



# THDA HOME Investment Partnerships Program Beneficiary Report

July 1, 2015 – June 30, 2016

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**Tennessee Housing Development Agency (THDA)**

As the State’s housing finance agency, the Tennessee Housing Development Agency (THDA) is a self-sufficient, publicly accountable entity of the State of Tennessee. Our purpose is to meaningfully expand affordable housing opportunities for Tennesseans.

More information about THDA programs can be found online at [www.thda.org](http://www.thda.org).

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*Leading Tennessee Home by creating safe, sound, affordable housing opportunities.*

## TABLE OF CONTENTS

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<b>Executive Summary</b> .....	<b>4</b>
Introduction .....	5
State of Tennessee HOME Program.....	6
HOME Allocations and Funds Available .....	7
Distribution of HOME Funds by Funding Category .....	8
HOME Activities .....	9
HOME Activities by Grand Division .....	10
Details of HOME Beneficiaries .....	11
Household Characteristics .....	11
Income, Occupancy and Other Types of Assistance Received.....	12
Race and Ethnicity.....	14
Conclusion .....	15

### Tables, Charts and Maps

Map 1	Tennessee HOME Investment Partnerships Grantees, by Type, 2016.....	6
Chart 1	Annual Federal Allocations for the State of Tennessee’s HOME Program, 2006-2016 .....	7
Table 1	Annual Allocations for the State of Tennessee’s HOME Program, 2010-2016 .....	7
Table 2	HOME Program Funds by Grand Division, 2010-2016 .....	8
Table 3	HOME Program Funds by Category, 2010-2016 .....	9
Table 4	HOME Projects Completed during FY 2015-16 by Activity Type and Program Year .....	9
Table 5	Cumulative HOME Projects Completed by Activity Type and Program Year .....	10
Table 6	HOME Activities Completed in FY 2015-16 by Grand Division and Program Year .....	11
Table 7	Cumulative HOME Activities Completed by Grand Division and Program Year .....	11
Table 8	Household Size of HOME Beneficiaries in FY 2015-16 by Household Type .....	12
Table 9	Cumulative Data on Household Size of HOME Beneficiaries by Household Type .....	12
Table 10	Distribution of HOME Program Beneficiaries in FY 2015-16 by Income .....	13
Table 11	Cumulative Distribution of HOME Program Beneficiaries by Income.....	13
Table 12	Distribution of HOME Program Beneficiaries in FY 2015-16 by Tenant Type & Income ...	13
Table 13	Cumulative Distribution of HOME Program Beneficiaries by Tenant Type & Income .....	14
Table 14	HOME Beneficiaries in FY 2015-16 by Race and Ethnicity .....	14
Table 15	Cumulative HOME Beneficiaries by Race and Ethnicity .....	15

## **2015 - 2016 HOME Beneficiary Report Executive Summary**

The 2015 - 2016 HOME Beneficiary Report provides information regarding HOME allocations received by the State of Tennessee, the activities completed with HOME funding, and the households served by the HOME Program from July 1, 2015 through June 30, 2016.

### General Data:

- Tennessee received an allocation of \$9,599,859 in 2016, which is a 6.4 percent increase from the 2015 allocation of \$8,984,790 and a five percent decrease from the 2014 allocation of \$10,096,577.
- In total, THDA distributed \$16,683,138 in program funds during FY 2015-16. This included \$14,282,052 in funds from Program Years 2012 and 2013 in the Urban and Rural rounds. THDA also distributed \$1,292,500 of Community Housing Development Organization (CHDO) program funds.

### Activities Data

- In FY2015-16, 99 affordable housing units were completed using HOME allocations from program years 2011-2014. Sixty-five percent of these units (63 units) were rehabilitation projects. New construction and acquisition/rehabilitation each represented 15 percent of the completed units (15 units for each of these activities). There were six units completed with acquisition/new construction.
- Thirty-five percent of the projects were completed in East Tennessee, 36 percent of the projects were completed in Middle Tennessee, and 28 percent were completed in West Tennessee.

### Beneficiary Data:

- During FY 2015-16, 93 of the 99 households reported beneficiary data. Six units (six percent) during the reporting period were vacant. Thirty-one percent of the households reporting beneficiary data were categorized as elderly and 31 percent are single/non-elderly. The remaining 31 percent of households were a combination of Related/Single Parent, Related/Two Parent, and Other.
- Forty seven percent of the beneficiaries were very low-income households.
- Seventy-five percent of the units were owner-occupied while the remaining 19 percent were renter-occupied. There were six unoccupied-units during this reporting period.
- Sixty-five percent of the beneficiaries were White, 27 percent were Black/African American, and one percent reported as Other/Multi-Race. There were no beneficiaries of Hispanic origin.

## **Introduction**

The U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships program is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. The HOME program is implemented through state and local governments called participating jurisdictions or "PJs." PJs may be states or units of general local government, including consortia and urban counties. The Tennessee Housing Development Agency (THDA) administers the HOME program for the State of Tennessee to promote the production, preservation, and rehabilitation of housing for low-income households. During this reporting period, the State of Tennessee's HOME funds were awarded for homeowner projects through a competitive application process for cities, counties, and non-profit organizations outside of local PJs, which receive their own HOME allocations directly from HUD.

This report provides information regarding HOME allocations received by the State of Tennessee, the households served by the HOME program, and the activities completed in fiscal year 2015 – 2016<sup>1</sup>. HOME activities are required to be completed within four years of the date the State of Tennessee enters into a grant agreement with HUD; however, THDA limits its contracts with its sub-recipients to a three-year term. As a result, the number of completed units and the beneficiary data available for program years 2011 – 2014 are reported as of June 30, 2016 and do not represent the final number of units or total beneficiary data from projects resulting from those program years.

Funding for the HOME program increased in 2016, following a funding decrease in 2014. Tennessee received an allocation of \$9,599,859 in 2016, which is a 6.7 percent increase from the 2015 allocation of \$8,984,790 and a five percent decrease from the 2014 allocation of \$10,096,577. The State of Tennessee's HOME program has made substantial contributions to affordable housing for low-income Tennesseans. During FY 2015-16, HOME funds contributed to the completion of 99 housing units.

## **State of Tennessee HOME Program**

The State of Tennessee's HOME funds are made available to cities, counties and non-profit organizations outside of local Participating Jurisdictions (PJs) on a competitive basis. Current PJs, which receive their own HOME funds directly from HUD include: the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Johnson City, Bluff City, Kingsport, Sullivan County and Washington County, excluding the town of Jonesborough), Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County and Shelby County. Map 1 on the following page shows the State of Tennessee by jurisdiction type.

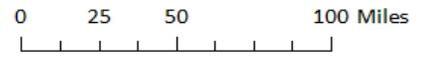
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<sup>1</sup> THDA reports HOME activities and beneficiary data based on the state's fiscal year which is also Tennessee's HUD Program Year July 1<sup>st</sup> through June 30<sup>th</sup>.

Map 1 State of Tennessee HOME Program



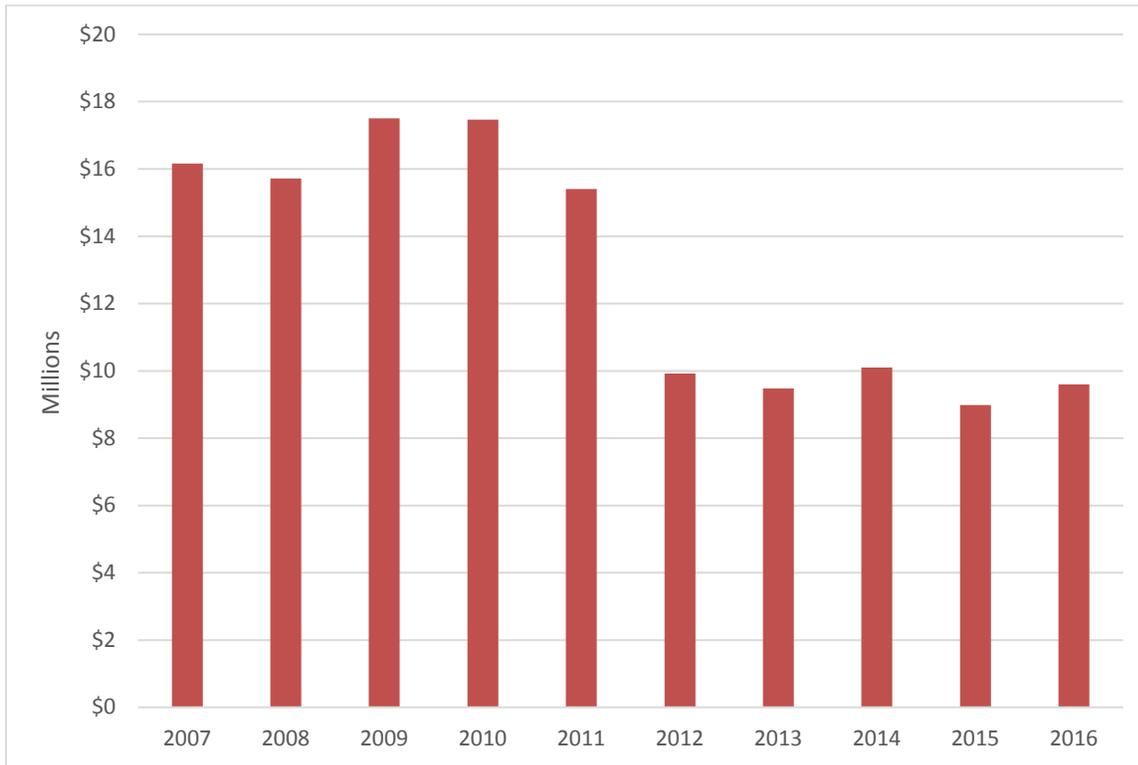
HOME Program Grantee Type



## HOME Allocations and Funds Available

Chart 1 shows Tennessee’s federal HOME allocations for the past 10 years. Table 1 shows the federal HOME allocation for program years 2010 – 2015. The table additionally shows the year-to-year percent change in HOME funds over the reporting period. The HOME program may reallocate recaptured funds or program income from one HOME program year to the next. The “Funds Made Available” column represents the federal allocation plus any reallocated funds resulting from program income or recaptured funds at the time of this report.

**Chart 1 Annual Federal Allocations for the State of Tennessee’s HOME Program, 2006-2016**



**Table 1 Annual Allocations for the State of Tennessee’s HOME Program, 2010-2016**

Year	Federal Allocation	Change from Previous Year’s Allocation	Funds Made Available	FY 2015-16 Additional Units Completed	Cumulative Units
2016	\$9,599,859	6.8%	\$6,239,325	-	-
2015	\$8,984,790	-11.0%	\$10,096,577	-	-
2014	\$10,096,577	6.6%	\$12,074,278	2	2
2013	\$9,474,797	-4.5%	\$21,217,616	38	38
2012	\$9,924,071	-35.6%	\$10,883,072	58	66
2011	\$15,406,004	-11.8%	\$17,517,430	1	334

The distribution of HOME funds across Tennessee’s three grand divisions is represented in Table 2. During the reporting period, Middle Tennessee received 45 percent of HOME funds, followed by East Tennessee with 38 percent, then West Tennessee with 18 percent. The allocation amounts do not include funds retained for the state’s administrative costs or funds that were uncommitted at the time of this report.

**Table 2 HOME Program Funds Awarded by Grand Division**

<b>Grand Division</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
<b>East</b>	\$6,984,123	\$2,544,865	\$2,949,096	\$5,560,786	\$3,490,220	\$28,763,084
<b>Middle</b>	\$6,108,142	\$4,875,000	\$3,726,712	\$7,896,404	\$4,120,246	\$33,557,878
<b>West</b>	\$2,636,705	\$3,650,256	\$1,000,000	\$3,225,949	\$1,645,000	\$14,924,691
<b>Total</b>	<i>\$15,728,970</i>	<i>\$11,070,121</i>	<i>\$7,675,808</i>	<i>\$16,683,139</i>	<i>\$9,255,466</i>	<i>\$77,245,653</i>

**Distribution of HOME Funds by Funding Category**

Seventy percent of the HOME funds are distributed based on an Urban/Rural Allocation. Of these funds for the Urban/Rural allocation, 44 percent were available to urban counties and 56 percent were available to rural counties.<sup>2</sup> Fifteen percent of the total allocation remain reserved for CHDOs and five percent are allocated for CHDO operating expenses. Ten percent of funds are used for the administration of the program by THDA and sub-grantees. Allocation policies in prior years (some of the earliest years found in this year’s report) used other methods, notably a regional allocation by Development District and a set aside for Special Needs/Supportive housing.

Table 3 represents the distribution of HOME funds across each of the program categories (Regional and Urban/Rural, Special Needs and Supportive Housing Development, and CHDO) for program years 2010 – 2015. The funding amounts in the table below do not include funds retained for the state’s administrative costs or funds that were uncommitted at the time of this report.

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<sup>2</sup> Urban counties include: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen Haywood, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties, excluding the PJs that receive their own HOME funds directly from HUD, are considered rural counties.

**Table 3 HOME Program Funds Awarded by Category, 2010 - 2015**

<b>Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
<b>CHDO</b>	\$2,720,368	\$2,604,544	-	\$1,431,172	\$1,292,500	\$10,692,016
<b>Special Needs (Supportive Housing)</b>	\$656,249	\$1,030,361	NA	969,914	NA	\$4,177,620
<b>Urban/Rural (previously regional)</b>	\$12,352,353	\$7,435,216	\$7,675,808	\$14,282,052	\$7,962,966	\$62,376,016
<b>Total</b>	<b>\$15,728,970</b>	<b>\$11,070,121</b>	<b>\$7,675,808</b>	<b>\$16,683,138</b>	<b>\$9,255,466</b>	<b>\$77,245,652</b>

**HOME Activities**

The HOME program funded various activities ranging from rehabilitating single family homes and manufactured housing, to homeownership activities, to creating or improving supportive needs rental housing. Recipients of HOME funds are able to tailor the program to support the unique needs of each county. For reporting purposes, HOME activities are grouped under one of five broad categories including: rehabilitation, new construction, acquisition only, acquisition and rehabilitation, and acquisition and new construction. Table 4 shows the distribution of completed activities during FY 2015-16 and the program years from which they were originally funded. Table 5 shows the total number of activities completed with funding from each specified program year.

**Table 4 HOME Projects Completed during FY 2015-16 by Activity Type and Program Year**

<b>Program Year</b>	<b>Rehabilitation Only</b>	<b>New Construction Only</b>	<b>Acquisition and Rehabilitation</b>	<b>Acquisition and New Construction</b>	<b>Total</b>
<b>2011</b>	1	-	-	-	1
<b>2012</b>	31	8	13	6	58
<b>2013</b>	31	7	-	-	38
<b>2014</b>	-	-	2	-	2
<b>Total</b>	63	15	15	6	99

**Table 5 Cumulative HOME Projects Completed by Activity Type and Program Year**

<b>Program Year</b>	<b>Rehabilitation Only</b>	<b>New Construction Only</b>	<b>Acquisition Only</b>	<b>Acquisition and Rehabilitation</b>	<b>Acquisition and New Construction</b>	<b>Total</b>
<b>2011</b>	245	37	26	17	9	<b>334</b>
<b>2012</b>	31	9	1	19	6	<b>66</b>
<b>2013</b>	31	7				<b>38</b>
<b>2014</b>				2		<b>2</b>
<b>Grand Total</b>	<b>307</b>	<b>53</b>	<b>27</b>	<b>38</b>	<b>15</b>	<b>440</b>

*Rehabilitation*

A total of 63 rehabilitation only projects were completed during FY 2015-16. These units account for 64 percent of all projects completed during the reporting period. All of the 63 rehabilitation projects completed were homeowner rehabilitation projects.

*New Construction*

A total of 15 new construction only projects were completed during FY 2015-16. These units account for 15 percent of all projects. Nine of the new construction projects completed were homeownership units while the remaining six are vacant.

*Acquisition Only*

There were no acquisition and new construction projects completed during FY 2015-16.

*Acquisition and Rehabilitation*

Fifteen acquisition and rehabilitation projects were completed during FY 2015-16. These units account for 15 percent of all projects. 13 of the acquisition and rehabilitation projects were rental projects and two accounted for homeownership projects.

*Acquisition and New Construction*

There were six acquisition and new construction projects completed during FY 2015-16. All of the acquisition and New Construction projects were rental projects.

**HOME Activities by Grand Division**

During FY 2015-16, 99 units were completed with the majority of completed HOME activities taking place in East and Middle-Tennessee. Of the total units completed, 34 percent occurred in East Tennessee, 40 percent occurred in Middle Tennessee and 26 percent took place in West Tennessee. Table 6 shows the completed units in FY 2015-16 by grand division.

**Table 6 HOME Activities Completed in FY 2015-16 by Grand Division and Program Year<sup>3</sup>**

<b>Grand Division</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Grand Total</b>
<b>East</b>		18	17		<b>35</b>
<b>Middle</b>		16	18	2	<b>36</b>
<b>West</b>	1	24	3		<b>28</b>
<b>Total</b>	<b>1</b>	<b>58</b>	<b>38</b>	<b>2</b>	<b>99</b>

Table 7 shows the cumulative total activities completed from each program year that remained active during the reporting period and in each of the grand divisions.

**Table 7 Cumulative HOME Activities Completed by Grand Division and Program Year**

<b>Grand Division</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total</b>
<b>E</b>	131	16	17		<b>164</b>
<b>M</b>	107	19	18	2	<b>146</b>
<b>W</b>	39	21	3		<b>63</b>
<b>Total</b>	<b>277</b>	<b>56</b>	<b>38</b>	<b>2</b>	<b>440</b>

### **Details of HOME Beneficiaries**

During FY 2015-16, 99 households were assisted with the State of Tennessee’s HOME funds. Six of the 99 completed units during FY 2015-16 were reported as vacant; therefore, beneficiary data is only applicable for the 93 occupied units. Beneficiaries of HOME funds must be low- or very low-income households.<sup>4</sup> THDA provides income determination guidelines to grantees to ensure all recipients of HOME funds meet income limits. The income of HOME beneficiaries and other demographics for units completed in FY 15-16 are included in the following sections.

### **Household Characteristics**

The majority of households that received HOME assistance during the reporting period were elderly heads of households, followed closely by single, non-elderly heads of households. Cumulatively, one-person households were served more frequently than any other size of household. Together, households with a single, non-elderly and elderly head of household comprised 62 percent of HOME Beneficiaries during FY

<sup>3</sup> This table shows only completed units by program year, not the total expected units. Please refer to Table 2 of this report for total funding by program year for each grand division.

<sup>4</sup> Very low-income households are defined as those households whose annual income is 50 percent or less of the area median income (AMI) for the county in which the household resides. Low-income households are defined as those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides.

2015-16. Table 8 shows the beneficiary household sizes and types for activities completed during FY 2015-16. Table 9 shows the cumulative beneficiary characteristics from all completed activities during FY 2015-16.

**Table 8 Household Size of HOME Beneficiaries in FY 2015-16 by Household Type**

Household Size	Single, Non-Elderly	Elderly	Related / Single Parent	Related / Two Parent	Other	Not Available	Grand Total
1	21	21					42
2	3	6	4	1	1		15
3	2	3	9	5	1		20
4	3	1	3	3			10
5	1			2			3
6				1			1
7	1						1
8				1			1
N/A						6	6
<b>Grand Total</b>	<b>31</b>	<b>31</b>	<b>16</b>	<b>13</b>	<b>2</b>	<b>6</b>	<b>99</b>

**Table 9 Cumulative Data on Household Size of HOME Beneficiaries by Household Type**

Household Size	Single, Non-Elderly	Elderly	Related / Single Parent	Related / Two Parent	Other	N/A	Grand Total
1	94	73			4		171
2	18	43	13	2	13		89
3	14	13	44	13	5		89
4	9	6	14	19	3		51
5	4	1	1	9	4		19
6		1	2	3			6
7	2	1	1				4
8		1		3			4
N/A						7	7
<b>Grand Total</b>	<b>221</b>	<b>139</b>	<b>75</b>	<b>49</b>	<b>26</b>	<b>7</b>	<b>440</b>

### Income, Occupancy Type and Other Forms of Assistance Received

Out of the 93 occupied households that received HOME assistance during FY 2015-16, 47 percent were very low-income and 52 percent were low-income households. Due to vacancy, income information was not available for one percent of the units. The number of very low-income households served by the HOME program during this reporting period decreased compared to the prior year. During FY 2014-15, 66 percent of occupied households receiving HOME assistance were very low-income. Table 10 shows the number of very low- and low-income households served during FY 2015-16. Table 11 shows the cumulative total of beneficiaries served from funding from program years 2011 through 2014.

**Table 10 Distribution of HOME Program Beneficiaries in FY 2015-16 by Income**

Beneficiary Income	Number of Households	Percentage of Households
<b>Very Low-Income</b>	47	47%
<b>Low-Income</b>	46	46%
<b>Not Available</b>	6	6%
<b>Total</b>	99	100%

**Table 11 Cumulative Distribution of HOME Program Beneficiaries by Income**

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	259	59%
Low-Income	174	40%
Not Available	7	1%
Total	440	100%

During FY 2015-16, 19 percent of the units created were occupied by renters and 75 percent of the units were occupied by owners. Six percent of the completed units were vacant. Forty-seven percent of renter-occupied units and owner-occupied units were occupied by very low-income households. Table 12 shows the distribution of tenant type by income level during FY 2015-16. Table 13 shows the cumulative data for units funded from program years 2011 through 2014.

**Table 12 Distribution of HOME Program Beneficiaries in FY 2015-16 by Tenant Type & Income**

Tenant Type	Very Low-Income HHs	Low-Income HHs	Not Available	Total
<b>Renter</b>	13	6	0	19
<b>Owner</b>	34	40	0	74
<b>Vacant</b>	0	0	6	1
<b>Total</b>	47	46	6	99

**Table 13 Cumulative Distribution of HOME Program Beneficiaries by Tenant Type & Income**

Tenant Type	Very Low-Income HHs	Low-Income HHs	N/A	Total
Renter	80	36		116
Owner	179	138		317
Vacant			2	7
<b>Total</b>	<b>210</b>	<b>161</b>	<b>2</b>	<b>440</b>

Both homeowner and rental assistance reported HOME program expenditure. Forms of assistance that support homeowners are not included in HOME beneficiary data. Of the 19 renter occupied units receiving HOME funds, 13 of the households did not receive any federal, state or local rental assistance. Of the six remaining renter occupied units receiving HOME funds, one unit received rental assistance through the Section 8 housing choice voucher program, and five units received other types of federal, state or local funding sources. Six units were vacant and therefore no assistance information was available.

**Race and Ethnicity**

Race and ethnicity data for the HOME program is determined by the race and ethnicity of the head of household. The majority of the HOME beneficiaries are Non-Hispanic White, followed by Black/African American. The breakdown of HOME beneficiaries by race and ethnicity is provided in the tables below. Table 14 shows the race and ethnicity for HOME beneficiaries during FY 2015-16. Table 15 shows the cumulative race and ethnicity data for all HOME beneficiaries that were funded from program years 2011 through 2014.

**Table 14 HOME Beneficiaries in FY 2015-16 by Race and Ethnicity**

Race		Number	Percentage
	White	64	65%
	Black/African American	27	27%
	Asian	0	0%
	American Indian/Alaska Native	1	1%
	Other Multi-Racial	1	1%
	Vacant (no race information)	6	6%
	<b>Total</b>	99	100%
Ethnicity		Number	Percentage
	Hispanic	0	0%

**Table 15 Cumulative HOME Beneficiaries by Race and Ethnicity**

<b>Race</b>		<b>Number</b>	<b>Percentage</b>
	<b>White</b>	342	78%
	<b>Black/African American</b>	88	20%
	<b>Asian</b>	0	0%
	<b>American Indian/Alaska Native</b>	1	0%
	<b>Other Multi-Racial</b>	2	0%
	<b>Vacant (no race information)</b>	7	2%
	<b>Total</b>	440	100%
<b>Ethnicity</b>		<b>Number</b>	<b>Percentage</b>
	<b>Hispanic</b>	0	0%

Data from FY 2015-16 and the cumulative data show that a majority of HOME beneficiaries are white (non-Hispanic). This percentage is fairly consistent with the proportion of low-income white households with housing problems in Tennessee. Housing problems are defined as spending more than 30 percent of household income on housing, lacking kitchen/plumbing facilities, or overcrowding. According to 2009 – 2013 Comprehensive Housing Affordability Strategy (CHAS) data, approximately 77 percent of the households who are low-income and have housing problems in areas covered by the state’s HOME program are White, 18 percent are Black/African American, three percent identified as Hispanic, and five percent are other races. The allocation of HOME funds are fairly proportional, based on race, to the low-income households with housing problems in Tennessee, although Hispanic and Asian households are slightly underserved compared to CHAS data.

**Conclusion**

A total of 247,000 households in the areas covered by the state’s HOME Program have extremely low-, very low-, or low-income and fit the criteria for having housing problems, according to the CHAS data. The HOME program is designed to help those most in need, including those households with very low- and low-incomes with housing problems. HOME funds have contributed to assisting an additional 99 households in FY 2015-16 and 440 households over the last five years. The HOME program will continue to target funds to promote the production, preservation and rehabilitation of housing for low-income households in Tennessee.