



*State of Tennessee*  
*2005-2010*  
*Consolidated Plan*

*For*  
*Housing*  
*and*  
*Community Development*

*Lead agency:*  
*Tennessee Housing Development Agency*

*May 2005*



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## **Part I. General**

### **Executive Summary**

The State of Tennessee Consolidated Plan 2005-2010 marks the third five-year plan completed by the state. Preparation for the plan began in early 2004 with meetings of state agencies, social service organizations, public housing authorities, federal government officials. In preparing the plan, the state collected and analyzed demographic and housing market data, and conducted a number of needs assessments and surveys. In the fall of 2004, as part of the development of this Plan, eight public meetings took place to involve local officials, housing providers, business and economic development professionals, advocates for special needs populations, and citizens.

Throughout all of the planning meetings and discussions with concerned parties, the following became abundantly clear:

1. The multiplicity of needs in the state;
2. The difficulty in trying to quantify needs, to measure the needs of one group against the needs of another group, and to achieve a consensus;
3. The resources in the state continue to provide much needed assistance to low- and moderate-income residents;
4. Resources to assist low- and moderate-income individuals are grossly inadequate.

Analysis of data in the state also demonstrates that needs vary greatly from community to community and from one region of the state to another. Some communities have experienced large population growth and increased housing cost while other communities have experienced moderate growth and still others have had population decreases. Evident in the 2000 plan and even more so in the 2005 plan is the growth in the senior populations, and in the immigrant populations.

While some communities report non-existent homeless populations, others are overwhelmed with the needs of the homeless and the inadequate resources available to assist in meeting these needs. Shelters continue to see an increase in mentally ill women as well as children with special needs which shelter staffs may be unable to handle. The result sometimes is the loss of shelter care for families. There is also great concern over the number of mentally ill individuals and their housing needs and, in some cases, the available housing resources in the community that cannot serve these populations because of the lack of needed social service supports.

In addition to these situations, we continue to see many communities, small towns, and rural areas that are without adequate water and wastewater services, resulting in a threat to the health and well being of these residents.

Further impacting low- and moderate- income persons is the State of Tennessee's fiscal crisis which led the state to re-direct much needed housing dollars away from housing related activities.

Inherent in the state's Consolidated Plan is the recognition of varying areas of need and an attempt to appropriate resources in a manner that allows communities to help shape their priorities for those needs. This is done with the recognition, however, that the state is responsible to all communities in the state and must make decisions that allow a broad-based approach to resource appropriation. In some cases this is as simple as providing the most basic need for an individual such as clean, safe water.

Overall, we hope the following pages will:

- Reflect the needs of low- and moderate- income residents of the state;
- Assist local governments in planning;
- Serve as a tool for state government in the ongoing development of strategies to appropriate resources; and
- Demonstrate to federal officials that additional help is needed to make sure that federal resources do not come with statutory restrictions that contradict or hurt the very people they are designed to help.

### **Recent Changes and Impact on the State's Plan**

Planning for use of resources in the state would be incomplete without some a recognition of the local and state situations that impact the implementation of various programs within the state. While meeting with citizens and organizations the apparent need for coordination of much needed resources was a constant theme. The following have a direct impact on the use of such resources:

**State Budget:** The state of Tennessee allocates no state dollars to any of the programs covered by the consolidated plan. TennCare, the state's healthcare program for the poor and uninsurable, has exacerbated the state's budget situation.

**NIMBY (Not in My Back Yard):** Communities may not want affordable housing units because of a locally perceived stigma attached that suggest a potential loss in property value. This also may hold true for the location of group homes or other special needs facilities.

**Immigration:** A number of communities throughout the state report a rise in the number of immigrants and non-English speaking persons, an observation supported by analysis of census data. In some communities these populations put additional pressure on social services, housing and education.

**Special needs advocates:** Advocates for special needs populations have become more organized and visible at the local, regional, and state level. This visibility further demonstrates that limited resources are available to meet the needs of these special needs populations which include people with mental illness, mental retardation, developmental disabilities, as well as persons who are elderly and frail.

These descriptions only provide a brief highlight of the factors that impact the groups or persons addressed in this plan. We must continue to work together at the state and local government levels to assure that optimum use is being made of funds to assist low-income families.

### **Coordination and Leadership**

While Tennessee Housing Development Agency (THDA) is designated as the agency to lead the coordination of the state's Consolidated Plan, developing the plan involved input from citizens, organizations, state, local and federal government officials, developers, chambers of commerce, public housing authorities, and housing professionals.

Meetings were held with a core group of individuals consisting of 20 members. This group represented the state agencies responsible for the administration of the four consolidated plan covered programs. In addition to this group, a special needs subcommittee met several times to address specific areas of the plan. With coordination assistance of the nine development districts, eight public meetings were

convened to insure input into the plan by representatives of local governments, special needs advocates, housing providers, economic development organizations, public housing authorities, and local citizens groups, such as faith based organizations.

The plan structure is designed to give some specific data on individual communities or groups which reflect trends in housing or other related data but that does not attempt to list needs by community. This allows communities the flexibility of prioritizing their needs without the state attempting to do so.

A list of groups and individuals that provided input on the states consolidated plan is provided in Appendix 1.

### **Institutional Structure**

The four HUD programs being applied for under this One-Year Action Plan are carried out by entities other than the State. Funds are awarded by the State to these entities, which include local governments and nonprofit organizations, who conduct the actual activities. Of the other federal and non-federal resources discussed in this plan, Section 8 is the only program administered directly by the State. The Low-Income Housing Tax Credit program is awarded to other entities, and the Homeownership program is carried out by local lenders. Coordination with social service agencies occurs primarily at the local level with the exception of the Section 8 program. THDA, who administers Section 8, works very closely with other State agencies including the State Department of Human Services, the State Department of Health, and the Department of Mental Health and Developmental Disabilities. This coordinated effort is expected to continue.

The State will continue to support applications from other entities for HUD program funds for both formula/entitlement programs and competitive programs.

**PART 2. HOUSING AND HOMELESS NEEDS ASSESSMENT  
MARKET CONDITIONS AND PROJECTED NEEDS**

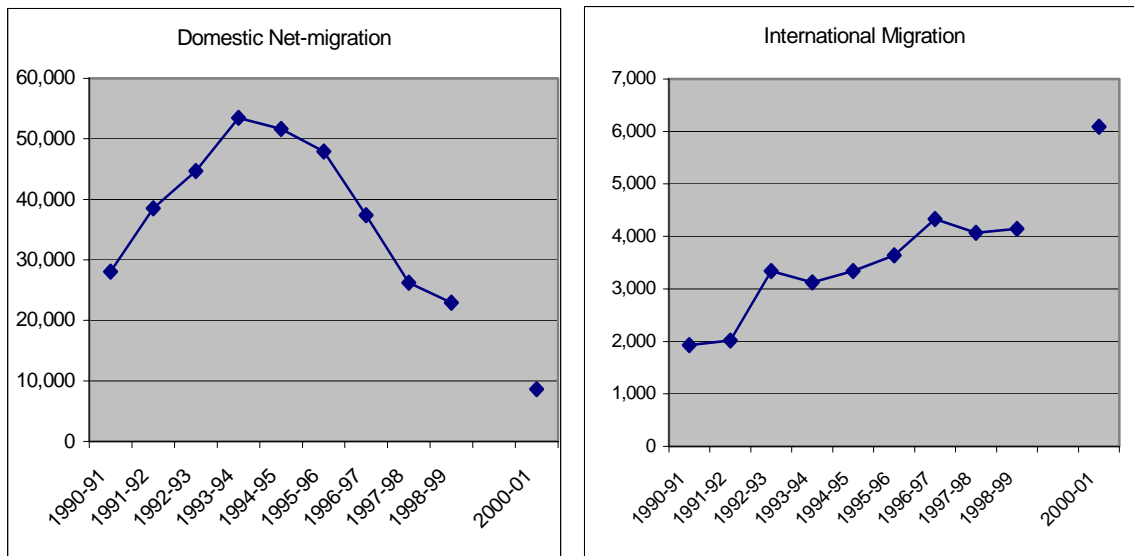
Federal assistance for housing and infrastructure developments has played a pivotal role in the economic growth and community development in localities across our state. Availability of affordable housing and continued development of adequate infrastructures in the state of Tennessee have been a significant attraction for immigrants from other states and abroad. Between the 1990 and 2000 censuses, Tennessee population grew by 812,000. The ensuing decennial growth rate (16.7 percent) is 14<sup>th</sup> when we rank all the 50 states and the District of Columbia. Tennessee population grew at a similar rate during the 1970s followed by a much slower growth rate of 6.2 percent during the 1980s. In 2004, according to Census Bureau estimates for Tennessee, the population rose to 5,897,306 amounting to a modest 3.6 percent growth in the four years following the census, resembling the slower growth pattern during the 1980s.

**Table 1. Tennessee Population Growth, 1960 – 2000**

	1960	1970	1980	1990	2000
Tennessee Population	3,567,089	3,926,018	4,591,120	4,877,185	5,689,283
Decennial Growth		358,929	665,102	286,065	812,098
Decennial Rate of Growth		10.1%	16.9%	6.2%	16.7%

**Migration to Tennessee**

**Chart 1. Trend in Domestic and International Migration in Tennessee during 1990-2001**



Year-by-year estimation of state populations by the Census Bureau also includes estimates of the components of population change. Based on these mid-year estimates, Tennessee population growth can be ascribed partly (37 percent) to natural increase (balance of births and deaths), but largely (63 percent) to net migration.



A comparison of domestic and international migrations in Chart 1 reveals opposing trends. Domestic migration began a steep decline from its peak in 1994 while the influx of people who lived abroad to Tennessee surged throughout the 1990s. While international migration accounted for only 6 percent of the migration to Tennessee in 1990-91, it did so for 36 percent in 2000-2001. The census count of the foreign born living in Tennessee rose from 59,114 in 1990 to 159,004 in 2000.

**Housing Market Trends**

**Table 2. Housing Occupancy: 1990 vs. 2000**

	<b>1990</b>	<b>2000</b>	<b>Unit Chg</b>	<b>% Chg</b>
Population	4,877,185	5,689,283	812,098	16.7%
Housing Units	2,026,067	2,439,443	413,376	20.4%
Occupied Housing	1,853,725	2,232,905	379,180	20.5%
Owner-Occupied Housing Units	1,261,118	1,561,363	300,245	23.8%
Renter-Occupied Housing Units	592,607	671,542	78,935	13.3%

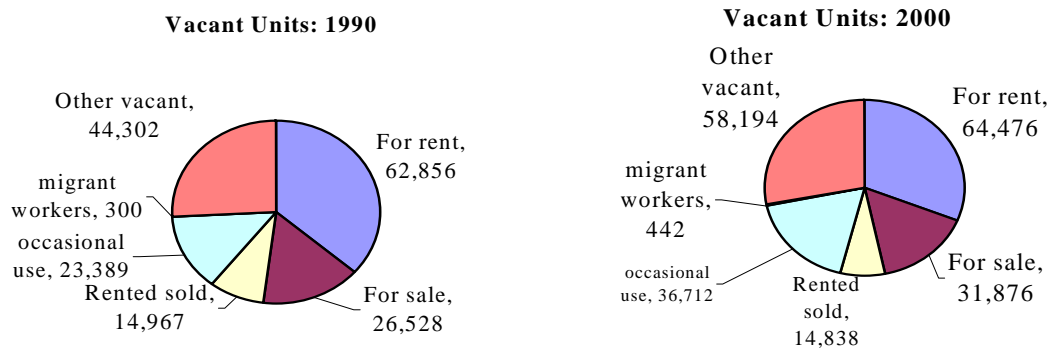
Percent of Housing Units Occupied	91.5%	91.5%
Percent Owner-Occupied among Occupied Units	68.0%	69.9%
Avg. Household Size Per Occupied Unit	2.63	2.55

Housing units increased by 20.4 percent in Tennessee during the 1990s and this increase surpassed the 16-percent population growth during the same period. As a result, average number of dwellers per unit declined from 2.63 in 1990 to 2.55 in 2000. Owner-Occupied housing units increased in number by 23.8 percent, much larger than the 13.3 percent increase in renter-occupied units. As a result, homeownership rate rose from 68 to 69.9 percent during the ten-year span.

**Vacancy Rates**

Occupied units in Tennessee accounted for 92.5 percent of the total in both 1990 and 2000. The Vacant units during the two censuses had the following composition:

**Chart 2. Vacant Units**



Unoccupied units for rent or for sale are the ones readily available for occupancy. Other vacant units may be unavailable for one reason or another: For example, they might have been sold or rented already; or might have been set aside for occasional or seasonal use only. The proportion of housing units that are for rent or sale among all occupied and vacant units, excluding the ones set aside for occasional and seasonal use, provides an overall indicator of housing vacancy in an area. The proportion of units for rent among all rental units in this stock yields the rental vacancy rate. Similarly, the proportion of units for sale among all homeowner units in this stock yields the homeowner vacancy rate.

Overall vacancy rates in Tennessee fell from 4.5 percent in 1990 to 4 percent in 2000. So did the rental and homeownership vacancy rates, from 9.6 to 8.8 percent and from 2.1 to 2 percent respectively. These declining vacancy rates reflect reduced availability of housing, especially in the rental sector. The following tables also reveal that considerable declines in housing availability have taken place in certain MSAs during the ten-year period.

**Growth and Vacancy Rates in Tennessee Metropolitan Areas**  
**Table 3a.**

Area	1990-2000 Growth		Vacancy Rates								
	Population	Housing Units	Homeowner			Renter			All year-around units		
2000			<==	1990	2000	<==	1990	2000	<==	1990	
Chattanooga	7.4%	10.6%	1.8%	<==	1.9%	9.0%	<==	11.7%	4.0%	<==	5.1%
Clarksville	22.2%	30.8%	2.6%	<==	2.5%	7.2%	<==	8.0%	4.3%	<==	4.8%
Jackson	18.3%	20.8%	1.7%	<==	1.8%	8.9%	<==	9.2%	4.0%	<==	4.3%
Tri-Cities	10.1%	18.6%	1.9%	<==	1.6%	10.0%	<==	6.9%	4.0%	<==	3.0%
Knoxville	13.6%	20.1%	2.2%	<==	1.9%	11.0%	<==	9.0%	4.9%	<==	4.1%
Memphis	15.7%	18.0%	1.9%	<==	2.4%	8.1%	<==	9.6%	4.0%	<==	5.2%
Nashville	25.0%	23.9%	1.9%	<==	2.9%	6.8%	<==	11.3%	3.6%	<==	6.0%
Non-MSA	15.7%	21.3%	2.0%	<==	1.5%	10.1%	<==	8.1%	3.9%	<==	3.1%

Metropolitan Areas show considerable variations in population growth and net-gain in housing units during the 1990s. In all areas except Nashville MSA, growth in housing units outpaced their population growth. Non-metro areas and the two MSAs in the northeast show a higher vacancy rate in 2000 compared to 1990. All other MSAs show lower vacancy rates in 2000. Notable is the lowest rental vacancy rate (6.8 percent) in Nashville MSA indicating a significant tightening of its rental housing market.

**Table 3b.**

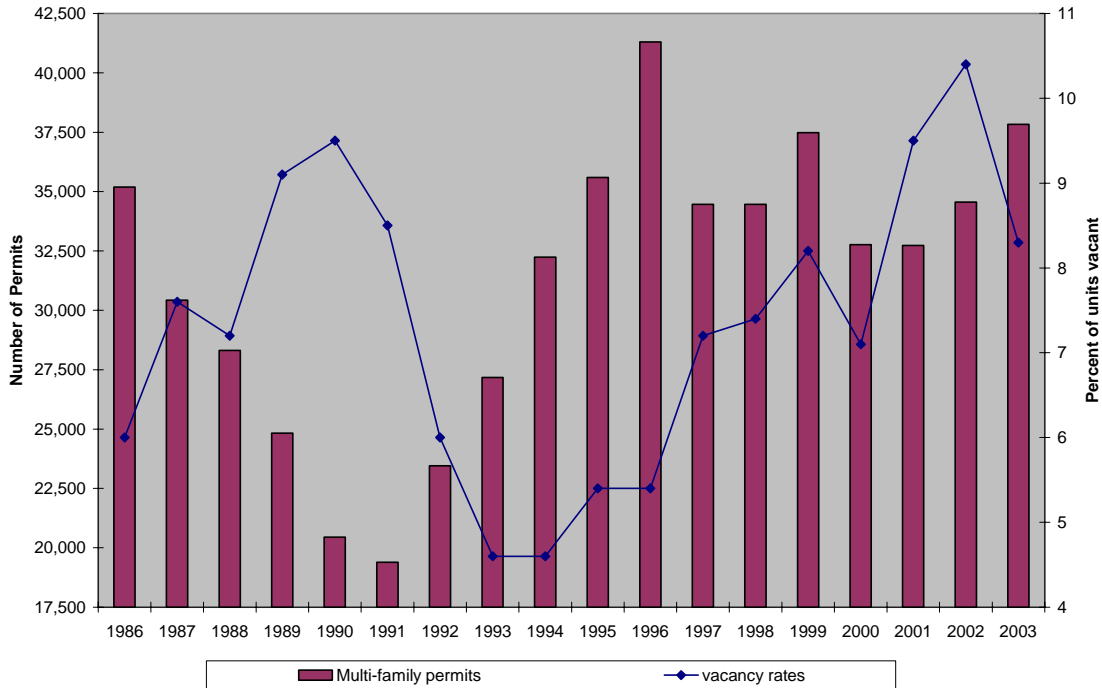
Area	1990-2000 Growth		Vacancy Rates								
	Population	Housing Units	Homeowner			Renter			All year-around units		
2000			<==	1990	2000	<==	1990	2000	<==	1990	
<b>Nashville MSA</b>											
Cheatham Co	32.3%	31.2%	1.2%	<==	2.2%	5.8%	<==	9.7%	1.9%	<==	3.4%
Davidson Co	11.6%	10.4%	2.0%	<==	3.3%	6.5%	<==	11.9%	4.0%	<==	7.3%
Dickson Co	23.1%	24.5%	1.4%	<==	2.3%	7.7%	<==	9.0%	2.9%	<==	3.9%
Robertson Co	31.2%	32.7%	1.4%	<==	1.9%	4.8%	<==	7.7%	2.1%	<==	3.3%
Rutherford Co	53.5%	54.3%	2.1%	<==	2.9%	8.9%	<==	9.7%	4.2%	<==	5.2%
Sumner Co	26.3%	29.8%	1.7%	<==	2.7%	6.9%	<==	10.8%	3.0%	<==	4.8%
Williamson Co	56.3%	57.3%	2.3%	<==	2.7%	5.7%	<==	10.5%	2.9%	<==	4.3%
Wilson Co	31.2%	33.3%	2.0%	<==	2.4%	8.2%	<==	11.0%	3.1%	<==	4.1%
<b>Memphis MSA</b>											
Fayette Co	12.7%	23.0%	1.9%	<==	1.2%	5.5%	<==	4.6%	2.5%	<==	2.0%
Shelby Co	8.6%	10.7%	1.9%	<==	2.5%	8.3%	<==	9.9%	4.2%	<==	5.5%
Tipton Co	36.5%	35.5%	2.0%	<==	2.1%	5.4%	<==	7.3%	2.8%	<==	3.5%

The tightening of the housing market is pervasive in the Nashville area as shown by the significant drop in vacancy rates in all eight counties in this MSA. Overall vacancy rates are below 3 percent in four of them and, in Cheatham County, the rate dropped below two percent.

### Rental Market Trends

Net-migration of people from other states and other countries to Tennessee is the major component of the population growth. The Nineties began with an economic recession that might have stimulated an inflow of job-seekers to Tennessee. It reached a peak in 1994 and since then continued to dwindle. At their arrival, new movers are more likely to rent than own their home. A significant tightening of the rental market occurred during this period when vacancy rates dropped considerably. The surge in multi-family housing permits during this period marks the market response to this heightened demand for rental housing. These permits reached a peak in 1996 and since then remained around 35,000 in spite of a sharp increase in vacancy. This sustained development of rental housing in the wake of a declining demand may have helped to regain the affordability lost as the vacancy rates declined and hit a bottom in 1994.

**Chart 3. Trend in Multi-Family Housing Permits and Rental Vacancy Rates in Tennessee**



### Affordability Shifts among Income Groups

In this part of our analysis households are grouped into one of the following four categories based on comparisons of household income to the median income of the area after adjusting for household size:

- Extremely low income – below 30 percent of adjusted area median income
- Very low income – between 30 percent and 50 percent of the adjusted median
- Low income – between 50 percent and 80 percent of the adjusted median
- Moderate or higher income – above 80 percent of the adjusted median

These income groupings enable us make objective assessments of area income trends and the associated housing consequences over time. The following Table 4 presents Housing Problems for All Renter Households.

**Table 4**

Housing Problems for All Renter Households										
Name of Jurisdiction: Tennessee		Source of Data: CHAS Data Book				Data Current as of: 2000				
Household by Type, Income, & Housing Problem	Renters - Single-Family Units					Renters - Multi-family Units				
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
<b>Household Income &lt;=50% MFI</b>	<b>34,780</b>	<b>67,890</b>	<b>15,330</b>	<b>48,895</b>	<b>166,895</b>	<b>25,230</b>	<b>31,615</b>	<b>4,790</b>	<b>43,470</b>	<b>105,105</b>
<b>Household Income &lt;=30% MFI</b>	<b>20,785</b>	<b>37,150</b>	<b>8,045</b>	<b>29,775</b>	<b>95,755</b>	<b>15,980</b>	<b>19,350</b>	<b>2,910</b>	<b>27,010</b>	<b>65,250</b>
% with substandard/overcrowding	2.0	2.1	11.1	2.3	2.9	0.7	3.2	20.1	0.8	2.4
% Cost Burden 30% to 50%	17.3	14.2	21.1	11.4	14.6	21.1	13.7	18.0	10.3	14.3
% Cost Burden >50%	38.0	56.3	52.6	52.0	50.7	27.0	50.9	47.6	58.0	47.8
<b>Household Income &gt;30% to &lt;=50% MFI</b>	<b>13,995</b>	<b>30,740</b>	<b>7,285</b>	<b>19,120</b>	<b>71,140</b>	<b>9,250</b>	<b>12,265</b>	<b>1,880</b>	<b>16,460</b>	<b>39,855</b>
% with substandard/overcrowding	1.2	3.1	26.9	1.8	4.8	1.3	4.2	35.6	1.3	3.8
% Cost Burden 30% to 50%	31.1	46.8	39.1	45.2	42.5	25.7	51.5	37.8	54.6	46.1
% Cost Burden >50%	14.0	14.1	9.2	21.7	15.6	24.2	10.8	4.3	24.5	19.3
<b>Household Income &gt;50 to &lt;=80% MFI</b>	<b>10,374</b>	<b>45,265</b>	<b>10,645</b>	<b>28,464</b>	<b>94,748</b>	<b>6,155</b>	<b>17,060</b>	<b>2,290</b>	<b>25,075</b>	<b>50,580</b>
% with substandard/overcrowding	0.7	3.8	33.9	2.2	6.4	0.9	7.9	55.9	1.4	6.0
% Cost Burden 30% to 50%	21.1	19.8	13.7	25.6	21.0	24.9	23.7	9.6	33.8	28.2
% Cost Burden >50%	2.8	1.6	1.0	2.3	1.9	20.4	0.9	0.4	1.9	3.7
<b>Household Income &gt;80% MFI</b>	<b>10,840</b>	<b>90,410</b>	<b>14,915</b>	<b>50,075</b>	<b>166,240</b>	<b>7,465</b>	<b>31,259</b>	<b>2,715</b>	<b>46,104</b>	<b>87,543</b>
% with substandard/overcrowding	1.2	3.0	30.4	2.0	5.0	2.4	6.0	62.4	2.0	5.3
% Cost Burden 30% to 50%	2.9	1.7	1.2	3.1	2.1	13.1	1.1	0.0	3.1	3.2
% Cost Burden >50%	0.8	0.1	0.2	0.2	0.2	8.2	0.0	0.0	0.1	0.7
<b>Total Households</b>	<b>55,994</b>	<b>203,565</b>	<b>40,890</b>	<b>127,434</b>	<b>427,883</b>	<b>38,850</b>	<b>79,934</b>	<b>9,795</b>	<b>114,649</b>	<b>243,228</b>
% with substandard/overcrowding	1.4	3.1	26.9	2.1	4.8	1.2	5.5	43.2	1.5	4.4
% Cost Burden 30% to 50%	18.7	14.8	15.1	16.4	15.8	21.2	16.7	14.9	18.9	18.4
% Cost Burden >50	18.3	12.8	12.3	16.0	14.4	21.7	14.2	15.1	17.6	17.0

**Table 5**

<b>Very Low-income Occupancy, Age, and Adequacy of Affordable Housing Stock</b>												
<b>Name of Jurisdiction: Tennessee</b>			<b>Source of Data: CHAS Data Book</b>				<b>Data Current as of: 2000</b>					
<b>Renters Units by # of bedrooms</b>	<b>Rent &lt;= 30%</b>			<b>Rent &gt;30 to &lt;=50%</b>			<b>Rent &gt;50 to &lt;=80%</b>			<b>Rent &gt;80%</b>		
	0-1	2	3+	0-1	2	3+	0-1	2	3+	0-1	2	3+
<b># occupied units</b>	46,010	56,500	49,890	51,295	105,900	52,955	72,295	129,840	62,945	15,975	14,270	13,555
<b>%occupants &lt;=30%</b>	65.1	44.0	33.0	54.5	42.9	35.9	59.8	48.7	44.5			
<b>%built before 1970</b>	45.3	54.4	58.1	50.4	46.8	51.9	26.8	30.1	40.5			
<b>%some problem</b>	29.2	22.0	16.2	46.0	39.3	34.7	46.7	37.9	37.6			
<b>#vacant for rent</b>	3,740	9,715	5,345	7,555	17,220	5,710	4,650	7,815	2,415	1,155	710	490
<b>Owned or for-sale units by # of bedrooms</b>				<b>Value &lt;= 50%</b>			<b>Value &gt;50 to &lt;=80%</b>			<b>Value &gt;80%</b>		
				0-1	2	3+	0-1	2	3+	0-1	2	3+
<b># occupied units</b>				16,600	151,915	291,800	7,985	98,875	402,475	10,100	69,245	512,470
<b>%occupants &lt;=30%</b>				45.6	38.0	25.5	51.8	42.8	26.2			
<b>%built before 1970</b>				45.6	53.2	47.9	47.8	56.0	38.0			
<b>%some problem</b>				43.0	28.9	25.5	40.8	23.3	18.4			
<b>#vacant for rent</b>				7,555	17,220	5,710	245	2,995	7,165	435	2,020	9,550

**Units with a current gross rent (rent and utilities) that are affordable to households with incomes:**

- Rent 0-30%** at or below 30% of HUD Area Median Family Income. Affordable is defined as gross rent less than or equal to 30% of a household's gross income.
- Rent 30-50%** greater than 30% and less than or equal to 50% of HUD Area Median Family Income.
- Rent 50-80%** greater than 50% and less than or equal to 80% of HUD Area Median Family Income.
- Rent > 80%** above 80% of HUD Area Median Family Income.

**Homes with values affordable\* to households with incomes:**

- Value 0-50%** at or below 50% of HUD Area Median Family Income
- Value 50-80%** greater than 50% and less than or equal to 80% of HUD Area Median Family Income.
- Value > 80%** above 80% of HUD Area Median Family Income.

\* Affordable is defined as annual owner costs less than or equal to 30% of annual gross income. Annual owner costs are estimated assuming the cost of purchasing a home at the time of the Census based on the reported value of the home. Assuming a 7.9% int

Affordability shifts may occur over time either on the demand side due to changes in the income distribution of area households or in the supply side due to changes in the number and assortment of rental units affordable to lower income groups. A net increase occurred primarily in the category of units affordable to households with very low income, especially in the 30 to 50 percent range of the area median income. The number of households in this income category also rose at a rate of 2 percent per annum while units affordable to them rose twice as fast.

<b>Table 6a. Renter-occupied Units Affordable to the Income Groups - 1990 &amp; 2000</b>				
<b>Income Group</b>	<b>1990</b>	<b>2000</b>	<b>Increase in Number</b>	<b>Percent Increase</b>
< 30% of HAMFI	134,152	152,465	18,313	13.7%
30-50% of HAMFI	154,937	210,243	55,306	35.7%
50-80% of HAMFI	260,491	265,184	4,693	1.8%
> 80% of HAMFI	43,097	43,854	757	1.8%

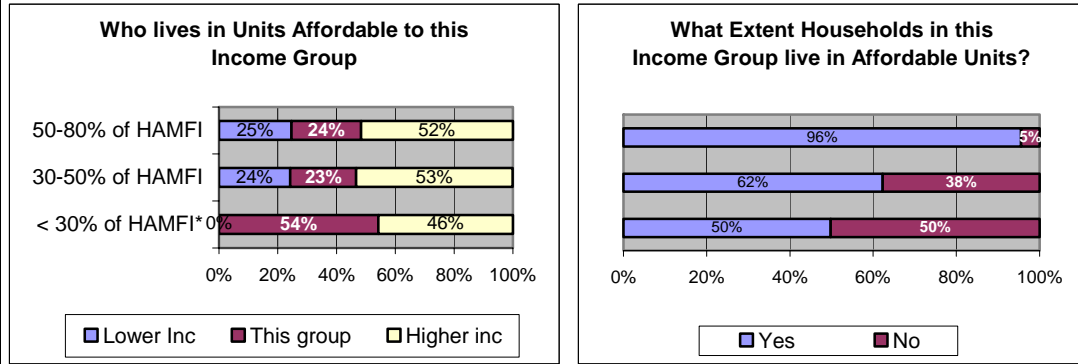
  

<b>Table 6b. Number of Renter Households in the Income Groups - 1990 &amp; 2000</b>				
<b>Income Group</b>	<b>1990</b>	<b>2000</b>	<b>Increase in Number</b>	<b>Percent Increase</b>
< 30% of HAMFI	146,023	161,154	15,131	10.4%
30-50% of HAMFI	92,942	111,053	18,111	19.5%
50-80% of HAMFI	122,746	145,520	22,774	18.6%
> 80% of HAMFI	230,966	254,019	23,053	10.0%
<b>Total</b>	<b>592,677</b>	<b>671,746</b>	<b>79,069</b>	<b>13.3%</b>

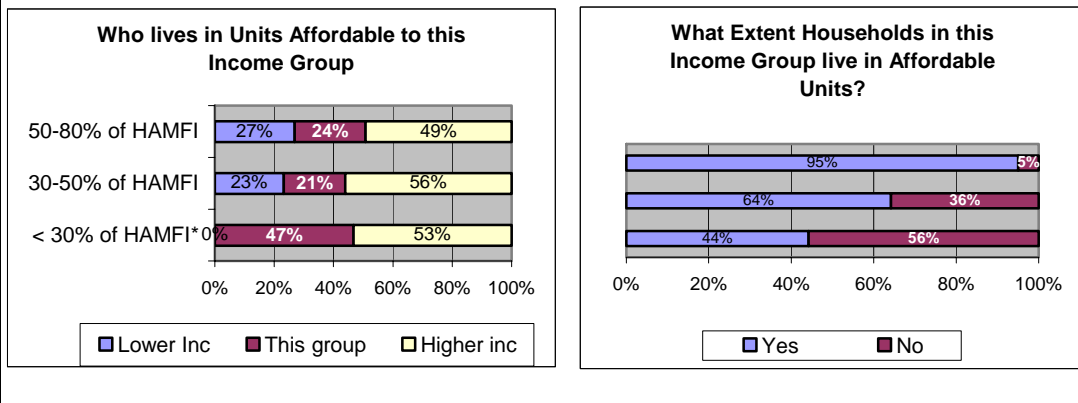
Given that affordable rental housing grew much faster than renter households with very low income, was there a substantial reduction in their rent burden? The answer to this question depends on the extent to which very low income households get to rent these affordable units while these units are also sought vigorously by households with higher income.

Occupancy patterns of rental units in 1990 and 2000 are provided in Chart 4 and Chart 5, respectively. Almost 46 percent of the units affordable to the lowest income group, (less than 30% of median), were occupied in 1990 by higher income groups. This proportion rose to 53 percent in 2000. A similar loss of their share of affordable units to higher income households was also experienced by the very low income group (30 to 50% of median), who were unable to reap the benefits of substantial growth in units affordable to them during the Nineties. The proportion who live in units not affordable to their income group also rose from 50 to 56 percent among the lowest income group. In this regard, the very low income group (30 to 50 percent of median) experienced a small improvement, a drop of 2 percent in the proportion of this group living in units not affordable to them.

**Chart 4. Occupancy of Affordable Rental Units in Tennessee - 1990 Census**



**Chart 5. Occupancy of Affordable Rental Units in Tennessee - 2000 Census**



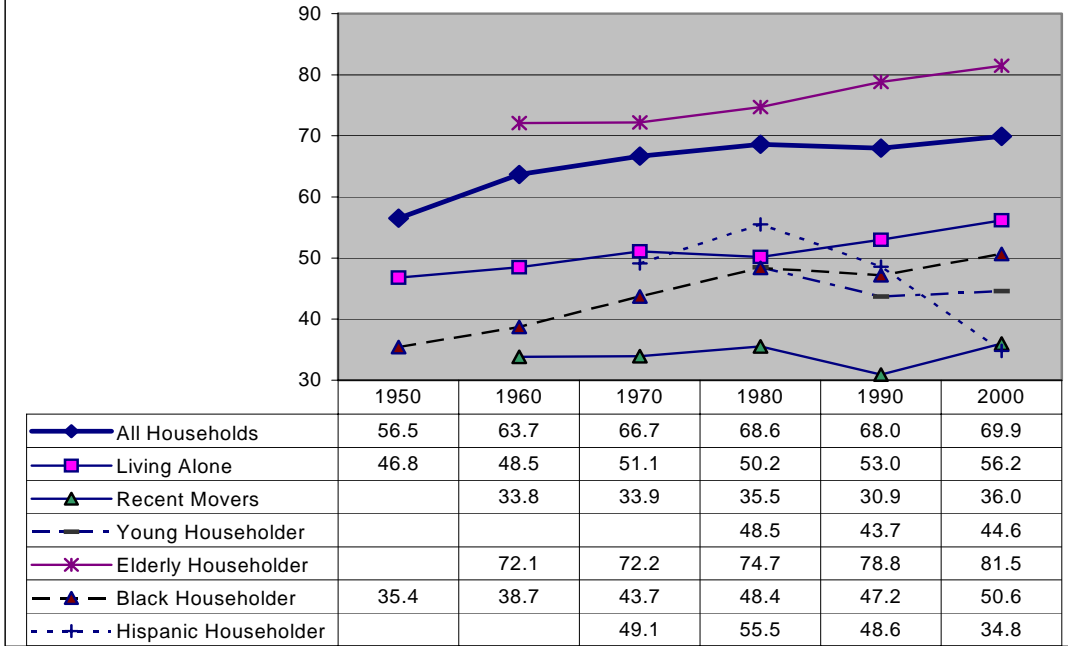
Our analysis clearly shows that Tennessee rental housing stock grew substantially during the Nineties (14.5 percent) and this growth occurred mostly in the affordable sector of the rental market. Households in the very low income categories failed to realize any gains from these positive developments during the Nineties as they lost much of the gains in affordable rental stock to groups with relatively higher income in spite of the provisions, in the subsidized housing development programs, to ensure the availability of these affordable units for low income occupancy.

### Homeownership Trends

Homeownership rates in Tennessee surged rapidly from 56 percent to 64 percent during the 1950s fueled partly by the post-war housing programs for returning veterans. Modest gains in homeownership since then have helped the rate to creep gradually to a 70 percent level by the year 2000. African American households also experienced gains in their homeownership rates during this period, although they retained a historical gap well below the rates for all households in Tennessee. Hispanics, whose numbers in Tennessee have been increasing very rapidly in recent years, have experienced a steep decline in their homeownership rates since 1980. Unaccompanied by family members, many of the recent Hispanic movers might have opted to rent.



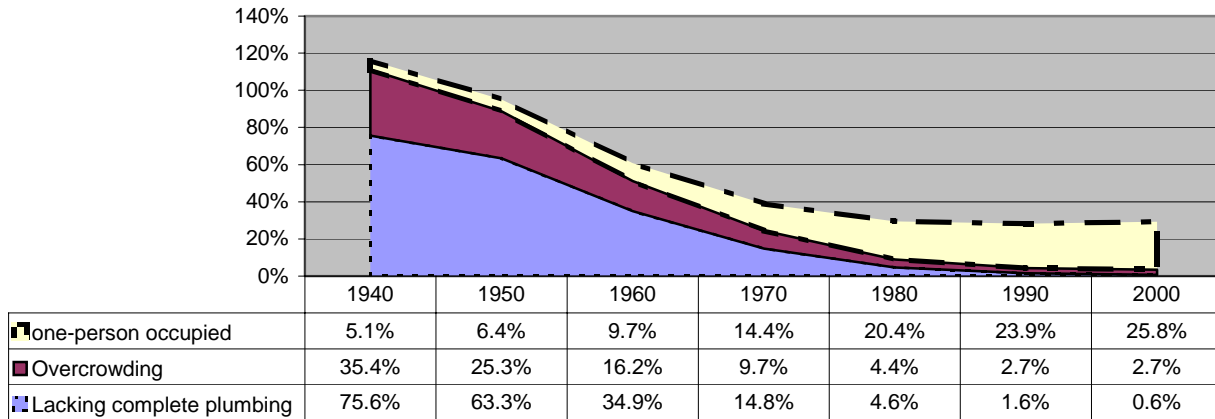
**CHART 6. Homeownership Trends for Selected Categories of Households**



Other noticeable homeownership trends in Chart 6 include the following:

- Younger households (householder below age 35) do have homeownership rates in the upper forties, but well below their older counterparts. The transition of young persons to householders and homeowners parallels their evolution in the career world. Insecurity and relocations that are characteristics of one's early career call for the rental housing option.
- It is also noteworthy that the elderly homeownership rate has been rising in Tennessee since 1970 and is at its peak in 2000.
- Recent movers (households who moved into the units during the 15 months prior to the Census) are least likely to own a home. As they get settled, they also gradually seek homeownership. Over 80 percent of all householders eventually become homeowners.
- Householders who live alone often opt to rent. However, their homeownership rates have been steadily rising to a level of 56 percent in the year 2000.

**CHART 7. Other Housing-related Trends in Tennessee 1940-2000**



One-person households, quite rare in 1940, grew steadily over the ensuing decades so that by the turn of the century they accounted for a quarter of all Tennessee households. This housing trend parallels shifts in family formation including delayed marriages and rising divorce rates. Increases in the number of elderly women who outlive their husbands also might contribute to this trend.

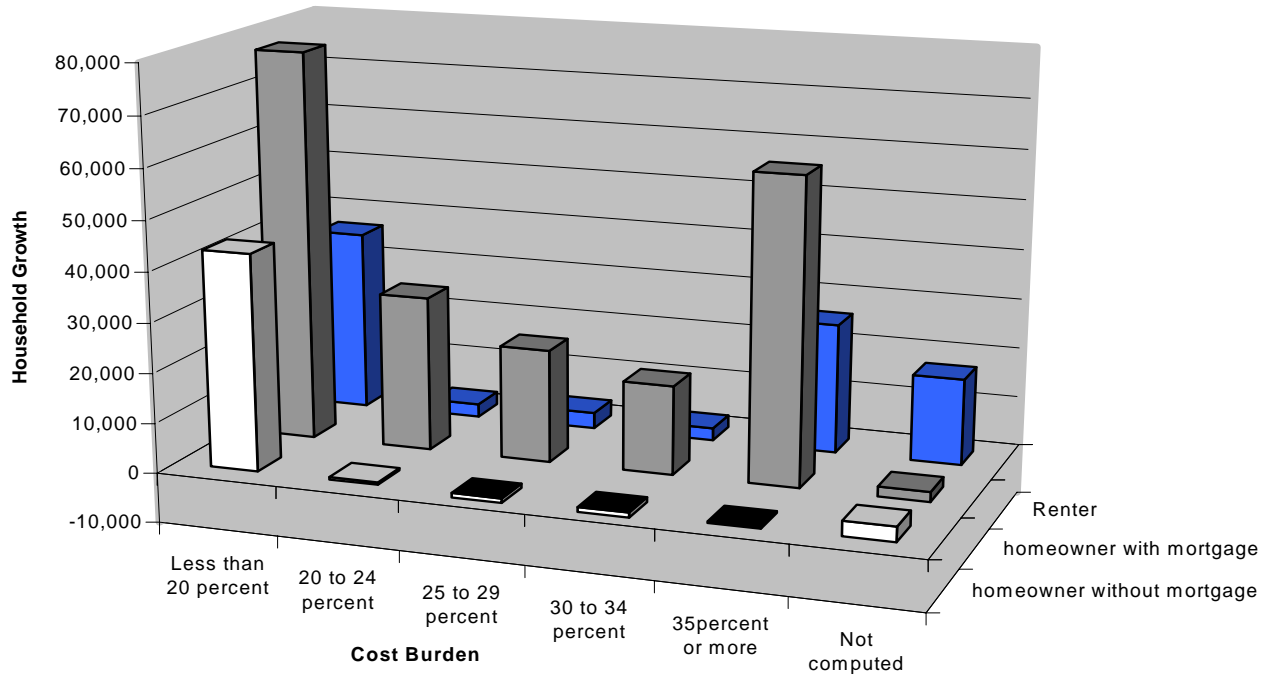
The Tennessee housing market has undergone considerable improvement in housing adequacy. Overcrowding, which plagued over 35 percent of the households in 1940, has declined to its lowest level affecting less than 3 percent of the households in 2000. In 1940, three quarters of the households had inadequate plumbing, while in 2000 less than one percent did so.

### **Housing Affordability during the 1990s**

Substantial efforts to promote homeownership across the nation have been underway since the early 1990s and these efforts have helped many states including Tennessee to reach historically high homeownership rates. Households who had to spend over half of their income for housing-related expenses are severely cost burdened. Households who fall in this category in 2000 include over 105,000 renters (16 percent of all renter households) and over 71,000 homeowners with mortgage payments (9 percent of all such homeowners).

The proportion of households whose housing costs exceeded 30 percent of their income is often used to measure the affordability deficit in a housing market. The changes in this indicator of affordability deficit are shown in Chart 8. Between 1990 and 2000, this proportion rose among owner households with mortgages in all metropolitan areas except the Jackson MSA. This decline in homeownership affordability was more pronounced in the eastern parts of the state. As a whole, the non-metropolitan areas of the state also experienced a similar decline in homeownership affordability.

**CHART 8. 1990-2000 Increase in Households by Tenure & Housing Cost Burden**

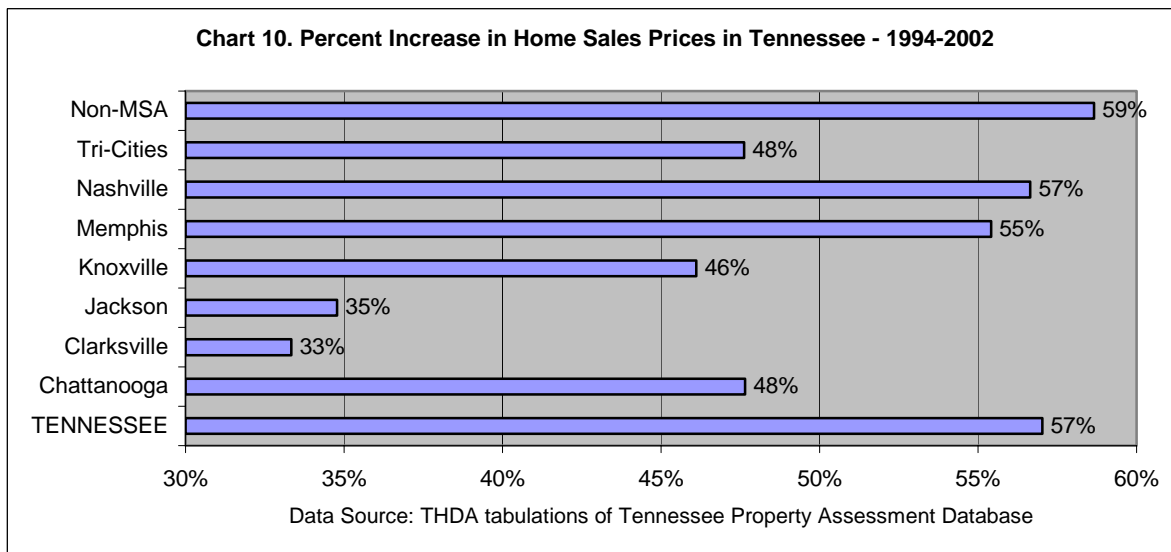
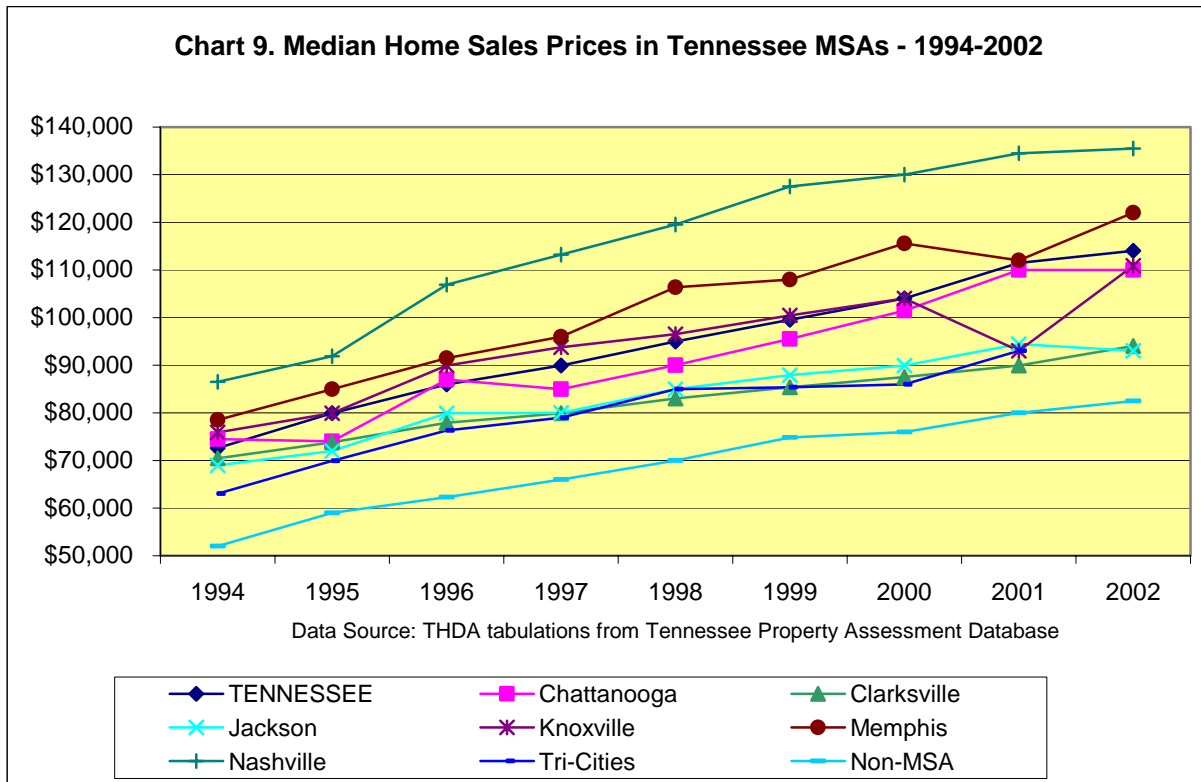


	Less than 20 percent	20 to 24 percent	25 to 29 percent	30 to 34 percent	35percent or more	Not computed
homeowner without mortgage	43,347	483	-904	-988	-297	2,957
homeowner with mortgage	78,102	30,935	22,589	17,793	60,703	1,969
Renter	36,548	2,623	3,211	2,491	26,047	17,343

**Table 7**

Housing Problems for All Owner Households										
Name of Jurisdiction: Tennessee		Source of Data: CHAS Data Book				Data Current as of: 2000				
Household by Type, Income, & Housing Problem	Owners with Mortgage					Owners without Mortgage				
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners with mortgage	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners without mortgage
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
<b>Household Income &lt;=50% MFI</b>	<b>28,455</b>	<b>47,705</b>	<b>11,175</b>	<b>20,869</b>	<b>108,204</b>	<b>99,220</b>	<b>24,905</b>	<b>3,334</b>	<b>20,250</b>	<b>147,709</b>
<b>Household Income &lt;=30% MFI</b>	<b>13,235</b>	<b>20,000</b>	<b>4,330</b>	<b>11,105</b>	<b>48,670</b>	<b>46,295</b>	<b>11,950</b>	<b>1,545</b>	<b>12,625</b>	<b>72,415</b>
% with substandard/overcrowding	0.3	0.8	4.6	0.7	1.0	1.5	2.6	23.6	3.8	2.6
% Cost Burden 30% to 50%	9.0	6.5	11.8	4.3	7.2	30.9	23.6	23.0	22.0	27.9
% Cost Burden >50%	78.2	77.1	76.7	72.9	76.4	25.3	27.5	20.7	32.1	26.8
<b>Household Income &gt;30% to &lt;=50% MFI</b>	<b>15,220</b>	<b>27,705</b>	<b>6,845</b>	<b>9,764</b>	<b>59,534</b>	<b>52,925</b>	<b>12,955</b>	<b>1,789</b>	<b>7,625</b>	<b>75,294</b>
% with substandard/overcrowding	0.2	0.5	11.0	0.0	1.5	1.0	2.5	31.9	2.2	2.1
% Cost Burden 30% to 50%	32.9	38.4	45.9	29.1	36.3	12.5	7.8	4.4	12.4	11.5
% Cost Burden >50%	55.8	48.7	29.8	63.2	50.7	2.5	1.9	1.1	3.0	2.4
<b>Household Income &gt;50 to &lt;=80% MFI</b>	<b>20,019</b>	<b>72,920</b>	<b>17,445</b>	<b>23,660</b>	<b>134,044</b>	<b>64,210</b>	<b>26,434</b>	<b>3,488</b>	<b>11,550</b>	<b>105,682</b>
% with substandard/overcrowding	0.2	1.3	14.3	0.4	2.6	0.6	1.9	23.5	2.3	1.9
% Cost Burden 30% to 50%	41.0	41.2	35.4	47.4	41.5	2.1	1.1	1.4	2.3	1.9
% Cost Burden >50%	22.7	14.5	7.7	20.5	15.9	0.6	0.5	0.2	0.7	0.5
<b>Household Income &gt;80% MFI</b>	<b>57,068</b>	<b>522,185</b>	<b>77,575</b>	<b>94,959</b>	<b>751,787</b>	<b>137,839</b>	<b>137,710</b>	<b>12,115</b>	<b>26,375</b>	<b>314,039</b>
% with substandard/overcrowding	0.3	0.7	9.0	0.6	1.5	0.4	0.9	14.0	1.3	1.2
% Cost Burden 30% to 50%	15.2	8.7	7.6	17.2	10.2	0.3	0.1	0.3	0.3	0.2
% Cost Burden >50%	3.3	1.3	0.9	2.4	1.5	0.1	0.0	0.0	0.1	0.1
<b>Total Households</b>	<b>105,542</b>	<b>642,810</b>	<b>106,195</b>	<b>139,488</b>	<b>994,035</b>	<b>301,269</b>	<b>189,049</b>	<b>18,937</b>	<b>58,175</b>	<b>567,430</b>
% with substandard/overcrowding	0.3	0.8	9.8	0.5	1.6	0.7	1.3	18.2	2.2	1.6
% Cost Burden 30% to 50%	21.9	13.6	14.8	22.1	15.8	7.5	2.3	2.7	7.0	5.6
% Cost Burden >50	23.9	7.2	7.0	15.4	10.1	4.5	2.0	1.8	7.6	3.9

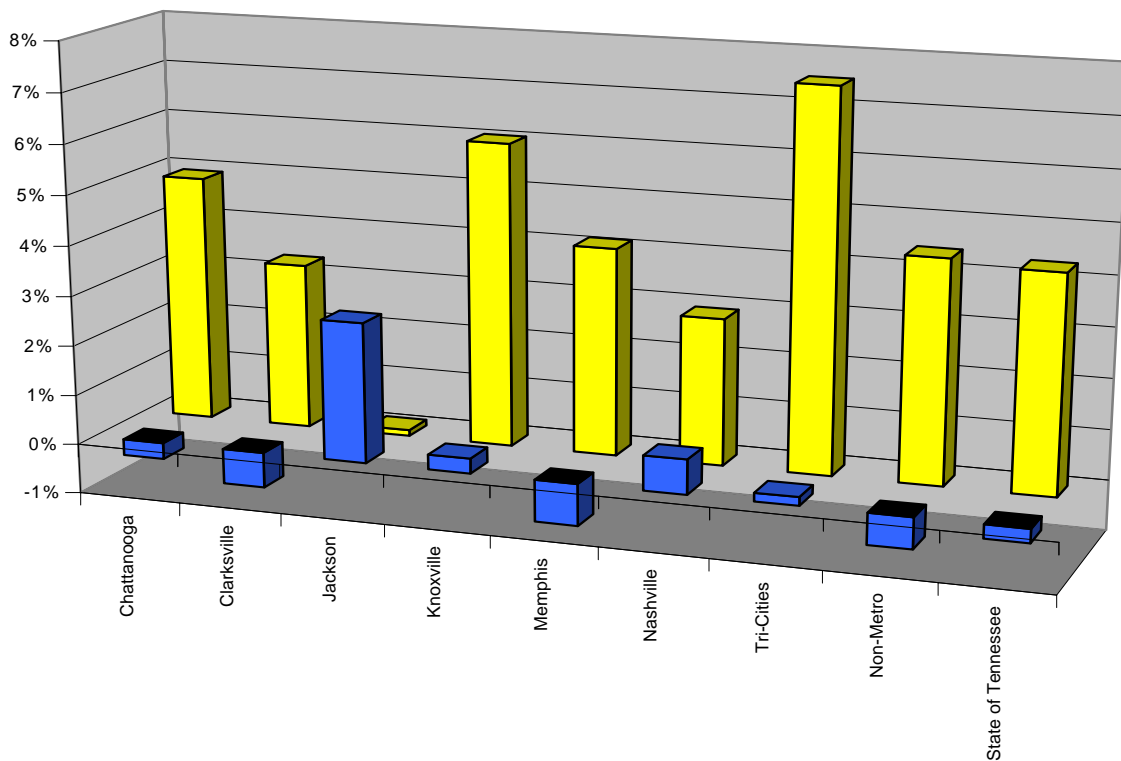
## Trends in Home Sales Prices



Homes in Nashville and Memphis MSAs were sold at comparatively higher prices during the period 1994-2002 (see Chart 9). These two areas also experienced higher price appreciation compared to other metropolitan areas in Tennessee during this period (see Chart 10). Home prices in non-metro counties, as a whole, did rise steeply, but still average below the metropolitan areas.

Owner cost calculations from the census data includes periodic repayments of all loans made on the basis of the owned primary residence, including first and second mortgages and home equity loans. Among all homeowners with a mortgage in 1990, 17.4 percent also had to make a second mortgage payment or a home equity loan payment that increased their housing cost. The fact that this proportion rose to 19.5 percent in 2000 may have some bearing on the perceived decline in homeownership affordability during this decade. Since home equity loans often facilitate a variety of consumer needs outside the realm of housing, the inclusion of these payments tends to inflate the real housing burden.

**CHART 11. Increase in Housing Cost Burden by MSA - 1990-2000**



	Chattanooga	Clarksville	Jackson	Knoxville	Memphis	Nashville	Tri-Cities	Non-Metro	State of Tennessee
<b>Rent Burden</b>	-0.3%	-0.7%	2.8%	0.3%	-0.8%	0.7%	0.2%	-0.6%	-0.3%
<b>Owner cost burden</b>	4.9%	3.3%	0.1%	6.0%	4.1%	2.9%	7.5%	4.4%	4.3%

Rental affordability either improved or remained more or less unchanged during the 1990's in all areas except the Jackson MSA, where rent-burden levels rose by a moderate 2.8 percentage points. Gross rent includes contract rent and other utility costs (energy/fuel cost for cooking, heating etc.) whether they are subsidized or not. Census measures of income do not include rental assistance payments. For these reasons, the rent burden provided by the census is indicative of the overall need for public rental assistance.

Migration into and out of a state and the accompanying demographic shifts significantly impacts the housing markets in a state. Favorable housing market conditions attract businesses and households to an

area. When a market responds insufficiently to emerging housing demands, the resultant housing shortage and housing price inflation may dampen the area growth. Adding complexity to this simple housing market scenario is the compelling social need to ensure affordable housing for all. Significant improvements in the economic and housing conditions have been underway in Tennessee for many decades. However, the number of cost-burdened low-income families, who need housing assistance, remains high also. Our analysis also indicates some deterioration in homeownership affordability in recent years in Tennessee.

### Old Age, Disability, and Housing Problems in Tennessee

In this section we focus just on age- and disability-related differences in the occurrence of housing problems in Tennessee at the state level. It is to be noted that many of the elderly and the disabled are housed in institutions and in group homes. The 2000 census count of all the people housed in this manner, irrespective of age and disability, is close to 149,000.

From Chart 12, we observe the extent to which housing problems, moderate and severe, were experienced by renters and owners in low-income categories when 2000 census was taken. Compared to the housing cost burden, other problems are much less pronounced. We have shown earlier that substandard units have declined in number continually since 1950. Overcrowding, a smaller problem when compared to cost burden, occurs primarily among renter households and remains noticeable among large families. Housing problems are intimately tied to the household income level. Almost eighty percent of the lowest income households, those with income below 30 percent of the local area median income, are subject to housing problems, most of them being burdened severely by their housing cost. Given this backdrop, let us examine how much these housing problems are prevalent among the elderly and the disabled in comparison to their counterparts in Tennessee. If we find, as one would anticipate, higher incidence of housing problems among these two groups, it will be pertinent to know whether this is explainable mostly in terms of their lower income levels and tenure choices.

**CHART 12. Housing Problems in 2000 by Tenure and Income Level**

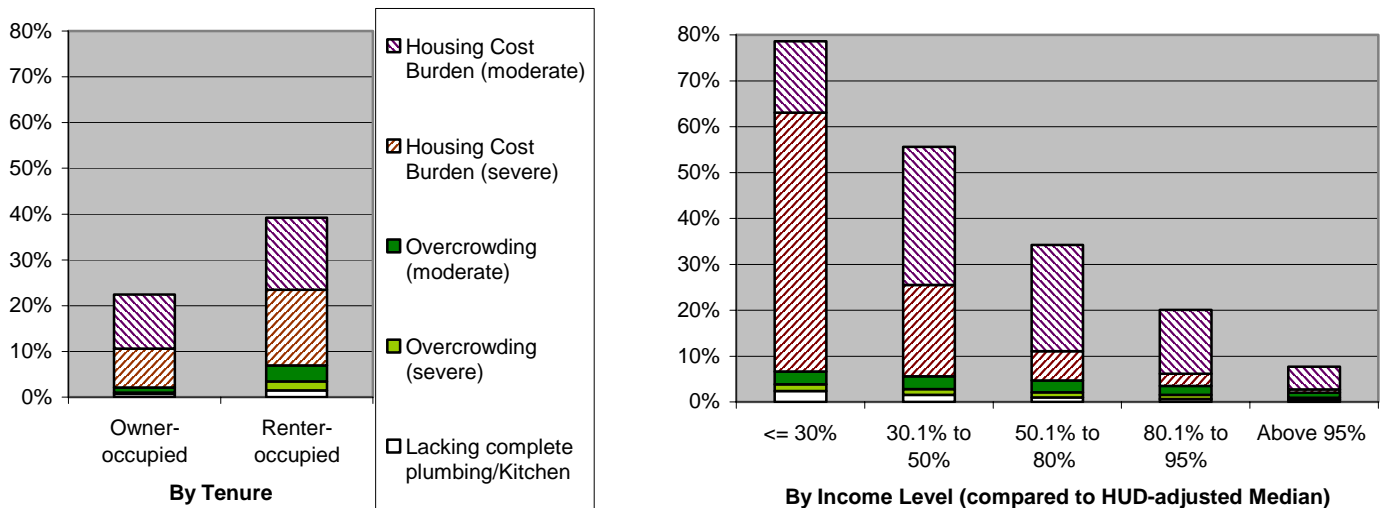
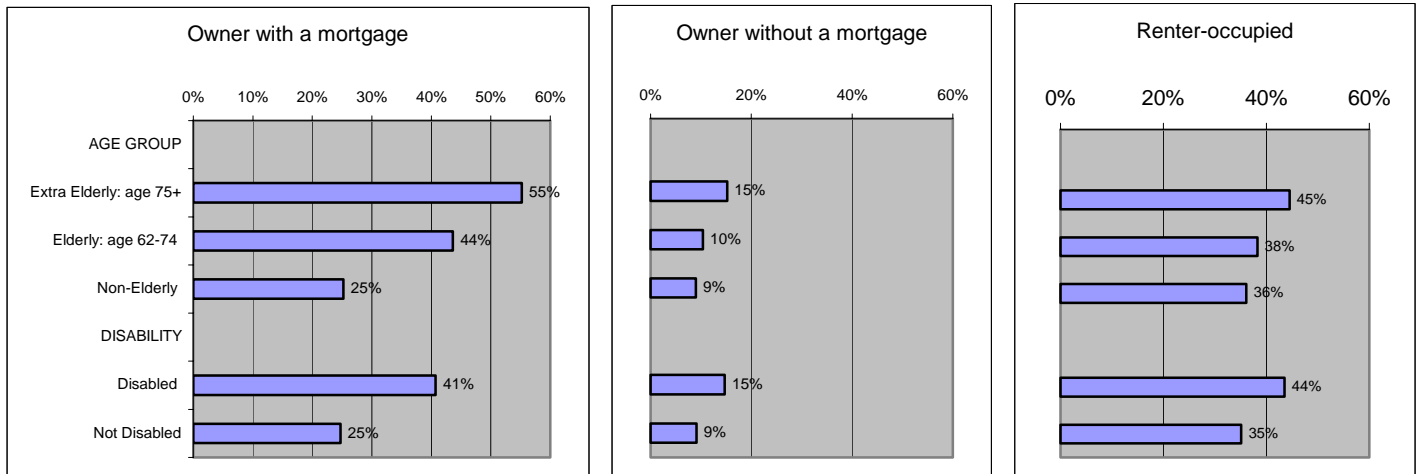


Chart 13 shows the proportions experiencing any of the housing problems among disabled, elderly, and other households. It is evident from this chart that both the disabled and the elderly are prone to higher incidence of housing problems. The group who crossed the age 75 is the most vulnerable to these

problems. Homeowners who have paid their mortgage off completely also have the minimum exposure to housing problems. However, the elderly and the disabled in this group, compared to other homeowners in this group, are more prone to housing problems.

**CHART 13 - Percent of Households with any of the Housing Problems**





**Table 8. Elderly Household by Type, Income & Housing Problems**

Name of Jurisdiction: Tennessee		Data as of 2000 ELDERLY HOUSEHOLDS		
Household by Type, Income, & Housing Problem	Renters	Owners without Mortgage	Owners with Mortgage	All Elderly Households
	(E)	(J)	(O)	(P)
<b>Household Income &lt;=50% MFI</b>	<b>60,034</b>	<b>99,207</b>	<b>28,481</b>	<b>187,722</b>
<b>Household Income &lt;=30% MFI</b>	<b>36,754</b>	<b>46,285</b>	<b>13,247</b>	<b>96,286</b>
% with substandard/overcrowding	1.4	1.5	0.3	1.3
% Cost Burden 30% to 50%	18.9	30.8	9	23.3
% Cost Burden >50%	33.2	25.3	78.1	35.6
<b>Household Income &gt;30% to &lt;=50% MFI</b>	<b>23,280</b>	<b>52,922</b>	<b>15,234</b>	<b>91,436</b>
% with substandard/overcrowding	1.2	1.0	0.2	0.9
% Cost Burden 30% to 50%	28.9	12.5	32.9	20.1
% Cost Burden >50%	18.1	2.5	55.8	15.4
<b>Household Income &gt;50 to &lt;=80% MFI</b>	<b>16,539</b>	<b>64,210</b>	<b>20,023</b>	<b>100,772</b>
% with substandard/overcrowding	0.8	0.6	0.2	0.5
% Cost Burden 30% to 50%	22.6	2.1	41	13.2
% Cost Burden >50%	9.3	0.6	22.6	6.4
<b>Household Income &gt;80% MFI</b>	<b>18,305</b>	<b>137,843</b>	<b>57,062</b>	<b>213,210</b>
% with substandard/overcrowding	1.7	0.4	0.3	0.5
% Cost Burden 30% to 50%	7.0	0.3	15.2	4.9
% Cost Burden >50%	3.8	0.1	3.2	1.2
<b>Total Households</b>	<b>94,878</b>	<b>301,260</b>	<b>105,566</b>	<b>501,704</b>
% with substandard/overcrowding	1.3	0.7	0.3	0.7
% Cost Burden 30% to 50%	19.7	7.5	21.9	12.9
% Cost Burden >50%	19.7	4.5	23.9	11.4

**CHART 14. Percent of Low Income Households Among the Elderly and the Disabled by Tenure**

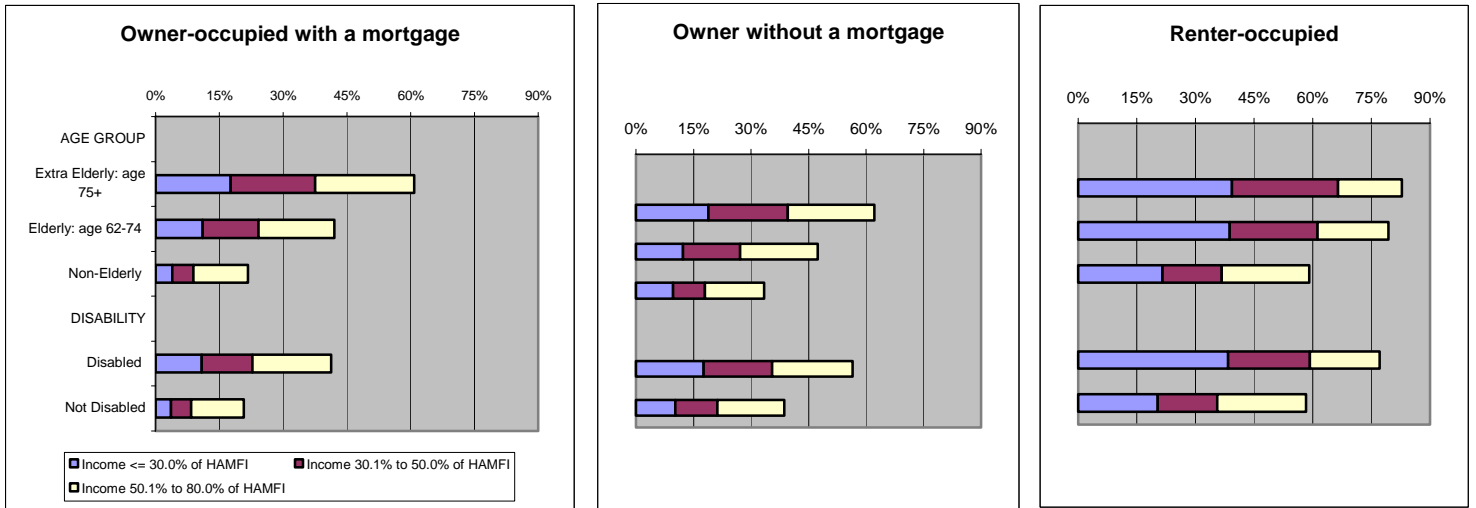
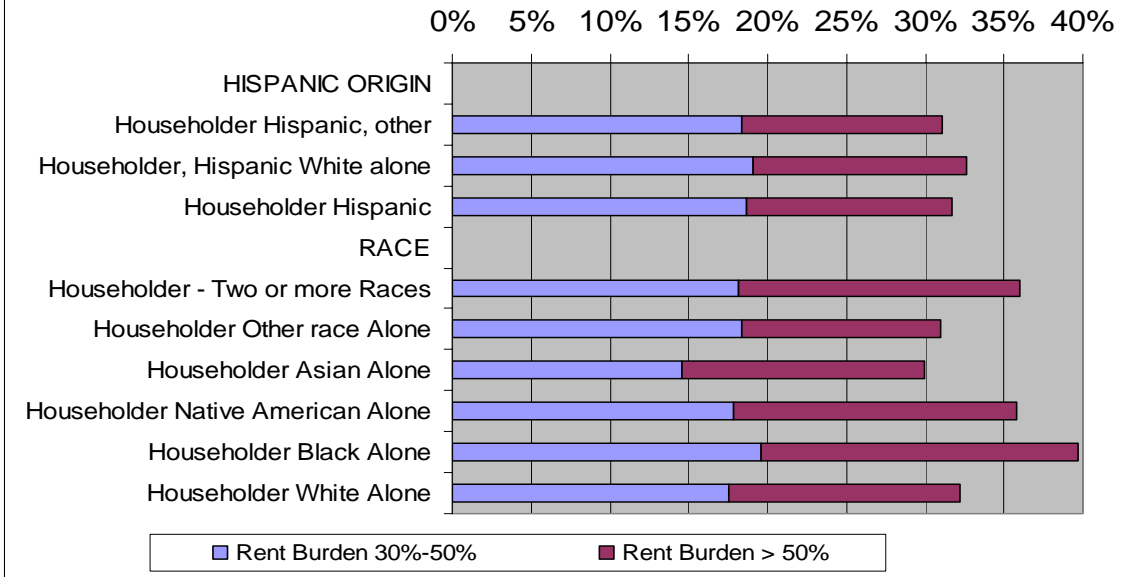


Chart 14 clearly indicates that the income deficits associated with aging and disability are significant in all three tenure categories. The relatively higher incidence of housing problems among the elderly and the disabled is also attributable to this preponderance of low-income households among them. Among them, the very low-income households are served by the Section 202 housing and tenant-based rental subsidies. Homeowners with very low income among them qualify for HOME rehab assistance. However, if they are still paying a mortgage and are burdened by the housing cost, very little exists in the form of housing assistance to alleviate their housing cost burden.

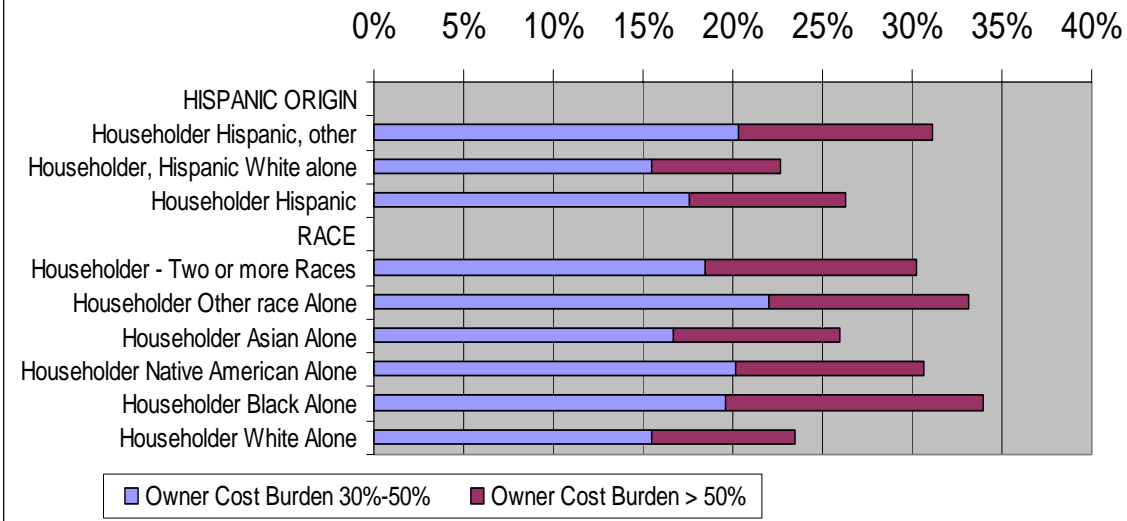
### Minority Housing Needs

The proportion of households with housing cost burden among renters and among owner households with mortgages are shown in Chart 15. Rent burden is proportionately higher among Black, Native American and mixed-race households. In addition to these three racial groups, higher owner cost burden does occur also among Hispanic households with non-white members.

**CHART 15. Housing Cost Burden - Renter Households by Race**



**Cost Burden - Owner Households with Mortgages by Race**



**Table 9. Minority Housing Needs**

MINORITY HOUSING NEEDS Data Source: CHAS 2000			ALL HOUSEHOLDS		BLACK HOUSEHOLDS			HISPANIC HOUSEHOLDS			# of Minority Households in excess problem categories
Household Income	Tenure	Family Type	All Households	% with Housing Problems	All Households	% with Housing Problems	Difference	All Households	% with Housing Problems	Difference	
Income < 30 %	Renter	Elderly	36,765	53.6	9,905	59.9	6.3	200	55.0	1.4	0
		Other Family	67,455	73.3	31,405	73.0	-0.3	2215	84.7	<b>11.4</b>	2,215
		Non-Family	56,785	67.3	15,080	64.1	-3.2	1250	69.2	1.9	0
	Owner	Elderly	59,530	64.3	9,180	69.1	4.8	195	66.7	<b>2.4</b>	0
		Other Family	37,825	75.0	8,685	80.7	5.7	410	89.0	14.0	410
		Non-Family	23730	67.3	3,790	68.5	1.2	95	57.9	-9.4	0
Income 30-50 %	Renter	Elderly	23,245	48.2	3,345	42.6	-5.6	125	56.0	7.8	0
		Other Family	52,170	66.6	17,710	66.9	0.3	2425	82.3	<b>15.7</b>	2,425
		Non-Family	35,580	74.1	8,035	72.8	-1.3	880	69.9	-4.2	0
	Owner	Elderly	68,145	32.2	6,515	47.7	<b>15.5</b>	280	39.3	7.1	6,515
		Other Family	49,294	65.8	9,940	72.7	6.9	695	82.7	<b>16.9</b>	695
		Non-Family	17,389	59.6	2,220	72.5	<b>12.9</b>	90	50.0	-9.6	2,220
Income 50-80 %	Renter	Elderly	16,529	32.7	1,980	19.9	-12.8	50	20.0	-12.7	0
		Other Family	75,260	31.4	20,585	35.0	3.6	3755	53.7	<b>22.3</b>	3,755
		Non-Family	53,539	33.4	11,650	29.2	-4.2	1410	40.1	6.7	0
	Owner	Elderly	84,229	17.7	6,110	30.4	<b>12.7</b>	280	12.5	-5.2	6,110
		Other Family	120,287	44.3	19,955	46.3	2.0	1485	60.9	<b>16.6</b>	1,485
		Non-Family	35,210	47.6	5,390	55.6	8.0	200	47.5	-0.1	0

When minority households are segmented by income, tenure and family type, segments with relatively higher incidence (over 10 percentage points) of housing problems include:

- Non-elderly renter families with income below 50 percent of the Area Median Income,
- Homeowner elderly households over 50 percent of the Area Median Income,
- Homeowner non-elderly family households in the 30-50 percent income bracket.

Black and Hispanic households, as we noticed earlier, have ownership rates well below the overall ownership rates in Tennessee. Higher incidence of single-parent families and very low income households in the Black population continues to impede their progress towards homeownership parity with the rest.

## **Housing Needs Projections: 2005 and 2010**

Housing need projections and priorities are presented on the follow three tables, including Table 10 which is the HUD Table 2A. The unmet needs of Table 10 (HUD Table 2A) are based upon Table 11 Housing Problems for Tennesseans projections. The goals are based on anticipated accomplishments of the plan programs.

Needs projections for the years 2005 and 2010 are developed here based on three basic assumptions.

1. We have used the Tennessee population figures for the years 2005 and 2010 provided by the Tennessee Department of Health based on the cohort component methods of population projection. The annual Tennessee populations projected by the Dept. of Health for 2001-2004 follow closely the Census Bureau estimates for these years. This finding adds validity to the Health Department projections.
2. The average household size in Tennessee, as in other states, has been experiencing a secular declining trend over several years. We assume that this trend has hit a bottom and would remain unchanged at its 2000 level through this decade. Our projections of the number of Tennessee households in 2005 and 2010 are based on this assumption.
3. Finally, what is crucial in assessing housing needs is to know how housing problems in Tennessee are prevalent across segments of households intersecting tenure, household income, and family type categories. For this we use the pattern of dispersion of housing problems in 2000 from the Census CHAS cross-tabulations of housing problems among these categories. Applying these patterns to the projected 2005 and 2010 households, we obtain the numbers with housing problems in various categories of households during those years

Simple interpolations of the corresponding estimates from these two sets of projections may yield estimates for the intervening years between 2005 and 2010.

The rates of population and household growth implicit in our projections for this decade resemble the modest growth in Tennessee during the 1980s. Like other states, Tennessee is recovering slowly from a prolonged recession. At this time we have no compelling reasons to anticipate an economic surge that could lead to substantial growth in Tennessee population during the next five years. Tables 11 and 12 present the housing needs projections.

**Table 10. Priority Needs Summary Table (HUD Table 2A)**

<b>PRIORITY HOUSING NEEDS (households)</b>		<b>Priority Need Level High, Medium, Low</b>		<b>Unmet Needs</b>	<b>Goals</b>
<b>Renter</b>	<b>Small Related</b>	0-30%	H	59,206	2,880
		31-50%	H	45,065	1,562
		51-80%	M	65,310	24
	<b>Large Related</b>	0-30%	H	11,480	355
		31-50%	H	9,604	212
		51-80%	M	13,555	5
	<b>Elderly</b>	0-30%	H	38,526	716
		31-50%	H	24,358	449
		51-80%	M	17,321	45
	<b>All Other</b>	0-30%	H	59,505	11
		31-50%	H	37,284	17
		51-80%	M	56,103	8
	<b>Owner</b>	0-30%	H	126,885	140
		31-50%	H	141,286	780
		51-80%	H	251,208	2,356
<b>Special Needs</b>		0-80%	H	241,301	780
<b>Total Goals</b>					10,340
<b>Total 215 Goals</b>					6,220
<b>Total 215 Renter Goals</b>					2,944
<b>Total 215 Owner Goals</b>					3,276

**Table 11.**

Housing Problems for All Tennessee Households: 2005 Projections											
Name of Jurisdiction:	Source of Data:							Data Projected as of:			
Tennessee	THDA projections using TN Dept. of Health projections of population & CHAS 2000 data							2005			
	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Household Income <=50% MFI	62,884	104,271	21,084	96,789	285,028	133,790	76,088	15,204	43,088	268,170	553,198
Household Income <=30% MFI	38,526	59,206	11,480	59,505	168,717	62,381	33,480	6,156	24,867	126,885	295,601
<i># with any housing problem</i>	20,665	42,063	9,766	40,040	112,534	40,108	24,406	5,313	16,724	86,551	199,085
<i># with Cost Burden &gt;30%</i>	20,104	40,575	8,216	39,113	108,007	39,338	23,918	4,721	16,138	84,115	192,121
<i># with Cost Burden &gt;50%</i>	12,800	32,244	5,889	32,637	83,570	23,122	19,601	3,814	12,727	59,264	142,833
Household Income 30-50% MFI	24,358	45,065	9,604	37,284	116,311	71,409	42,607	9,048	18,222	141,286	257,597
<i># with any housing problem</i>	11,747	29,163	7,272	27,638	75,821	23,012	27,078	6,920	10,860	141,286	217,106
<i># with Cost Burden &gt;30%</i>	11,448	27,628	4,516	27,046	70,639	22,456	26,590	5,537	10,683	141,286	211,924
<i># with Cost Burden &gt;50%</i>	4,401	5,942	786	8,577	19,706	10,301	14,388	2,159	6,712	141,286	160,991
Household Income 50-80% MFI	17,321	65,310	13,555	56,103	152,289	88,263	104,113	21,936	36,896	251,208	403,497
<i># with any housing problem</i>	5,663	17,757	7,000	18,735	49,155	15,602	44,498	11,399	17,573	251,208	300,363
<i># with Cost Burden &gt;30%</i>	5,527	14,519	1,881	17,703	39,629	15,183	42,989	7,930	17,206	251,208	290,837
<i># with Cost Burden &gt;50%</i>	1,623	906	126	1,194	3,849	5,134	11,190	1,413	5,177	251,208	255,057
Household Income >80% MFI	19,182	127,496	18,474	100,786	265,938	204,242	691,501	93,986	127,145	1,116,875	1,382,813
Total Households	99,387	297,078	53,113	253,678	703,255	426,296	871,702	131,125	207,130	1,636,253	2,339,508

**Table 12.**

<p align="center"><b>Housing Problems for All Tennessee Households: 2005 Projections</b></p>											
Name of Jurisdiction:			Source of Data:					Data Projected as of:			
Tennessee			THDA projections using TN Dept. of Health projections of population & CHAS 2000 data					2010			
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Household Income <=50% MFI	65,702	108,943	22,028	101,126	297,799	139,785	79,497	15,885	45,019	280,186	577,985
Household Income <=30% MFI	40,252	61,859	11,994	62,171	176,276	65,176	34,980	6,432	25,981	132,570	308,846
<i># with any housing problem</i>	21,590	43,947	10,204	41,834	117,576	41,905	25,499	5,551	17,474	90,429	208,005
<i># with Cost Burden &gt;30%</i>	21,005	42,393	8,584	40,865	112,846	41,101	24,990	4,932	16,861	87,884	200,730
<i># with Cost Burden &gt;50%</i>	13,374	33,689	6,153	34,099	87,314	24,158	20,479	3,985	13,297	61,919	149,233
Household Income 30-50% MFI	25,450	47,084	10,034	38,955	121,523	74,609	44,517	9,453	19,038	147,616	269,139
<i># with any housing problem</i>	12,273	30,470	7,598	28,877	79,218	24,043	28,291	7,230	11,347	147,616	226,834
<i># with Cost Burden &gt;30%</i>	11,961	28,866	4,719	28,258	73,804	23,463	27,782	5,785	11,162	147,616	221,420
<i># with Cost Burden &gt;50%</i>	4,598	6,208	821	8,961	20,589	10,762	15,032	2,255	7,013	147,616	168,205
Household Income 50-80% MFI	18,097	68,237	14,162	58,617	159,112	92,218	108,778	22,918	38,550	262,464	421,576
<i># with any housing problem</i>	5,917	18,552	7,314	19,575	51,357	16,301	46,492	11,910	18,361	262,464	313,821
<i># with Cost Burden &gt;30%</i>	5,774	15,169	1,965	18,496	41,405	15,863	44,915	8,286	17,977	262,464	303,869
<i># with Cost Burden &gt;50%</i>	1,696	947	131	1,247	4,021	5,364	11,692	1,476	5,409	262,464	266,485
Household Income >80% MFI	20,041	133,209	19,302	105,302	277,854	213,394	722,486	98,197	132,842	1,166,919	1,444,773
Total Households	103,840	310,389	55,492	265,044	734,766	445,397	910,761	137,001	216,411	1,709,569	2,444,335



Additional housing related needs are reflected in the comments received at public meetings and in the results of surveys conducted by state agencies.

In the fall of 2002, THDA along with other funding partners conducted nine regional Housing Summits. Participants in these summits stated to THDA the need for homeowner rehabilitation as addressed by the HOME program. The summary of the summits is included in Appendix 2. In response to participants' comments, THDA changed the HOME allocation to an allocation based on regional needs, and set-aside 10% for special needs projects. THDA placed this allocation plan into effect for a three-year period. In the summer of 2005, the agency will conduct a statewide survey to determine if changes are warranted and if the allocation plan is meeting community needs.

In fall 2004, eight public meetings were held throughout the state in preparation of this plan. These meetings gave local officials and organizations and citizens involved in housing and community development the opportunity to discuss needs in their communities. The comments received at these meetings are reflected throughout the remainder of this plan. The participating organizations are listed in Appendix 2.

### **Barriers to Affordable Housing and Reduction of Barriers**

Barriers to affordable housing exist throughout the state. Economic growth in some areas continues to drive up housing costs so that low and moderate income families and individuals are unable to afford homes or must seek affordable housing one or more counties away from employment centers. The resulting increase in transportation costs also impacts the amount of income a household may put toward housing. According to the Fannie Mae Foundation, in 2001 approximately 39 percent of the average income of households earning less than \$14,000 per year was spent on transportation. (Fannie Mae Foundation: *Housing Facts & Findings*, 2003, Volume 5, Issue 2) Some areas of the state report little or no job opportunities, or job losses, making it difficult for families and individuals to afford even moderately price housing.

Participants at the public meetings described barriers to affordable housing as physical and attitudinal. Topography, poor drainage and soil conditions coupled with absence of potable water supplies and sanitary sewer service may present barriers to the development of affordable housing. Participants expressed concern about NIMBYism (Not In My Backyard) as the major barrier to affordable housing. Communities may resist the development of affordable housing, especially rental housing and housing for persons with special needs and mental illness.

In Tennessee, the enactment of regulations which effect housing, regulations such as zoning and building codes enforcement, derive from state law but take place at the local government level. In small communities and rural areas, these regulations may be minimal, compared to the large metropolitan areas. No clear defining line exists to determine when, for example, a building code, zoning regulation, or impact fee fails as a public policy to protect the individual housing consumer, or to provide a health or safety benefit, or exists without sound compensating public benefit.

In 1998, the Tennessee Growth Policy Act, commonly known as Public Chapter 1101, became law. P.C. 1101 called upon each county and the municipalities within that county to work together to prepare growth plans. While some fear arose that the act may negatively impact affordable housing, it should be noted that one of the goals of P.C. 1101 is to assure affordable housing.

Participants in the public meetings cited regulations which, while having the intent of protecting the occupants of housing, especially young children, may have the unintended consequence of prohibiting renovations or rehabilitation because of the cost associated with meeting these regulations.

Local, state, and federal regulations whether building codes, zoning, planning, or environmental regulations, may all have the original intent of protecting the housing consumer and assuring that development costs are distributed in an equitable manner, yet these regulations may become barriers to affordable housing.

Lack of available state funds for affordable housing production or preservation reduces the number of low-income persons that can be assisted with housing. Also, the number of existing dilapidated structures in the state decreases the amount of safe, affordable housing available to low-income persons. THDA continues to seek state funds for housing as well as dedicating a significant portion of its HOME program funds for housing rehabilitation. The portion of CDBG funds used for housing also goes toward housing rehabilitation.

The state addresses these barriers through the following goals:

Encourage the preservation of existing affordable housing units;

Increase the amount of affordable housing stock;

Rehabilitate existing housing stock to maintain affordable units and to decrease the number of deteriorated units;

Provide infrastructure improvements that encourage and support the development of affordable housing;

Encourage local officials and housing providers to work together to monitor for possible local regulations that may impact negatively the development of affordable housing.

Provide home buyer education throughout the state with the purpose of educating potential homebuyers about their rights in the home buying process.

## **Homeless Needs and Other Special Needs Populations**

### **Homelessness**

All 95 counties in the State of Tennessee receive some type of homeless services. The extent and scope of those services vary greatly depending on the area. The services are possible through the Emergency Shelter Grant, Community Service Block Grant program, and through McKinney Act Funds used in a variety of programs in the state. The vast majority of homeless shelters and services are found in the large cities and metropolitan areas. The scope of services received by homeless populations in the state include: emergency shelters, transitional housing, domestic violence shelters, food pantries, supportive services, crisis hotlines, congregate meal sites, and programs for homeless children.

The need for housing and support services for the homeless and other special needs populations is apparent. The U.S. Conference of Mayor's 2004 Homelessness Survey reports that requests for emergency shelter by homeless families increased by 7 percent. According to the survey, the lack of affordable housing is the leading cause of homelessness. Other causes include mental illness and lack of support services, substance abuse and lack of support services, low-paying jobs, unemployment, domestic violence, and prisoner reentry.

*The Homelessness and Poverty in America Report*, of the National Law Center on Homelessness and Poverty, provides the following data regarding the homeless population: 25-40% work, 37% are families with children, 25% are children, 25-30% are mentally disabled, 30% are veterans, and 40% are drug or alcohol dependent. In addition almost all are in need of healthcare and other types of services.

Rural homelessness may be somewhat different from urban homelessness, according to the National Council on Homelessness. Rural areas have fewer shelters, and people experiencing homelessness are less likely to live on the street or in a shelter. Rather, they are more likely to live in a car or camper or with relatives in overcrowded, substandard conditions. For this reason, they may be more difficult to document.

Housing providers attending the Consolidated Plan public meetings reported similar instances of homelessness in Tennessee in both urban and rural areas. Occupancy rates in homeless shelters remain high, especially during the winter months. Providers continue to see women with mental illnesses seeking shelter care, women with children who have special developmental needs, and working poor families unable to afford food and shelter. Providers also noted the need for emergency and transitional housing for ex-offenders, and for youth aging out of foster care, a population not recognized in the past as at risk for homelessness, or in need of support services. The participants also noted that in small towns and rural areas of the state, fewer shelters and services exist; therefore, transportation to services is an added difficulty to those providing services in rural areas. While homelessness has been thought of as an urban problem, not a rural one, service providers attending the public meetings did report a change in this perception on the part of local officials.

Agencies receiving assistance through the Emergency Shelter Grant program continue to report the need to accommodate families with children. The vast majority of shelters in Tennessee cannot accommodate family units, thus the families encounter further disruption in their lives when fathers/husbands must be sheltered apart from their wives and children. Agencies also report increasing numbers of homeless persons with mental illness and drug/alcohol problems for which placement options are limited.

According to information provided by the State of Tennessee Department of Education, 2004 *Education for Homeless Youth Report*, 5,831 homeless children/youth are enrolled in public schools. The majority of these children, 3,330, or 57%, are in K-5 school level, and 1,369 or 24%, are in school level 6-8. The report states that 2,763 (47%) of these youth indicated that the primary night time residence is a shelter, and for 2,269 (38.9%) doubling-up is the primary nighttime residence.

It is important to note that the homeless youth program uses McKinney Act dollars that allow children/youth who are doubled or tripled up with other families to be counted as homeless. HUD guidelines however, do not allow persons doubled up to be counted as homeless. The following were reported as major needs for homeless children: Remedial help/tutoring, free lunch/breakfast, medical services, counseling, transportation, school supplies, parent training/involvement, case management, transportation, records transfer, and pre-school programs.

In December 2004, the Governor's Interagency Council on Homelessness was created by executive order. The Council is comprised of the governor and state agencies dealing with children, corrections, education, health, persons with disabilities, veterans affairs, and housing. Members also include representative of three continuum of care agencies. The council is charged with "developing a long term plan to effectively address the homelessness challenge in Tennessee."

In January 2005 the first state wide homeless count took place and the results will be available and part of the first report to the Governor in June 2005.

HUD Table 1A for the State Consolidated Plan represents the most current information available and is compiled from the local and regional Continuum of Care strategy areas within Tennessee in 2004. At the time of this count, all but 16 counties in the state were represented. Of these 16 counties, six are in Middle Tennessee: Stewart, Houston, Cheatham, Dickson, Humphreys, and Moore; ten are in East Tennessee: Morgan, Campbell, Claiborne, Grainger, Hamblen, Jefferson, Cocke, Sevier, Blount, and Monroe. In six of the 16 counties, the poverty rate is above 15.0 % and in two of those six counties, Campbell, and Cocke, the poverty rate is above 20.0%. It should be noted that all but three Tennessee counties are now represented in a continuum organization.

Data presented in Table 1 A indicates that the greatest unmet need is Permanent Supportive Housing for both Individuals and for Persons in Families with Children. Within the homeless population, individuals account for the largest number of homeless persons. Those with Chronic Substance Abuse and those who have Serious Mental Illness account for the largest number of persons within the homeless subpopulations. These needs were supported by the comments of housing and service providers attending the public meetings.

The Department of Human Services uses available ESG funds to provide for the development of increased homeless services statewide. The Department's ESG small city set-a-side has led to an increase in local resources for homeless programs. Cities such as Jackson, Clarksville, and Johnson City now use CDBG funds to match ESG or to supplement ESG-funded activities. The \$100,000 unmatched portion of ESG funds is allocated for a statewide prevention project to provide housing assistance for persons being discharged from mental health facilities and/or other institutions with no subsequent housing plan identified.

## HUD TABLE 1 A

### Continuum of Care: Housing Gaps Analysis Chart

		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
<b>Individuals</b>				
<b>Example</b>	<b>Emergency Shelter</b>	<b>100</b>	<b>40</b>	<b>26</b>
Beds	Emergency Shelter	2,412	22	234
	Transitional Housing	1,285	0	453
	Permanent Supportive Housing	782	264	1,276
	<b>Total</b>	<b>4,479</b>	<b>286</b>	<b>1,963</b>
<b>Persons in Families With Children</b>				
Beds	Emergency Shelter	855	42	355
	Transitional Housing	1,021	107	449
	Permanent Supportive Housing	534	20	482
	<b>Total</b>	<b>2,410</b>	<b>169</b>	<b>1,286</b>

### Continuum of Care: Homeless Populations and Subpopulations Chart

<b>Part 1: Homeless Population</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
	<b>Emergency</b>	<b>Transitional</b>		
<b>Example</b>	<b>75(A)</b>	<b>125(A)</b>	<b>105(E)</b>	<b>305</b>
1. Homeless Individuals	1,973	1,292	1,250	4,515
2. Homeless Families with Children	219	306	111	636
2a. Persons in Homeless Families with Children	644	898	345	1,887
<b>Total (lines 1 + 2a)</b>	<b>2,617</b>	<b>2,190</b>	<b>1,595</b>	<b>6,402</b>
<b>Part 2: Homeless Subpopulations</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
1. Chronic Homelessness	676		443	1,119
2. Seriously Mentally Ill	1,160			
3. Chronic Substance Abuse	2,132			
4. Veterans	982			
5. Persons with HIV/AIDS	162			
6. Victims of Domestic Violence	641			
7. Youth	76			

## **Continuum of Care**

Since 1987 and the beginning of the McKinney Act, the policy of the State of Tennessee has been to support local decision-making in providing and developing new homeless services. Between 1987 and 1991 the State funded a full-time Homeless Coordinator position to lay this groundwork and help build local capacity. Throughout the HUD consolidation of housing and homeless State Plans, the emergence of the HOME program, and the evolution of the various McKinney Act supportive housing programs into the Continuum of Care, the State of Tennessee position has remained one of support of local, community-based supportive housing solutions.

In January 2002, Tennessee Housing Development Agency (THDA), the Tennessee Department of Mental Health and Developmental Disabilities (MHDD), and Tennessee Department of Human Services (DHS) met with officials of the U. S. Department of Housing and Urban Development and over 50 local and regional organizations from across the state to begin a conversation regarding a statewide continuum of care. As a result of this meeting, MHDD committed the resources of the Regional Housing Facilitators to coordinate regional Continuum of Care plans to be developed state-wide for persons with mental illness. The service area of Buffalo Valley, Inc. which had previously covered 80 counties of the state, was reduced to two areas of middle Tennessee so that that organization could better provide services.

As of this writing, eleven Continuum of Care organizations are active in the state: the four large urban areas of Memphis, Nashville, Chattanooga, and Knoxville; and seven regional organizations, each providing Continuum of Care services in areas outside of the four urban areas. At this time, all but three counties in the state are covered by a Continuum of Care organization.

## **Persons at Risk for Homelessness**

Although the economy in the state continues to improve with low unemployment, many persons in the state remain at risk for homelessness. Many of those persons at risk for homelessness share similar characteristics:

- Single heads of household
- Low levels of education
- Unemployment/Under Employment
- Live in substandard housing units
- Are unable to afford adequate healthcare
- Experience mental illness and/or substance abuse
- Lack the necessary support services
- Pay 30 to 70 percent of their income to cover housing cost
- Are female

One of the greatest potentials for homelessness is the inability to pay rent or utility bills. Required payments of deposits for rental units and utilities intensify if a low-income family tries to move. Another related risk factor is the lack of affordable housing. Approximately 212,548 Tennessee households with income less than 30% of the median income have housing cost burden of over 50%.

Almost half of all renters with incomes less than 30% of median have a housing cost burden of over 50%. (Table 4 ) Almost three-quarters of the homeowners with incomes at 0-30% of median, with a mortgage, have a housing cost burden of over 50%. ( Table 7)

Rural homeless are especially affected by these factors including the lack of jobs or inadequate transportation to employment opportunities, the absence of safe, sanitary affordable housing, and other economic and personal problems.

The issue of persons at risk for homelessness in the state is addressed through the use of homeless prevention funds provided through the Emergency Shelter Grant Program. The State of Tennessee Workforce Investment Plan has the potential to assist those persons at risk for homelessness by providing the necessary housing, transportation, child care, and job training related supports needed to assist families.

Even with these efforts, homeless providers in small cities and rural areas continue to face the issue of inadequate funding streams as well as difficulty meeting the state match requirements for funds. The state must work with communities to improve local efforts to address homelessness through bringing together groups that can serve this population by combining resources. The state must also explore alternative methods for providing match dollars for homeless providers so that their funds can be used for much needed services, facilities and staff.

## **Other Special Needs**

### **Developmental Disabilities**

The state-level authorizing legislation for services for people with mental retardation and developmental disabilities (MR/DD) is Title 33. There are also many Federal-level laws that speak to the delivery, design, and accessibility of services and supports for people with MR/DD. For example, the Fair Housing Act, the Americans with Disabilities Act, the Vocational Rehabilitation Act, the Developmental Disabilities Assistance and Bill of Rights Act, and the Individuals with Disabilities Education Act. These laws, whether at the state- or federal-level, have allowed for the development of principles that guide services and supports to people with MR/DD.

It is relevant to summarize key aspects of these principles, as they have a tremendous impact on the delivery of housing, residential, day, and employment services in the MR/DD field. First, disability is a natural part of the human experience. Disability does not diminish a person's right to live independently, to exert control and choice over their lives, or to fully participate in and contribute fully to their communities. Second, individuals with MR/DD often require lifelong community services, individualized supports, and other forms of assistance that are most effective when provided in a coordinated manner. Third, it is important to provide people with the information, skills, opportunities, and support to make informed choices about their lives, live in homes and communities in which they can exercise their full rights and responsibilities as citizens, and pursue meaningful and productive lives. Lastly, a key principle guiding services and supports in the area of housing to people with MR/DD is that housing related activities, be they advocacy, capacity building, or systemic change activities, should result in individuals with MR/DD having access to and use of housing and housing support services in their community, including assistance related to renting, owning, or modifying an apartment or home.

Currently, services to people with developmental disabilities (other than mental retardation) are to be provided through the Department of Mental Health and Developmental Disabilities (DMHDD). However, for the last several years the DMHDD has been unable to provide these DD services, as there has been no money allocated through the legislative budget process. For people with mental retardation, services are provided by the Department of Finance and Administration, Division of Mental Retardation Services (DMRS). DMRS is currently dealing with a number of issues, including several law suits and a temporary injunction on their Home and Community Based Services Waiver (HCBS) (better known as the Medicaid Waiver). This temporary injunction does not allow DMRS to add any new people to the HCBS Waiver, unless they are in an urgent or critical situation (for example, about to become homeless).

The Waiting List lawsuit has been settled. In response to the settlement agreement the DMRS has developed a new Medicaid Waiver program for persons who have been waiting for services (i.e., been on the waiting list). This Waiver has been approved by CMS and enrollment is now open.

The DMRS delivers community-based services through three regional community services offices. The regional offices are situated in the grand divisions of the State: West, Middle and East Tennessee. Community-based services are provided by DMRS through contracts with private providers/agencies. Examples of community based services include residential services (supported living, residential habilitation), day services (community participation), supported employment services, personal assistant services, respite, transportation services, and therapeutic and nursing services (OT, PT). Facility-based services are provided by DMRS through three state-operated Intermediate Care Facilities for people with mental retardation, one in each of the three grand divisions of the state. These facilities provide residential, day and therapeutic services at a state owned and operated facility.

Census 2000 estimates that there are 1,149,693 Tennesseans with disabilities. Of that, accepted national rates of disability indicate that one in five, or 20%, are estimated to have a developmental disability. Therefore, 229,938 Tennesseans are estimated to have a developmental disability. The Tennessee Council on Developmental Disabilities reported in its August 15, 2004, State Plan Update submitted to the Administration on Developmental Disabilities the following waiting list information for Tennessee:

- 1) 4,321 families on the Family Support waiting list;
- 2) 3,220 people on the Division of Mental Retardation Services waiting list; and
- 3) 900 people currently waiting for DMRS residential services.

There are several categories that are tracked regarding the DMRS Waiting List. They include: crisis, urgent, and active. The following reflects the breakdown by region of the number of people in the Active and Urgent categories of the Waiting List.

<b>Region</b>	<b>Active</b>	<b>Urgent</b>
East	310	56
Middle	211	98
West	251	29
<b>Statewide Total</b>	<b>772</b>	<b>183</b>

The following shows a breakdown of the residential services offered by the DMRS, and the total number of people served in each service category.



<b>Housing Related Services</b>	<b>Total People Served</b>
Rental Assistance	951
Family Based/Foster Care	230
Residential Habilitation	1,083
Supported Living/Semi-Independent Living	2,194

Any individual who is a member of either the Remedial Order or the Settlement Agreement has the opportunity to receive up to \$450 per month in assistance, based on their rental expenses. DMRS also pays for home modifications, for furniture.

It should be noted that over the last several years, the DMRS has conducted Gaps in Service Forums across the State in order to determine what the needs are in counties and regions of the State. Residential services in general have always made the list of services requiring an increase in availability.

The Tennessee Council on Developmental Disabilities, developed in collaboration with the Vanderbilt University Kennedy Center, and then funded the Disability Pathfinder Information and Referral (I&R) Office at Vanderbilt University. According to their data tracking of all I&R inquiries, requests for “housing” information have been in the top five most needed service category for each quarter the last seven years, however specific data has been collected for five years. The following information reflects the number of housing requests from July, 1997 to July, 2004.

<b>1999-2000</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>	<b>2003-20004</b>	<b>TOTAL</b>
62	91	79	113	93	<b>438</b>

**Persons with AIDS/AIDS Related Illnesses**

According to the State Department of Health, AIDS cases in the State of Tennessee have been reported since 1982 and HIV has been reported since 1992. In the State of Tennessee Statewide Coordinated Statement of Need, the following statistical information is provided on the AIDS population in the state. Currently, 16,708 people are known to be living with AIDS/HIV in the state. Of these reported cases, 10,920 (65.4%) have been diagnosed with AIDS and 5,768 (34.6%) are HIV infected only. The larger metropolitan areas show higher percentages of infections than rural areas. However, all counties in Tennessee have at least one reported case of AIDS and HIV.

Seventy-eight percent (78%) of people known to be living with AIDS/HIV are men and twenty-two percent (22%) are women. Fifty-five percent (55%) are African Americans and forty-three percent (43%) are Caucasian: two percent (2%) are Hispanic and slightly less than one percent (<1%) are Native American, Aleutian/Eskimo or Asian Pacific Islander.

Approximately fourteen percent (14%) are age 15-24, thirty nine percent (39%) of persons living with AIDS/HIV are age 25-34, thirty percent (30%) are age 35-44, and eleven percent (11%) are age 45-54. Less than one percent (<1%) are 13 years of age or less.

Based upon this information and comments from the public meetings, housing and utility assistance; support services, greater fair housing –related education and public education and prevention, and case management are critical needs for this population, most of whom are low- and very low-income.

## **Elderly**

As previously discussed, both the elderly and disabled are prone to higher incidence of housing problems. Those who are 75 years of age and older are the most vulnerable to housing problems.

According to the Tennessee Commission on Aging and Disabilities (TCAD), Tennessee State Plan on Aging, between 1990 and 2000, the state experienced growth in older populations. The “over 60” population grew to 942,620, a 13.2% increase; the “over 75” in age increased to 320,459, or 22.6% and the “over 85” group increased to 81,465, a 39% increase. The aging of the population has implications for service needs as well as housing needs, as was reflected at each public meeting held for preparation of this plan.

Important to note in the planning process is that at all eight public meetings held in the fall of 2004, affordable assisted living was discussed as an important need in communities throughout the state.

## **Priority Non-Housing Community Development Needs**

The primary goal of community development is to create a better overall quality of life for everyone in the community. For the purposes of this plan, activities such as public utilities and sanitation, economic development, health and protective services for low and moderate income persons are considered.

The state used two methods of determining needs and priorities for this area, surveys and community meetings, both of which give persons the opportunity to discuss community development needs and provide feedback.

In July 2004, the Tennessee Department of Economic and Community Development (ECD) distributed a questionnaire to 700 organizations consisting of local governments and organizations with relationships to the state Small Cities CDBG program. The purpose of the survey was to solicit information regarding the administration of the Small Cities CDBG program to ensure that the program continues to meet local needs. The state also conducted follow-up mailings, and staff met with the nine development districts to encourage participation. This effort resulted in 234 responses to the survey, an overall response rate of 33.4%, with 118, or 51%, from local elected officials and 116 responses, which is 49%, from individuals with a relationship to the CDBG program. Appendix 3 contains the survey results.

Respondents were asked to apportion 100 points among the type of projects traditionally submitted for funding and those types of projects which have been discussed for funding in previously held public meetings. Respondents were also given the opportunity to identify other types of projects not specifically identified. The following presents the results along with a comparison to the results of the 1999 survey.

<u>Category</u>	<u>1999 Percent</u>	<u>2004 Percent</u>
Water and Sewer Systems	19	18
Water and Sewer Line Extensions	18	18
Economic Development	16	17
Fire Protection	10	9
Housing Rehabilitation	7	8
Recreation	6	5
Drainage/Flood Control	6	7
Emergency Equipment	5	5
Community Centers	5	5
Health Clinics	4	4
Micro-Enterprise Development	3	2
Other	1	2

The public meetings held as part of preparation for the plan were also used in determining priorities for non-housing community development activities. Comments on priorities for community development needs were consistent with the survey. Local officials and affordable housing providers reported that the absence of potable water and sanitary sewer service in small towns and rural areas of the state can be a barrier to developing affordable housing. The absence of the services can threaten the health of persons living in these communities. Providers of services for homeless prevention programs expressed requests for CDBG activities to be extended to homeless prevention activities. The state notes that activities for homeless individuals are eligible under the Community Livability portion of CDBG funds. Homeless providers are encouraged to work with local governments to have applications submitted to CDBG for homeless programs under this category.

Participants in both the survey and the public meetings indicated other community development needs such as rural fire protection, drainage, community centers and health clinics. The state allows local governments to assess their local needs when submitting an application for funding in the Small Cities CDBG program.

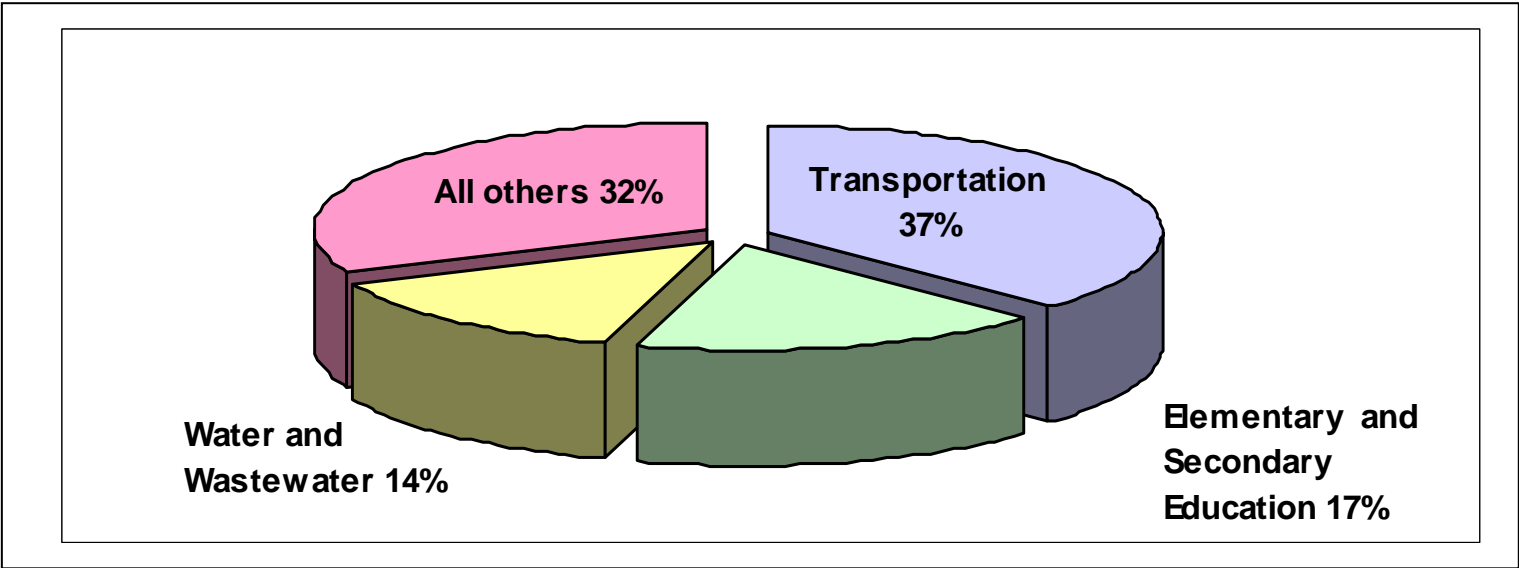
Further evaluation of needs for non-housing community development programs may be demonstrated by the results of an ongoing study by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). Created by state enabling legislation in 1978, TACIR was charged by the Tennessee General Assembly in 1996 to develop and maintain an inventory of public infrastructure needs, "in order for the state, municipal and county governments of Tennessee to develop goals, strategies and programs which would improve the quality of life of its citizens, support livable communities and enhance and encourage overall economic development in the state. (Public Chapter 817, Acts of 1996)

In March 2004, TACIR released the second statewide inventory of public infrastructure improvement needs, Building Tennessee Tomorrow. The study, based upon information provided by local and state agencies, reported a grand total of \$21.6 billion in public infrastructure needs, a \$7.8 billion increase over the first inventory published in 2000. Water and wastewater needs totaled nearly \$3.0 billion or fourteen percent of the grand total. While the inventory includes city, county, and state government estimates, 41% and 22% of the total estimated costs are for city and county governments, respectively.

Transportation and education costs account for most of the state cost. The full report is available on the web at [www.state.tn.us/tacir](http://www.state.tn.us/tacir)

The following chart demonstrates the water and wastewater needs as a portion of the total infrastructure needs in the state as reported by TACIR.

**Chart 16. State Infrastructure Needs**



### **Part III. Housing and Community Development Strategic Plan**

#### **Design of the Strategic Plan and Priorities**

The strategic plan was designed around the premise that the state's plan must be reflective of the multiplicity of needs found throughout the state, allowing communities the flexibility (where possible) of applying for available funds based on community priorities. In an attempt to establish these priorities, the state conducted surveys and public meetings requesting that communities give their priorities for use of Consolidated Plan funds in the state. Public meetings were held in local communities giving residents and organizations the opportunity to provide input on community needs. Dollar amounts were designated within programs to be reflective of the larger percentage of requests for funds in the state. The state recognizes, however, that because available funds are limited, many persons or groups within the state will not be funded even though their project is worthwhile and benefits those persons in need in the state.

The following are priorities for funding. The state will utilize its funding dollars at a higher priority in these areas.

Priorities for all Consolidated Plan efforts are for individuals who are low- and very low-income, from 0-50% of the median income. Although the HOME and CDBG programs serve moderate-income individuals up to 80% of median, these populations are not listed as high priority in all areas. Additionally, priority levels are based on specific data discussed in the need assessment relative to housing cost burden, population of persons living below poverty, community needs surveys, and economic and housing market conditions. Please note that program specific priorities and how they address state priorities are listed in the action plan's method of distribution section. While the information below provides a summary of state priorities, it is important to note that not all program funds support each individual priority. The time line for completion of the action steps is a yearly cycle which coincides with the state fiscal year beginning July 1, 2005 through June 30, 2006, and each subsequent year through June 30, 2010.

#### **Housing**

##### **Preserve Affordable Housing Stock, Increase the Amount of Affordable Housing, and Increase Homeownership Opportunities**

###### Action Steps

- Preserve affordable housing stock through housing rehabilitation targeted toward low-, very low-, and moderate-income populations in the state.
- Encourage the production of multifamily housing to serve low-income individuals in the state.
- Target funds toward housing for the elderly with emphasis on handicapped accessibility.
- Encourage the preservation of 2-3 bedroom affordable housing for low-income families in the state.
- Increase/Maintain the number of housing facilities in the state for homeless individuals.
- Increase the homeownership rate, especially among lower income and minority households.

## Non-Housing Community Development

### **Provide for the viability of communities through insuring infrastructure, community livability, health and safety, and economic development.**

#### Action Steps

- Provide for the safety and well-being of low- and moderate-income families in the state by improving the quality and quantity of water supplies in areas which do not have safe, reliable water sources.
- Provide safe, reliable wastewater services to low- and moderate-income families in underserved areas of the state.
- Provide economic development opportunities through the financing of infrastructure development, manufacturing facilities, and equipment, that support job creation for low and moderate income people.
- General enhancement of quality of life in low- and moderate-income neighborhoods throughout the state.

### **Provide for the housing and supportive services needs of homeless individuals and other special needs populations.**

#### Action Steps

- Support the acquisition or rehabilitation of facilities to house homeless persons or those at risk for homelessness.
- Provide funds to assist persons at risk for homelessness
- Increase the amount of services provided to mentally ill homeless
- Encourage programs to support children in homeless facilities to receive preventive and emergency medical care as well as other developmental or cognitive services
- Provide supportive services and housing-related services for persons who are HIV positive or have AIDS.

### **Affirmatively further fair housing and assure access to business opportunities in the state for women and minority-owned business.**

#### Action Steps

- Conduct an Analysis of Impediments of fair housing in the state;
- Convene fair housing and Title VI workshops in the state for local governments, grantees, housing providers, advocates, and consumers;
- Provide Public Service Announcements to the media throughout the state informing citizens of their housing rights;
- Encourage reporting of fair housing violations by making citizens aware of their rights and providing information on access to fair housing advocates and organizations in the state.

## **Performance Measures**

The state will continue to report on program accomplishments toward achieving the strategic priorities of this five-year plan. Each year the annual performance report enumerates the ways in which the four consolidated plan programs, in addition to other state programs, address the priorities of the plan by reporting the resources used, number of units either rehabilitated or constructed, number of low- and moderate-income people served. The state will work with HUD and other agencies to enhance performance accountability.

In addition, our Consolidated Annual Performance Evaluation Report (CAPER) includes and will continue to include the program outcomes that address the objectives of providing for:

1. Suitable Living Environment,
2. Decent Affordable Housing, and
3. Creating Economic Opportunities.

## **Barriers to Affordable Housing**

As identified previously, barriers to affordable housing exist throughout the state, may vary by area, and may be economic, social, physical, or regulatory. Growth in some areas of the state continues to drive up housing costs so that low and moderate income families and individuals are unable to afford homes. Neighborhood resistance to the development of affordable housing, NIMBYism, may pose a barrier to affordable housing, especially rental housing and housing for the mentally ill. Absence of essential infrastructure, water and wastewater services, may pose a barrier or impediment to the development of affordable housing.

In Tennessee, zoning, building regulations and codes enforcement are all enforced at the local level. In small communities and rural areas, these regulations may be minimal, compared to the large metropolitan areas. No clear defining line exists to determine when, for example, a building code, zoning regulation, or impact fee fails as a public policy to protect the individual housing consumer, or to provide a health or safety benefit, or exists without sound compensating public benefit.

Actions the state may take to combat barriers to affordable housing:

- encourage the rehabilitation or development of essential infrastructure to support housing development for low and moderate income people;
- encourage the development of affordable housing;
- educate housing providers, local officials and citizens about fair housing laws;
- increase the awareness of housing providers and local officials concerning regulations which may pose a barrier to affordable housing.

## **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 the CDBG and HOME 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, Childhood Lead Poisoning Prevention Program, 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. The department links with the Tennessee Department of Environment and Conservation's information on lead assessment and abatement programs.

### **Anti-Poverty Strategy**

The anti-poverty strategy is designed to examine how both the CDBG and the HOME programs address the needs of individuals in the state with incomes below 30% of the area median income (AMI). While both the HOME program and the CDBG program serve persons up to 80% of the AMI, it is important to note that both programs recognize the special circumstances faced by low or very-low income individuals and families.

In April 2004, the State of Tennessee, Office of Research of the Comptroller of the Treasury, published *Seeking a Way Out*, a study of poverty in Tennessee that uses data from the 2000 Census and other data. According to this study, approximately 746,789, or 13.5% of all Tennesseans, live in poverty, including 240,796 (17.6%) children and 89,985 (13.5%) elderly. While the state has had a low level of unemployment in the last five years, the reports states that Tennessee industries employed 80,500 fewer persons in manufacturing positions at the end of 2003 than at the start of 2000. Though total employment increased by 27,400 during the same period, many of these jobs are in the service industries which generally pay lower wages. The full report may be viewed at [www.comptroller.state.tn.us](http://www.comptroller.state.tn.us).

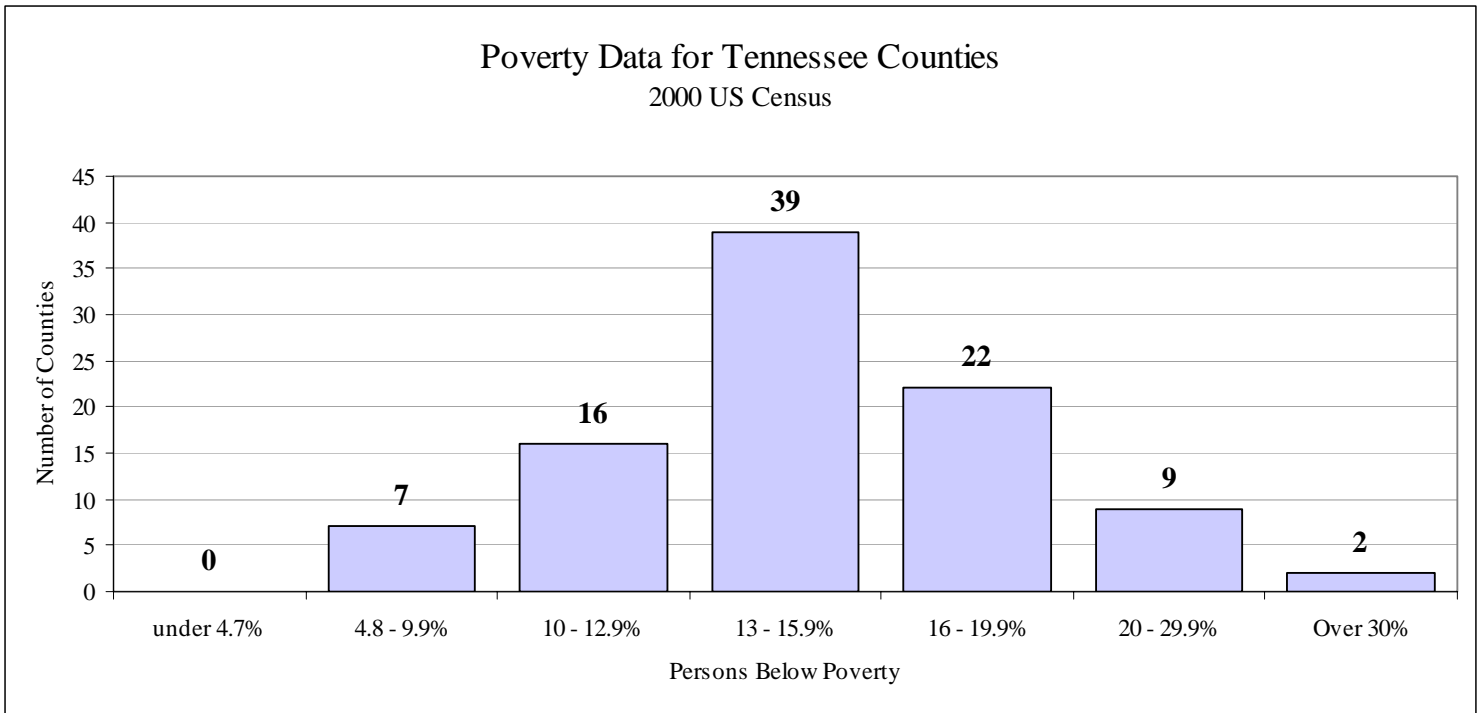
### **Location of Poverty in Tennessee**

As the following map depicts, poverty exists in all 95 counties of Tennessee. Thirty-three counties have a poverty rate of 16% or greater and, of those 33, eleven counties have poverty rates greater than 20%. Poverty rates range from a high of 33.1 percent in Lake County to a low of 4.8 percent in Williamson County.

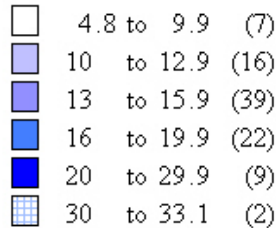
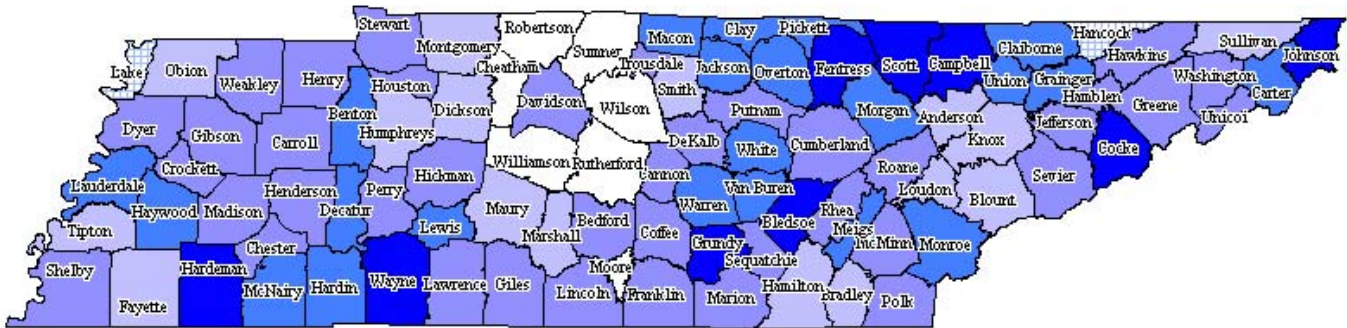
The following map indicates that poverty rates are higher in east Tennessee along the Kentucky border and in parts of southwest Tennessee.



**Chart 17. Poverty Data for Tennessee Counties**



**Poverty Data for Tennessee Counties  
2000 US Census**



## **Programs Addressing Poverty**

It is imperative that programs in the state pay special attention to the plight of these individuals in the use of funds designed to benefit disadvantaged populations in the state. The state addresses these areas in the following way:

**HOME Program:** Data from the HOME program over the past five years reflect that 41% of HOME program funds have been used to assist persons with incomes less than 30% of the median income. The THDA Board of Directors has designated extremely low-income persons as a priority, requiring a yearly report on HOME beneficiaries to assure that at least 30% of funds are being used for persons below 30% AMI. In addition, as part of the rating system for ranking of qualified applicants, it is recommended that grantees use a formula that those households with the greatest need based on income and family size are served first. To date, grantees in the state continue to use this formula assuring that persons below 30% of the AMI are served first.

**CDBG Program:** CDBG program administrators collect data on persons served at the below 30% AMI threshold. Also, as a part of its scoring mechanism for housing rehabilitation, project need points are awarded based on the number of persons with higher poverty levels in the state, specifically persons 62 years of age or above, and/or female heads of household, and/or handicapped individuals.

In addition to the HOME and CDBG program, the state's anti-poverty strategy is addressed through other initiatives in the state, such as Workforce Development/Investment which involves a consortium of agencies in the state working together to assist persons in poverty find employment. Family Self Sufficiency Programs, Welfare to Work, and the (TANF) Temporary Assistance for Needy Families, program which provides child care, help with transportation, as well as a number of other services to assist poor families in finding and maintaining employment.

## **Institutional Structure and Coordination**

The four HUD programs covered by this plan are carried out by entities other than the State. Funds are awarded by the State to these entities, which include local governments and nonprofit organizations, who conduct the actual activities. Of the other federal and non-federal resources discussed in this plan, Section 8 is the only program directly administered in its entirety by the State. The Low-Income Housing Tax Credit program is awarded to other entities, and the Homeownership program is carried out by local lenders. Coordination with social service agencies occurs primarily at the local level with the exception of the Section 8 program. THDA, who administers Section 8, works very closely with other State agencies including the State Department of Human Services, the State Department of Health, and the Department of Mental Health and Developmental Disabilities.

THDA is designated as the agency to lead the coordination of the state's consolidated plan. However, developing the plan involved input from citizens, organizations, state, local and federal government officials, developers, chambers of commerce, public housing authorities, and housing professionals.

Meetings were held with a core group of individuals representing the agencies responsible for carrying out the programs, and with agencies which provide housing and support services. Eight public meetings were held throughout the state, with coordination by the development districts, to get input from citizens and local providers, local officials, public housing agencies.

The plan structure is designed to give some specific data on individual communities or groups which reflect trends in housing or other related data but that does not attempt to list needs by community. This allows communities the flexibility establishing their priority needs without the state attempting to do so.

### **Low-Income Housing Tax Credits**

The Low-Income Housing Tax Credit (LIHTC) program is administered by THDA. The tax credits are allocated through an application cycle that includes a selection process, determination of credit amounts, reservations, and carry-over allocation. Ten percent of the total state authority is reserved for qualified not-for-profit applicants. The goal of the allocation strategy is to utilize the tax credits allocated to Tennessee to the fullest extent possible to create, maintain, and preserve affordable rental housing for low-income households.

The specific strategy for coordinating the LIHTC program with the development of housing affordable to low- and moderate-income families consists of the following:

1. Develop rental units affordable to households with as low an income as possible and for the longest time period possible.
2. Encourage the construction or rehabilitation of rental units in the areas of Tennessee with the greatest need for affordable housing.
3. Encourage the development of housing units for special needs populations including the elderly and persons who are homeless or have disabilities.
4. Discourage allocation of tax credits to developments for which tax credits are not necessary to create, improve or preserve rental housing for low-income persons.
5. Allocate only the minimum amount of tax credits necessary to make a development financially feasible and to assure its viability as a qualified low –income development throughout the credit period.
6. Encourage no-profit entities to develop rental housing for low- and very low-income households.
7. Encourage energy-efficient construction and rehabilitation.
8. Encourage fair distribution of Tax Credits among counties and developers or related parties.
9. Improve distribution among developments of varying sizes to ensure that developments with smaller number of housing units receive fair consideration, and
10. Allocate tax credits fairly.

### **Public Housing Resident Initiatives**

The state, through the Section 8 Rental Assistance program, encourages public housing residents to become involved in management and participate in homeownership.

The THDA Section 8 to Homeownership Program offers a mortgage subsidy to low income families that are not able to afford a mortgage payment for a home in the area where they reside without some financial assistance. In the Housing Choice Voucher program, families typically pay 30% of their monthly-adjusted income (or the family's Total Tenant Payment) toward homeownership expenses, and THDA pays the difference between the family's Total Tenant Payment and the actual monthly mortgage payment. The mortgage assistance payment must be paid directly to the lender or loan servicing company, and not to the family.

With the passage of the Quality Work Responsibility Act and the requirement of the Public Housing Authorities (PHA) to develop a five-year plan has altered the relationship between the state and the public housing authorities. In some cases, we continue to search for a delicate balance between the priorities and regulations

governing public housing and the affordable housing issues facing the state, especially lower income residents of the state.

The state is currently required to sign off on the Public Housing Authority five-year plan and attempts to support PHAs by streamlining the review process. The state also tries to assure that residents have been informed of the impact that such plans have on them. Of special concern are those instances when Public Housing Authorities request to tear down viable public housing units. The state recognizes that in some cases demolition of units is necessary in order to have safe and financially viable public housing. The state, however, does not provide a “rubber stamp” approach to such requests for demolition. In an effort to minimize loss of much needed affordable housing the state has specified guidelines in place for proposals to demolish or reduce public housing units. These guidelines give public housing authorities flexibility to demolish units in extreme circumstances, but also give the state the needed flexibility to request additional information. A determination can then be made by the state regarding whether the specific request is consistent with the Consolidated Plan. A copy of the guidelines for the consistency with the state’s plan is located in Appendix 4.

The state supports local PHA initiatives that provide self-sufficiency assistance to residents, encourages literacy, and provides safe places for children of public housing. The state further supports initiatives that serve the elderly and those with disabilities in public housing. The state does not assign priority to these populations over other poor families, rather the local PHAs assess their community needs and assign priorities.

Agencies and Organizations contributing to the State of Tennessee 2005 Consolidated Plan process through participation in public meetings, committee work.

AdvoCare	Jackson Housing Authority
AIM Center	Johnson Mayor's Office
AmSouth Bank	Joyful Care, Inc.
ARC of Hamilton County	Kingsport Housing & Redevelopment Authority
ARC of Washington County	LaFollette Housing Authority
ARCH	Lamar Dunn and Associates, Inc.
Bolivar Housing Authority	Life Care Family Services
Brownsville, City of	Life Solutions
Cannon County Government	Macon County Government
Carey Counseling Center, Inc.	Magellan Health Services
Catholic Charities	McKenzie, City of
Cedarwalk Supportive Living	Memphis Area Assn of Governments
Celebrate Recovery	Mortgage Assurance
Centerstone	Mountain City
CF Systems	Northeast Tennessee Minority Health Coalition
Chattanooga Council of Governments	Northwest Tennessee Area Agency on Aging and Disability
Chattanooga Homeless Coalition	Northwest Tennessee Development District
Chattanooga Times Free Press	Northwest Tennessee Human Resource Agency
Children and Family Services	Partnership for Family, Children, and Adults
Cleveland, City of	Promised Hope
Coalition Against Domestic and Community Violence	Quines Mental Health Center
Comcare, inc.	Ridgeview Resources for Living
Covington, City of	Scott Appalachian Industries, Inc
Crossville Housing Authority	Smith County Government
Damascus Road, Inc.	South Central Tennessee Development District
Dayton Housing Authority	Southeast Mental Health Center
Disability Resource Center	Southeast Tennessee Development District
East Tennessee Development District	Southwest Tennessee Development District
Fayette County Mayor's Office	Southwest Tennessee Human Resource Agency
Fentress County Government	Tennessee Mental Health Consumers Association
First Tennessee Development District	Tennessee Technology Center at Cookeville
Freewill Shelter Outreach	Tennessee Mental Health Consumers Assn. (West TN)
Frontier Health	Tennessee Small Business Development Center
Generations Mental Health Center	United Way of Jackson, Tennessee
Genesis House, Inc.	Upper Cumberland Area Agency on Aging & Disabilities
Grand Junction, City of	Upper Cumberland Development District
Greater Nashville Regional Council	Upper Cumberland Human Resource Agency
Hamilton County	USDA, Rural Development Housing
Hamilton County Social Services	Veterans Ministries
Hawkins Habitat for Humanity	Vocational Rehabilitation Upper Cumberland
Hope for Tennessee	Watauga, City of
Hope, Inc.	Waves, Inc.
Horizon Community Development Corporation	Weakley County Chamber of Commerce
HUD	West Tennessee Family Solutions
Human Resource Agency, Tullahoma	West Tennessee Legal Services
Jackson Center for Independent Living	Westgate Management
Jackson Community Development	White County Government

Also attending were numerous citizens from around the State.

In the fall of 2002, THDA, in partnership with the U.S. Department of Housing and Urban Development, the Federal Home Loan Bank of Cincinnati, and the U.S. Department of Agriculture, Rural Development, conducted a survey and a series of nine regional housing summits in order to have a discussion of housing needs throughout the state. Invitations were sent to local elected officials, local and regional affordable housing advocates, public housing authority managers and officials, and non-profit housing providers. Prior to the meetings, 1,124 surveys were mailed to these various groups. A summary of results is presented below, and a copy of the survey follows. The response rate to the survey was encouraging with roughly 14% of the surveys returned (156 out of 1,124). Attendance at the summits totaled over 300 people.

The survey results, summit comments, and list of attendees are available on the THDA website at <http://www.state.tn.us/thda/Research/summitcvr.html>.

After closely evaluating the survey results and summit responses, THDA determined to make two changes to the method of distribution of HOME funds and that the changes would remain in place for a period of three years, 2003 through 2005. The allocation of HOME funds was changed to a Regional Allocation and to a Special Needs Set-A-Side. Allocating HOME funds on a regional basis would give broader geographical access to limited HOME dollars. Regions were established to correspond with the nine existing development districts, three of which are in each grand division. HOME funds are allocated within each region based upon the distribution of low-income households outside of local participating jurisdictions in each region. This provides the more equal distribution of funds as requested by the public. The full HOME program description is included in the Annual Action Plan. Homeowner Rehabilitation was considered to be the largest area of concern in all three divisions of the State.

Following is a summary of supporting comments from the survey:

### **Need for Owner-Occupied Units:**

There was “much need” indicated for the creation of single family homes and preservation of existing homes throughout the State.

### **Need for Rental Housing:**

As with Owner-Occupied units, there was “much need” indicated for the creation of and preservation of rental homes throughout the State.

### **Special Needs Housing:**

Although additional resources for special needs housing were requested in all three grand divisions of the state, the actual needs differed by region. Middle Tennessee indicated a great need in all areas. West Tennessee focused their needs on housing for the mentally ill, elderly persons, and homeless. In East Tennessee, greater needs were expressed for the mentally ill and homeless populations.

### **Resources for Rental Housing:**

All reported a need for financing for the development of affordable rental units and rental assistance. For all areas the most frequent response was “need help utilizing existing resources” and “more resources”.

**Resources for Homeownership and Professional Services:**

East Tennessee and Middle Tennessee reported adequate resources for mortgage lenders and developers; West Tennessee responded to needing more resources for mortgage lenders and developers.

**Community and General Needs:**

All reported there was a need for additional capacity to develop affordable housing, regional efforts to address affordable housing needs, identification of housing needs, flexible housing programs at the federal and state level, access to data, fair housing awareness/training, and access to funding sources.

Everyone agreed that their community had a diverse mix of income levels and that low-income housing was concentrated in specific areas. All areas reflect there is an inadequate amount of affordable housing within commuting distance to employment sources. All areas believe that predatory lending is somewhat a problem in their community. All areas agree opportunities for homeownership, affordable housing for migrant workers, and affordable housing for immigrants are inadequate. East Tennessee respondents believe non-profits are in their community addressing the most important needs and are developing housing in appropriate price ranges; and Middle Tennessee and West Tennessee do not. All three areas agree non-profits are working in the areas of the community with the most need and are serving the people with the most need.

## 2002 Regional Housing Summit Questionnaire

This survey is designed to help the summit participants gauge what programs need to be discussed and described and to help direct our discussions to the needs that have most frequently been mentioned. Please answer these questions to the best of your ability. In order for us to have sufficient time to collect and organize your responses prior to the housing summit, **we need to have your response by October 25, 2002.** We have two options for you to choose from in order to return the survey. (1) You may fill it in by hand and **fax (615-253-6406)** it back to us. (2) You may download an electronic version of the survey at THDA's website ([www.tn.gov/thda](http://www.tn.gov/thda)) and then email it back to us. If you choose the second method, you must save a copy of the survey, which is a Word document to your hard drive. When completed, e-mail it to [terri.jaynes@state.tn.us](mailto:terri.jaynes@state.tn.us). Thank you very much for your time and attention to this. We look forward to discussing the results at the summit. If you have any questions, please do not hesitate to call (615) 741-9680.

I. Please rate the level of need in your community for the following items or services.

1=Little Need      2=Average Need      3=Much Need      4=Not Sure

A. <u>Safe and Affordable Owner Occupied Units for Moderate and Low-Income Tennesseans</u>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Creation of single family homes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Preservation of single family homes (structural soundness)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Creating opportunities for homeownership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. <i>Safe and Affordable Rental Units for Low-Income Tennesseans</i>				
1. <i>Creation of rental units</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Preservation of rental units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. <u>Housing for Persons with Special Needs</u>				
1. Persons with Mental Illness and/or Substance Abuse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Persons with Developmental Disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Persons with Physical Disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Elderly Persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Persons who are homeless or threatened by homelessness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Other special needs (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Please note that the median family income for TN is \$50,700 (Family of 4)</u>				
7. Housing for extremely low citizens (<30% of Area Median Income)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Housing for very low-income citizens (<50% of Area Median Income)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Housing for low-income citizens (<80% of Area Median Income)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**II. In this section, we want to learn about the resources available to you, your use of these resources, and the need for more resources to meet the affordable housing needs in your community. For each item, please mark all numbers that apply for the specific resource. In the space provided at the end of each section please identify the specific need for services you have indicated.**

**1=Adequate resources are available    3=We need help in utilizing the available resources**  
**2=We utilize the available resources    4=More resources are needed**

<i>Rental</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. <i>Financing for the development of affordable rental units</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. <i>Rental assistance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>				

<i>Homeownership and Professional Services</i>				
1. Mortgage Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Real Estate professionals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Developers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Down Payment Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Financing for the rehabilitation of owner occupied homes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Comments:**  


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**C. Community and General Needs**

1. Capacity to develop affordable housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Regional efforts to address affordable housing needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Identification of housing needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Flexible housing programs at the federal and state level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Access to data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Fair Housing Awareness/Training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Access to funding sources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Financing/locating mobile homes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Comments:**  


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**III. Please indicate your level of agreement with the following statements as they relate to safe and affordable housing.**

**1=Strongly Agree    2=Somewhat Agree    3=Somewhat Disagree    4=Strongly Disagree**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Areas in my community contain a mix of income levels.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Low-Income housing is concentrated in specific areas.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. There is an adequate amount of affordable housing within commuting distance to employment sources.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Predatory lending is a problem in my community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Opportunities for homeownership are adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Affordable housing for migrant workers is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Affordable housing for immigrants is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Non-profits in my community are addressing the most important needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Non-profits are developing homes and apartments in appropriate price ranges.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Non-profits are working in the areas of the community with the most need.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Non-profits are serving the people in the most need.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**IV. Additional Comments**

Please share any additional needs, ideas, or suggestions below.

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**V. Respondent Information**

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_

If you are an elected official, please state your position: \_\_\_\_\_

If you are not an elected official, please indicate in what capacity you are responding.

- Citizen
- Employee of a local government
- Employee of a Development District
- Consultant
- Community Housing Development Organization (CHDO)
- Other non-profit organization
- Other \_\_\_\_\_

- I plan to attend the Summit.
- \_\_\_\_\_ will be my representative at the Summit.

Please return this survey by October 25, 2002 by fax or email. Thank you!

**Office of Program Management  
William R. Snodgrass Tennessee Tower, 10th Floor  
312 Eighth Avenue North  
Nashville, Tennessee 37243-0405  
615-741-6201 Voice/TDD / FAX: 615-253-1870**

**MEMORANDUM**

To: Mary McLennan  
From: Philip Trauernicht  
Date: December 29, 2004  
Subject: CDBG Evaluation Questionnaire

**Introduction**

Several months ago we began a public participation process to obtain information and opinions from citizens, local elected officials, and others regarding the administration and priorities of the small cities Community Development Block Grant (CDBG) program. This participation involved the completion of a written questionnaire. While we are still accepting input, it is obvious that most people who are going to respond have already done so. Therefore, it is appropriate to summarize the results of the evaluation, and to make this information available.

**Methodology and Response Rate**

The questionnaire was mailed to all mayors, county mayors, as well as other interested parties. A total of 700 questionnaires were sent along with follow-up mailings. Additionally, I met with the officials of each of the development districts to request the involvement of local elected officials.

The responses were both satisfying and disappointing. A total of 234 questionnaires were returned. We were encouraged that we received 118 responses from elected officials (a 51 percent response rate). There were 116 responses from individuals with varying degrees of relationships to the CDBG program.

The responses from the elected officials were most gratifying. It is our opinion that local officials are elected to represent the broad interests of their constituents, and they should have the most balanced and unbiased view of what is important in their community. And as the only legal applicants for CDBG assistance, the input from local governments is invaluable in assessing our performance in the administration of the CDBG program.

**CDBG Program Priorities**

Respondents were asked to apportion 100 percentage points among the type of projects traditionally submitted for funding and those types of projects which have been discussed for funding in previously held public meetings. Respondents were also given the opportunity to identify other types of projects not specifically identified. Listed below is the result of that input.

<u>Category</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Water and sewer systems	19	18
Water and sewer line extensions	18	18
Economic Development	16	17
Fire protection	10	9
Housing rehabilitation	7	8
Recreation	6	5
Drainage/flood control	6	7
Emergency equipment	5	5
Community centers	5	5
Health clinics	4	4
Micro-enterprise development	3	2
Other	1	2

These data reveal that while there are minor differences between the last survey sent in 1999 and this year's survey for the use of CDBG funds, their responses are, in fact, remarkably similar.

#### Procedural Issues

The state has traditionally imposed certain restrictions on the use of CDBG funds in order to maximize the number of cities and counties which may benefit from the program. Respondents were asked to indicate the degree of their agreement with these restrictions. Listed below are the restriction and the degree of agreement or disagreement.

In order to ensure that the greatest number of cities and counties possible benefit from CDBG funds, previous non-economic development grants must be complete before subsequent applications may be submitted.

<u>Response</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Agree	67	72
Disagree	27	25

Eligible applicants may submit only one non-economic development application.

<u>Response</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Agree	60	66
Disagree	35	31

If only one application can be submitted, it should be the responsibility of the local government to select the application which will be submitted.

<u>Response</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Agree	88	96
Disagree	7	2

Funding limits should remain as they are now for non-economic development programs (\$500,000 maximum for water, sewer, and housing rehabilitation grants, \$300,000 for all other projects).

<u>Response</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Agree	72	71
Disagree	22	24

### **ECD's Three Star Points**

This year we also asked about the bonus point for ECD's Three Star communities and our proposed change to a new Three Star Program with various points for Three Star communities.

Presently, Three Star communities receive a bonus of one point in the non-economic development (regular round). Should this remain the same?

<u>Response</u>	<u>Total Percent</u>
Agree	48%
Disagree	38%
No Opinion	14%

If you think that Three Star communities should receive more, do you agree with the "pilot" proposal for points?

<u>Response</u>	<u>Total Percent</u>
Agree	19%
Disagree	10%
No Opinion	71%

## Summary Evaluation of the CDBG Program

Respondents were asked two questions regarding their overall satisfaction with the CDBG program. The first related to the priorities of the program (i.e., the uses of CDBG funds). The second related to the department's administration of the program. The results of questions are as follows:

In general, how satisfied are you with the CDBG program priorities as they are presently structured?

<u>Response</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Satisfied	77	89
Dissatisfied	11	5

In general, how satisfied are you with the CDBG procedures as they are presently structured?

<u>Response</u>	1999 Percent <u>Total</u>	2004 Percent <u>Total</u>
Satisfied	74	85
Dissatisfied	15	6

## Department Response

Overall, the department was pleased with the results from the questionnaire. Particularly gratifying was the high degree of general agreement with the priorities and procedures of the CDBG program. We will change our Three Star Program for this coming year and assign additional bonus points under the new program for communities that qualify and are applying for CDBG funding. We will continue with the FY 2005 program with the same priorities and procedures as were in effect in FY 2004. This information will also be used as the new Five Year Consolidated Plan is being prepared for the HUD programs administered by the State of Tennessee.

We presented the results of this questionnaire to the public at our CDBG public hearing held on September 8, 2004 in Nashville.

If you have any questions about this analysis, please do not hesitate to contact me.

PT:mmf

Office of Program Management  
William R. Snodgrass Tennessee Tower, 10th Floor  
312 Eighth Avenue North  
Nashville, Tennessee 37243-0405  
615-741-6201 Voice/TDD / FAX: 615-253-1870

MEMORANDUM

To: Mayors  
County Mayors  
Development Districts  
Administrators & Engineers  
Interested Parties

From: Philip Trauernicht  
Director

Date: July 19, 2004

Subject: CDBG Questionnaire

Enclosed is a questionnaire on the Community Development Block Grant Program. We would like for you to respond by **August 6, 2004**. Your response is important to us.

If you have any questions, please call Program Management at (615) 741-6201.

PT:plf

Enclosure



**2005**  
**STATE OF TENNESSEE**  
**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
**PROGRAM EVALUATION QUESTIONNAIRE**

Introduction

The purpose of this questionnaire is to solicit information from citizens, local elected officials, and others regarding the administration of the Small Cities Community Block Grant (CDBG) program in Tennessee. Your input is very important to ensure that the CDBG program continues to meet local needs.

**This questionnaire is in 5 parts, as follows:**

**Part A is an overview. If you have been previously briefed on the CDBG program, you may skip this section.**

**Part B requests information about how you think CDBG funds should be used.**

**Part C asks your opinion about state rules and operating procedures.**

**Part D is more general, and asks for your overall evaluation of the CDBG program.**

Part E requests information about you. This information will allow us to better analyze the information which is provided.

Instructions

- 1. Please read the entire questionnaire before completing any individual section.**
- 2. If you would like to make additional comments, you may attach supplemental pages as necessary.**
- 3. Please return the completed questionnaire to the following address.**

**Patricia Bergquist**  
**Program Management Division**  
**Department of Economic and Community Development**  
**Tennessee Tower, 10<sup>th</sup> Floor**  
**312 Eighth Avenue North**  
**Nashville, TN 37243-0405**

**Part A**  
**CDBG Program Overview**

This questionnaire pertains only to the Small Cities CDBG program which generally includes cities of less than 50,000 population and rural areas.

Every CDBG grant must demonstrate that it is in conformance with one of three “national objectives” which are:

- 1) Principally benefit persons of low and moderate income (LMI).
- 2) Prevent or eliminate slums and blight.
- 3) Address problems posing threats to community health and safety.

Most projects are justified on the LMI objective. To be eligible, 51 percent of the beneficiaries must be LMI persons.

Tennessee’s allocation of CDBG funds varies from year to year. It is expected to remain in the \$30,000,000 range.

CDBG is a very flexible program. Just about anything can be funded as long as it meets one of the national objectives. Specifically ineligible are activities involving the general operation of government or political activities.

Grants may only be made to municipal and county governments. Utility districts, non-profit organizations, and similar users of CDBG funds must apply through a local unit of government.

For additional information prior to completing the questionnaire, please call (615) 741-6201.

**Part B**  
**CDBG Program Priorities**

In order to target CDBG funds on those projects which citizens and local officials feel are important, it is necessary to know the relative importance of the various projects which can be financed with CDBG grants. Therefore, please apportion 100 points among the following types of projects (those listed and those added) according to their importance to your community. The total of all the points should equal 100.

**Points**

\_\_\_\_\_ ***Economic development.*** Grants for publicly owned industrial infrastructure (water, sewer, etc.) and loans for privately owned industrial building and manufacturing equipment which will result in the creation of private sector jobs. Primarily manufacturing related.

\_\_\_\_\_ ***Water and sewer systems.*** Water treatment plants, wastewater treatment plants, water storage tanks, major trunk lines, water intake structures, and other improvements designed to improve the system as a whole as opposed to servicing individual residences.

\_\_\_\_\_ ***Water and sewer line extensions.*** The extension of water and sewer lines in order to provide enhanced service to individual residences.

\_\_\_\_\_ ***Health clinics.*** Buildings and equipment which provide public health and social services.

\_\_\_\_\_ ***Community centers.*** Buildings and equipment to facilitate community meetings and the provision of certain public services.

\_\_\_\_\_ ***Fire protection.*** Buildings, vehicles, and equipment for fire fighting.

\_\_\_\_\_ ***Emergency equipment.*** Ambulances, first-responder units, and other equipment for the provision of emergency health services.

\_\_\_\_\_ ***Housing rehabilitation.*** Bringing deteriorated housing up to standards required for safe and habitable living.

\_\_\_\_\_ ***Micro-enterprise development.*** Technical assistance and loans for businesses of generally less than five employees requiring loans from \$500 to \$25,000. Businesses primarily focus on local product, retail, and service needs.

\_\_\_\_\_ ***Recreation.*** The provision of opportunities for public recreation.

\_\_\_\_\_ ***Drainage/flood control.*** Eliminating conditions which cause periodic flooding in residential and commercial areas.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Part C**  
**Procedural Issues**

The following represent state rules which affect how CDBG applications may be submitted. Please indicate whether you agree or disagree with these rules.

1. In order to ensure that the greatest number of cities and counties possible benefit from CDBG funds, previous non-economic development grants must be complete before subsequent applications may be submitted.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_

2. Eligible applicants may submit only one non-economic development application.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_

3. If only one application can be submitted, it should be the responsibility of the local government to select the application which will be submitted.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_

4. Funding limits should remain as they are now for non-economic development programs (\$500,000 maximum for water, sewer, and housing rehabilitation grants, \$300,000 for all other projects).  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_

5. Presently Three Star Communities receive a bonus of one point in regular round. Should this remain the same.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_

6. If you think that Three Star Communities should receive more, do you agree with the "pilot" proposal for points. They are as follows:

	Level I	Level II	Level III
<b>CDBG Points (Regular Round):</b>			
City	2	2	2
County	5	5	5
<b>Local Match (CDBG-FIDP):</b>			
City (Ability-to-Pay)	-1%	-2%	-3%
County (Ability-to-Pay)	-3%	-4%	-5%
<b>CDBG Loan Limits:</b>			
City	\$550,000	\$575,000	\$600,000
County	\$600,000	\$625,000	\$650,000

7. Other recommendations: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Part D**  
**Summary Evaluation of the CDBG Program**

In Part D you may indicate your general satisfaction or dissatisfaction with the CDBG program as it is currently being administered.

1. In general, how satisfied are you with the CDBG program priorities as they are presently structured?  
 Satisfied \_\_\_\_\_ Dissatisfied \_\_\_\_\_ No Opinion \_\_\_\_\_  
 Comments: \_\_\_\_\_  
 \_\_\_\_\_

2. In general, how satisfied are you with the CDBG procedures as they are presently structured?  
 Satisfied \_\_\_\_\_ Dissatisfied \_\_\_\_\_ No Opinion \_\_\_\_\_  
 Comments: \_\_\_\_\_  
 \_\_\_\_\_

**Part E**  
**Respondent Information**

In order that we may compile your responses in a useful format, please provide the following information:

1. Are you an elected official? \_\_\_\_\_ Yes \_\_\_\_\_ No
2. If yes, what is your elected position? \_\_\_\_\_
3. If your response is being submitted as other than an elected official, please state in what capacity you are responding.  
 \_\_\_\_\_ Citizen  
 \_\_\_\_\_ Employee of a local government  
 \_\_\_\_\_ Employee of a development district  
 \_\_\_\_\_ Engineer or consultant  
 \_\_\_\_\_ Chamber executive or economic developer  
 \_\_\_\_\_ Non-profit organization  
 \_\_\_\_\_ Utility district  
 \_\_\_\_\_ Other (please specify \_\_\_\_\_)

**State of Tennessee  
Request for Certification of Consistency  
with the Consolidated Plan**

When submitting a request for Certification of Consistency with the Consolidated Plan, please provide the following:

- Fill in the information on the Certification of Consistency Form except the name, title, and signature of the Certifying Official of the Jurisdiction. (Once approved, the certification will be returned to your agency. If you wish to receive a faxed copy, please indicate below.)
- Provide an overall summary of the activities/project proposed. **The summary must not exceed two (2) pages in length** and should include information on the types of activities proposed, project location, funding sources, amount of funds requested and the benefit(s) provided to recipients. (Requests for certifications that do not have an overall summary will not be reviewed and will be returned to applicant. If information in the overall summary is insufficient, the Tennessee Housing Development Agency (THDA) will contact the applicant for additional information.)
- If project or activities include demolition of public housing units, applicants should submit detailed information including, but not limited to, the following:
  - Housing market analysis that demonstrates an existing supply of available affordable housing in the community serving the population to be displaced.
  - Proof of resident public hearing with resident comments.
  - Demographic data that substantiates demolition of the types of units (1 bedroom/multi-units), information on the number of units to be demolished and the number of families being displaced.
  - A plan indicating where residents will move once units are demolished.
  - A plan for construction of replacement/new units if applicable.

**If demolition is proposed, PHAs should submit plans for approval at least one month prior to submission of their plan to HUD. Additional information may be required.**

Please fill out the following information and submit it with the Certification of Consistency Form and the overall summary. Please allow THDA a minimum of two weeks (minimum of one month for demolition) to review all requests and have certifications returned. All Request for Certification of Consistency with the Consolidated Plan forms should be mailed to the Tennessee Housing Development Agency (THDA), 404 James Robertson Parkway, Suite 1114 RPTS, Nashville, TN 37243, Attn: M. McLennan or e-mail to [mary.mclennan@state.tn.us](mailto:mary.mclennan@state.tn.us) or faxed to 615-253-6406.

**State of Tennessee  
Request for Certification of Consistency  
with Consolidated Plan**

Applicant Name: \_\_\_\_\_

Applicant Address: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Location: \_\_\_\_\_

Federal Program Funds Requested: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Date that certification request submitted to THDA: \_\_\_\_\_

Date that applicant needs certification returned: \_\_\_\_\_

**Check all that applies:**

- Overall summary of activities/project included.
- Documentation regarding demolition.
- Return original certification with original signature.
- Fax certification to the above-listed fax number.

**Questions about the Certification of Consistency for the Consolidated Plan form may be directed to the Research, Planning and Technical Services Division of THDA at 615-741-4946.**