

STATE OF TENNESSEE
2015-2019 CONSOLIDATED PLAN SUBSTANTIAL AMENDMENT – NATIONAL HOUSING TRUST FUND
EXECUTIVE SUMMARY

The National Housing Trust Fund (NHTF) is a new federal formula grant program provided by the U.S. Department of Housing and Urban Development. Funds will be distributed to the State of Tennessee to produce, preserve, rehabilitate, and operate housing affordable to extremely low-income households earning less than 30 percent of the area median income. The State of Tennessee will receive \$3 million in the first year of the NHTF.

The Tennessee Housing Development Agency (THDA) is charged with developing a NHTF Allocation Plan, which will be incorporated into the Consolidated Plan and Annual Action Plan on August 16, 2016. The NHTF Allocation Plan is an annual submission to HUD that describes how the state will distribute the NHTF funds, including how it will use funds to address its priority housing needs. The allocation plan also describes what activities may be undertaken with NHTF funds and how recipients and projects will be selected. No more than one-third of the entire State of Tennessee’s NHTF allocation may be spent on operating costs and no more than 10 percent may be spent on administrative and planning activities.

Summary of Objectives and Outcomes Identified in the Plan

The state is responsible for distributing NHTF funds throughout the state according to its housing priority needs. In the 2015-2019 Consolidated Plan, the state identified four priority needs for the five-year period covered by the 2015-2019 Consolidated Plan. These priority needs include:

- **Limited housing opportunities:** Preserve affordable housing stock; increase the amount of affordable housing; increase homeownership opportunities
- **Aging infrastructure, disinvestment in communities, and disaster recovery:** Provide for the viability of communities by creating and sustaining quality infrastructure; and improve community livability, health and safety, and economic development
- **Limited non-housing supportive services:** Provide supportive services for persons with HIV/AIDS; provide supportive services for homeless persons; and provide non-housing community development supportive services
- **Affirmatively further fair housing and fair housing outreach, education, and counseling:** Affirmatively further fair housing; and ensure access to quality housing for protected classes

In addition to priority housing needs, there are specific goals the administering agencies, known collectively as the Consolidated Planning Partners, hope to address during FY 2016-17, as they relate to the five-year Consolidated Plan, and the goal outcome indicators by which the administering agencies will measure performance. The specific goals are:

- 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.

- Support homeless facilities to ensure they can continue to meet the needs of Tennessee’s homeless population and provide resources to support those who are homeless or at risk of homelessness.
- Provide resources to preserve affordable housing options for those persons with HIV/AIDS.
- 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.
- Provide communities with resources to revitalize public and community infrastructure and assets to improve the livability of communities.
- Provide resources to cities and communities to support job creation, job training, and other job related opportunities.
- Deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged or low-to moderate-income areas of the state.
- Affirmatively further 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.

To address these priority housing needs and goals, THDA is developing action steps for the NHTF allocation to meet these needs and goals. Note that the second housing goal listed above was also updated in this substantial amendment to reflect changes to the Emergency Solutions Grant Program in Tennessee.

Tennessee National Housing Trust Fund Recipient Eligibility

THDA does not intend to use sub-grantees in the 2016 funding cycle. A sub-grantee is defined as a designated local jurisdiction to administer the NHTF in a city or county. THDA will distribute NHTF funds by selecting applications submitted by eligible recipients. Eligible recipients include organizations, agencies, and other for-profit and non-profit entities. A recipient must demonstrate the financial capacity necessary to undertake, complete, and manage the proposed project, and have familiarity and understanding of the Federal, State and local housing programs used in conjunction with NHTF funds to ensure compliance with all applicable program requirements and regulations.

Tennessee National Housing Trust Fund Eligible Activities

The NHTF allocation may be used for the production or preservation of affordable housing through acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. The NHTF allocation in Tennessee will only be for the production and preservation of rental housing for extremely low-income families. According to federal regulations, NHTF-assisted rental housing must meet a minimum affordability period of 30 years.

Citizen Participation Process and Consolidated Planning Partnership

Significant efforts have been undertaken to obtain public input through postings to state websites, social media, newsletters, and newspaper advertisements. All objectives and goals within the plan

address specific priority needs identified by extensive data and the public. The state is continually obtaining public input and quantitative data to ensure the plan is up to date and continues to address current community needs.

While the Tennessee Housing Development Agency has been designated as the lead agency for Tennessee's Consolidated Planning requirements, all of the administering agencies of the four grant programs participate in the development of the Annual Action Plan and the implementation of their respective programs. The FY 2016-17 Action Plan represents the cooperation of these agencies in working together to further affordable housing and community development in Tennessee. In addition, the plan is developed in consultation with the citizens of our state.

The draft NHTF Allocation Plan will be made available for review and public comment, according to the guidelines developed in the five-year Consolidated Plan and our Citizen Participation Plan, on June 15th, 2016.