wrap around services to promote housing stability and decreased re-entry into homelessness.

HOME-ARP Supportive Services funds will be used to provide a broad range of supportive services to qualifying homeless individuals or families. These supportive services include, but are not limited to, Child Care, Educations Services, Employment assistance and job training, Food, Housing search and counseling services, Legal Services, Life skills training, Mental Health services, Outpatient Health Services, Outreach Services, Substance Abuse treatment services, Transportation and Case Management. These funds will also be used for Financial Assistance, including rental application fees, security deposits, utility deposits, utility payments, moving costs, first and last month's rent, payment of rental arrears and short-term and medium-term financial assistance for rent.

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

ESG grantees will provide Homelessness Prevention services to individuals and families "at risk" of homelessness. These services will be provided to extremely low-income families with income below 30% Area Median Income (AMI). Services may include housing stability case management, mediation, legal

services, credit repair, financial assistance and rental assistance.

HOME-ARP Homelessness Prevention Supportive Services funds will be used to provide a broad range of supportive services to qualifying at risk of homelessness individuals or families. These supportive services include, but are not limited to, Child Care, Educations Services, Employment assistance and job training, Food, Housing search and counseling services, Legal Services, Life skills training, Mental Health services, Outpatient Health Services, Outreach Services, Substance Abuse treatment services, Transportation and Case Management. These funds will also be used for Financial Assistance, including rental application fees, security deposits, utility deposits, utility payments, moving costs, first and last month's rent, payment of rental arrears and short-term and medium-term financial assistance for rent. The combination of services will prevent homelessness and allow for individuals and families to regain long term stability in permanent housing.

5. Discussion

HOME offers a small portion of HOME TBRA funds to youth aging out of foster care. TBRA is a flexible program that can provide assistance to individual households to help them afford the housing costs of market-rate units. This program serves one of the most vulnerable and underserved populations in the state. Annually, between 400 and 600 youths age out of foster care. The TBRA program will serve only a small percentage of these for a limited 24-month period. HOME Administrators believe it will be vital to those served acting as a foundation to help them become independent and stable citizens in a difficult economic environment.

HOPWA will provide 125 households experiencing homelessness with rental assistance to regain housing. In addition, HOPWA will provide rental assistance to 550 households who are at-risk of homelessness. In this way, HOPWA will support efforts to ensure persons living with HIV/AIDS and their families quickly regain or maintain housing stability.

AP-70 HOPWA Goals – 91.320(k)(4)

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	550
Tenant-based rental assistance	125
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	-
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	125
Total	800

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Specific public policy related to the cost of housing and the incentives to develop, maintain, or improve affordable housing varies widely throughout the state. Many communities, especially densely populated jurisdictions, have adopted the “home rule,” which means municipalities control most zoning and land use decisions. The state’s “home rule” provisions mean that zoning ordinances are left to the judgment of local governments. While some local jurisdictions use that to further affordable housing goals, there is concern that the “home rule” allows communities to use ordinances to keep affordable and multifamily housing—frequently the routes by which lower-income, often minority, households enter a community—from being developed. Depending on how local jurisdictions use this authority, the net effect of these local actions could make housing more expensive rather than less.

Additionally, other barriers--like background checks , landlords’ unwillingness to accept tenants using rental assistance, the Housing Choice Voucher waitlist open and closing dates/times preventing case managers from accessing vouchers, and long wait list at public housing agencies--prevent potential residents from accessing units. Low wages, high rents, and shortages of affordable housing unit available are other barriers to affordable housing.

Monthly utility bills and lack of local revenue are often cited by our local governments as directly affecting the affordability of the residents to continue to live in their communities. Although the CDBG program does not currently funding housing activities, an intended indirect impact of the CDBG funds are to help keep communities affordable by alleviating part of the cost burden on water, wastewater, and other community infrastructure improvements. Without the inclusion of CDBG funds, these already burdened communities would have to raise utility rates or other taxes to pay for these improvements.

ECD is currently working with the Department of Environment and Conservation (TDEC), the United State Department of Agriculture Rural Development (USDA-RD) state office, the Comptroller of the Treasury, and the University of Tennessee – Knoxville to complete a statewide rate study for water and

wastewater. This comprehensive study will allow these departments and agencies to better compare and analyze the impact of water and wastewater rates on the utilities and the communities.

ECD is also making efforts to coordinate more closely with THDA in program alignment, specifically how the housing rehabilitation activities and HOME can be more streamlined and more complimentary of each other.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In FY20, THDA released a series of six fair housing briefs based on the Analysis of Impediments (AI) research previously conducted. This research also produced the five year Fair Housing Plan that was submitted with the 2020-24 Consolidated Plan. During the process of analysis, several potential issues regarding fair housing in the state have surfaced. Identification of these items as probable impediments to fair housing choice was based on HUD’s definition of impediments as actions, omissions, or decisions that restrict housing choice due to protected class status or actions, omissions, or decisions that have this effect. The identified impediments are supported by evidence uncovered during the AI process, with impediments of higher need being those identified in multiple sources. The brief series and Fair Housing Plan are the result of much analysis and collaboration across multiple agencies to provide 5-year fair housing goals and actionable steps to work towards those goals.

Additionally, the Consolidated Planning partners have planned the actions below.

The program managers for HOME, ESG and HTF, along with other THDA program staff, plan to attend Fair Housing trainings and conferences typically occurring in the spring. Attendance at these conferences ensures up-to-date information about fair housing concerns nationally and locally as well as current information on strategies to affirmatively further fair housing. THDA will also provide training to all grant recipients on fair housing requirements and obligations.

Anticipated fair housing activities for the upcoming program year are included in the section below. These activities help THDA further the goals identified in Tennessee’s Five Year Fair Housing Plan. Fair Housing progress is included in the corresponding CAPER.

For FY24-25, THDA will complete the following actions in support of our Annual Action Plan to affirmatively further fair housing:

- Sponsor, support, participate in, and attend fair housing conferences where offered in different regions of the state to ensure fair housing education is available to THDA staff, other housing professionals and other interested persons across the state.
- Include sessions focused on fair housing and/or equity considerations or include fair housing and/or equity considerations in other topic specific sessions; and provide fair housing

literature/resources at the Tennessee Housing Conference, held annually and organized by THDA.

- Require all THDA employees to complete non-discrimination training annually, which includes general Fair Housing requirements and topic specific updates, such as actions associated with THDA's Analysis of Impediments to Fair Housing Choice (AI). New employee onboarding includes an online non-discrimination training module and quiz to be completed within the first 6 months of employment.
- THDA's sub-recipient and contract staff are required to complete online or in person non-discrimination training annually. Sub-recipients of THDA's federal funding are required to have the individual responsible for coordinating non-discrimination activities in their organization complete THDA non-discrimination training and submit a non-discrimination in services self-assessment to describe their Title VI & Fair Housing activities during the most recent fiscal year. THDA reviews the self-assessments for compliance and training purposes.
- THDA maintains Fair Housing training materials on its website and makes grantees aware of the availability of this training.
- THDA's Fair Housing & Title VI web pages are updated regularly with information of importance to the public.
- Through its Language Access Plan, which is published to its website, THDA commits to providing oral interpretation to all LEP persons, the use of a notice of free language assistance in the most commonly spoken languages other than English and to the translation of vital program documents into the Spanish language. THDA provides guidance and encourages grantees to complete a four-factor analysis for their service area and adopt written procedures for providing language access.
- THDA entered into a Memorandum of Understanding (MOU) with the West Tennessee Legal Services to develop an informational booklet (hard copy and web based) on Fair Housing for persons with disabilities (to include physical accessibility, reasonable accommodation & modification considerations). The booklet was published to the THDA website and shared with partners during FY2022-2023.

Below is a list of program specific workshops with fair housing discussions and other actions.

HOME & HTF Workshops:

(Note: The years associated with the workshops correspond to the program year for which funding was allocated, not the date the workshop took or is taking place.)

- 2024 HOME-ARP Rental Application Workshop
- 2024 HOME-ARP Rental Grantee Workshop
- 2024 HOME CHDO Homeownership Development Grantee Workshop
- 2024 HOME Rental Application Workshop
- 2024 HOME Rental Grantee Workshop
- 2024 National Housing Trust Fund Application Workshop
- 2024 National Housing Trust Fund Grantee Workshop
- 2024 HOME Urban Rural Application Workshop
- 2024 HOME Urban Rural Grantee Workshop

ESG Activities:

- Present fair housing workshop in April for ESG staff and ESG funded grantees.
- Provide fair housing education for ESG grantees in grantee workshops as well as application workshops though out the funding year.
- Provide an online training and self-assessment for Title VI & Fair Housing for ESG sub-grantees.
- ESG makes fair housing logos, posters, fair housing pamphlets and fair housing resources available on the ESG THDA home page.

TNECD supports statewide and local fair housing trainings and other educational events that address the various barriers to fair housing. TNECD supports the implementation of fair housing ordinances and policies for local governments.

TNECD serves in a representative role on the Health and Housing Task Force that works to address the impacts and intersections of health, aging, and housing in Tennessee.

HOPWA:

- Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide ongoing education on fair housing including detailed information regarding discrimination in the rental market, examples of prohibited or unlawful conduct and examples of activities that AFFH.
- Continue to educate HOPWA staff who work with rental programs and landlords on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at TDH and Contracted Providers through annual statewide meetings.

- Continue to monitor subrecipients for compliance with Fair Housing and Equal Opportunity, utilizing Fair Housing and Equal Opportunity checklists.
- Continue to give “Fair Housing Equal Opportunity for All” brochure to program beneficiaries and monitor subrecipients to ensure compliance.
- Support the Fair Housing Council in providing fair housing training for developers and property managers.
- TDH and Contracted staff to attend the following fair housing events when applicable and available.
- TDH intends to engage more with THDA activities around fair housing to align HOPWA with all Housing services in Tennessee through Resource ID implementation.

TNECD and TDH have been actively involved with THDA's development of the fair housing plan to commit to fair housing related action items that fall under their program scope.

AP-85 Other Actions – 91.320(j)

Actions planned to address obstacles to meeting underserved needs

Tennessee is committed to tackling the needs identified in the Consolidated Plan: affordable housing, community development and infrastructure, and housing and services for the homeless as well as those with special needs. Each program uses the information on need to inform their program actions. Funds are directed to the areas of the state with greatest need and/or areas that have had disproportionately fewer funds made available to them. HOME Urban/Rural uses the “Not Proportionally Served” measure to advantage counties not receiving as many HOME funds per capita of low-income residents as other counties. CBDG uses the “Ability to Pay” measure that determines the level of local financial contribution that is required, allowing impoverished communities receiving grants to receive more funds. This ability-to-pay determination includes per capita income, the value of taxable property, and the value of taxable sales.

The HOME programs use a needs score as a part of the application scoring process in an effort to quantify need per county. The scores include factors such as extremely or very low-income households, housing problems (overcrowding, cost burden, etc.), characteristics of housing units, persons living in poverty, the population receiving food stamps, and unemployment rates.

HOME-ARP Rental Development uses an Areas of Opportunity Score standard to help determine 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.

Each program has its own metrics available in its respective program manual.

Actions planned to foster and maintain affordable housing

The State of Tennessee will continue to use funds from the give formula grant programs to foster and maintain affordable housing in Tennessee. The State will invest HOME and CDBG funds to promote the production, preservation, and rehabilitation of affordable housing for individuals and families of low- and very low-income. The State will also invest Housing Trust Fund dollars to promote the production, preservation, and rehabilitation of affordable rental housing for individuals and families of extremely low-income. The State will also invest in community infrastructure to support communities that are home to low income households. ESG and HOPWA also provide affordable housing, both permanent and short term to special needs populations to support their affordable housing needs. The State also maintains relationships with local organizations, which provide alternative housing services to fill the gaps between government-funded programs. This has been an important part to both fostering and

maintaining affordable housing throughout the state.

Housing affordability has many contributing factors. Although the CDBG program does not current fund housing activities, an intended indirect impact of the CDBG funds are to help keep communities affordable by alleviating part of the cost burden on water, wastewater, and other community infrastructure improvements. Monthly utility bills and lack of local revenue are often cited by our local governments as directly affecting the affordability for residents to continue to live in their communities. Without the inclusion of CDBG funds, these already burdened communities would have to raise utility rates or other taxes to pay for these improvements.

Additional efforts are being made, both through regulatory and development avenues, to find new ways of providing quality, affordable housing. Energy efficiency improvements to the existing housing stock, emergency repair programs, and low-income housing tax credits are just some of the housing considerations being made to foster more housing that is affordable and in close proximity to resources and services. Further, THDA funds the Tennessee Housing Trust Fund (TN HTF) that targets assistance to persons of very low and extremely low income, those earning 50% or less of the area median income, with specific lower targets under specific TN HTF funded programs. Within the TN HTF, competitive grants support the chronically homeless, persons with intellectual disabilities or mental illness, citizens with developmental disabilities, single mothers recovering from substance addiction or physical abuse, youth exiting the foster care system, large families, veterans with multiple needs, and ex-offenders re-entering society. In 2006, the TN HTF was established with \$12 million of THDA funds over a two-year period. Currently, the TN HTF is funded at \$7.5 million per year. This allows for complementary housing activities in addition to those funded with CDBG and HOME funds, providing or maintaining critical affordable housing throughout Tennessee. THDA implements the Challenge Grant Program, which provides initial seed funding to support the fundraising efforts of nonprofit organizations across Tennessee to implement housing activities that represent unique milestones, are part of a broad community initiative, or are part of a significant expansion of work outside the normal day-to-day activities of the organization. This program will provide opportunities to support unique projects that result in significant community or regional impact. THDA developed the Low-Income Housing Tax Credit (LIHTC) Program Qualified Contract Guide to assist buyers that are willing to purchase and maintain properties that are eligible to opt-out of the LIHTC program. THDA is developing a network of qualified purchasers and will market qualified LIHTC properties on its website to find the best sales contracts, which will maintain the affordable housing inventory in Tennessee.

Another program that encourages the development and preservation of affordable housing is the Low-Income Housing Tax Credit (LIHTC) program. LIHTC is a credit against federal income tax liability each year for 10 years for owners and investors in low-income rental housing. The amount of tax credits is based on the portion of the buildings' total depreciable cost basis dedicated to serving qualified low-income residents. THDA ensures that costs are reasonable and determined in compliance with Section 42 of the Internal Revenue Code.

The Multifamily Tax Exempt Bond Authority program, like the LIHTC program, supports rehabilitation,

acquisition and rehabilitation, and new construction of affordable rental units. Local governments use a portion of the State's bond authority to issue bonds in support of housing development. Bond proceeds are loaned to developers to fund construction of affordable rental housing. Beginning in FY 2023-24, for the first time in the program PHA new construction and PHA rehab received first priority in funding for Round One of the MTBA process. The bond issuance is a limited obligation of the State through which bond-investors assume financial risk. Proposed developments utilizing tax exempt bonds are eligible for non-competitive Low Income Housing Credits. Tax-Exempt bonds and non-competitive credits help support the conversion of public housing to more financially stable models through Rental Assistance Demonstration (RAD).

Actions planned to reduce lead-based paint hazards

The State of Tennessee addresses hazards of lead based paint in the state through the following programs/initiatives. In May 1999, by state legislation, the Tennessee Department of Environment and Conservation (TDEC) was given the necessary authority to have lead-based paint training in the state. The legislation also gave TDEC the authority to monitor lead abatement in the state to assure that contractors and owners of units comply with applicable laws. The division of solid waste management of TDEC received authorization from the Environmental Protection Agency (EPA) on January 17, 2001, to administer the program in the state. The State has established guidelines for training of lead-abatement contractors and their workers in the state.

Lead-based paint policies are also in effect for each of the five formula programs in the state. Specifically, grantees must give participants notice of possible lead hazards within the unit when the house is pre-1978, informing them of possible lead dangers. For families with children under age seven, grantees must inspect units that might have lead contamination and provide the necessary abatement or encapsulation activities. Families must be given a federally approved pamphlet on lead poisoning prevention.

The Tennessee Department of Health's Childhood Lead Poisoning Prevention Program and Healthy Homes Initiative provides lead poisoning information such as lead sources and prevention tips for parents and health care professional. The Prevention Programs requires TennCare, the state health system for uninsured persons, to test children enrolled in the program. All children, regardless of payer source, with elevated blood lead levels receive case management services. Children with a blood lead level that repeats elevated or is > 20 µg/dl may receive an environmental investigation per the physician's request. The department links with the Tennessee Department of Environment and Conservation's information on lead assessment and abatement programs. Any concerns submitted to THDA will be directed to these programs as appropriate.

Actions planned to reduce the number of poverty-level families

The Consolidated Planning Partners work to address housing and community development needs of low-, very low- and extremely low-income households. Through the services provided by the five

programs addressed in this plan and the other resources brought to bear on housing and community development needs across the state, the State is working to improve the economic well-being of families through creating and maintaining safe, sound affordable housing and communities.

The HOME Program serves very low- and low-income households. Very low-income households are defined as those households whose annual income is 50 percent or less of the AMI for the county in which the household resides. Low-income households are defined as those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides. Additionally, the THDA Board of Directors has expressed intent that very low-income persons be served.

HTF exclusively serves extremely low-income households earning less than 30% AMI.

Actions planned to develop institutional structure

Please see below.

Actions planned to enhance coordination between public and private housing and social service agencies

To address this as well as the development of the institutional structure, it is important to recognize the grantees in the Consolidated Planning programs as well as the partnerships each of the state Consolidated Planning partners foster above and beyond these five programs. By using CHDOs, local and regional governments, and social service agencies, the State has invested in the existing structure to implement our programs while requiring and monitoring a level of quality that improves the housing affordability and quality of the units impacted by these funds. Through technical assistance contracts with the regional Development Districts, THDA seeks to help improve non-profit capacity such that they can be better positioned to qualify as a CHDO. Additionally, Community Programs staff at THDA have been working to provide information and assistance for non-profits interested in the CHDO qualifications.

Currently CDBG funds are not used for activities supporting public housing or social service agencies, so coordination is limited. ECD does intend to increase communication and coordination with housing partners, particularly concerning affordable housing.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

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.

HOME

2024 HOME Urban/Rural Program Description: [2024-HOME-Urban-Rural-Program-Description-Final-Bd-Approved-11.14.23.pdf \(thda.org\)](https://thda.org/2024-HOME-Urban-Rural-Program-Description-Final-Bd-Approved-11.14.23.pdf)

2024 HOME Rental Program Description: 2024 HOME Rental Program Description [2024-HOME-Rental-Development-Program-Description-Final-BD-Approved-11.14.23.pdf \(thda.org\)](https://thda.org/2024-HOME-Rental-Development-Program-Description-Final-BD-Approved-11.14.23.pdf)

2024 HOME CHDO Program Description: 2024 HOME CHDO Program Description [2024-HOME-CHDO-Homeownership-Development-Program-PROGRAM-DESCRIPTION-Final-BD-Approved-11.14.23.pdf \(thda.org\)](https://thda.org/2024-HOME-CHDO-Homeownership-Development-Program-PROGRAM-DESCRIPTION-Final-BD-Approved-11.14.23.pdf)

Operating Manual <https://thda.org/pdf/HOME-operating-Manual.pdf>

Other program information <https://thda.org/government-nonprofit-partners/home-program>

HOME-ARP Rental Development

[HOME-ARP Rental Development Program Description](#)

HOME-ARP Supportive Services

[HOME-ARP Supportive Services Program Description](#)

Additional Information: <https://thda.org/government-nonprofit-partners/home-program/home-program-applications-and-information/home-arp-program>

ESG

2024 Program Description <https://thda.org/images/2024-ESG-Program-Description.pdf>

Additional Information <https://thda.org/government-nonprofit-partners/emergency-solution-grants-esg-program>

HTF

2024 Program Description [01.08.23-2024-National-Housing-Trust-Fund-Program-Description-Final.pdf \(thda.org\)](https://thda.org/01.08.23-2024-National-Housing-Trust-Fund-Program-Description-Final.pdf)

Additional information 2024 LIHTC Qualified Allocation Plan <https://thda.org/pdf/THDA-QAP-2024-5.pdf>

CDBG

Handbook (updated 2024) <https://www.tn.gov/ecd/community-development-block-grant/cdbg/cdbg-manual.html>

Website <https://www.tn.gov/ecd/community-development-block-grant/cdbg.html>

HOPWA

Website <https://www.tn.gov/health/health-program-areas/std/std/hopwa.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 Partnership 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 Partnership 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

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.