



THDA HOME Investment Partnerships Program Beneficiary Report

July 1, 2017 – June 30, 2018

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2017 - 2018 HOME Beneficiary Report Executive Summary

The 2017 - 2018 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, 2017 through June 30, 2018.

General Data:

- Tennessee received an allocation of \$14,391,943 in 2017-18, which was a 50 percent increase from the 2016-17 allocation of \$9,582,153.
- In total, THDA awarded \$10,822,250 in program funds during 2017-18. This included \$1,087,250 of Community Housing Development Organization (CHDO) program funds.
- A total of 186 housing units were assisted with HOME dollars, funded by previous allocations but completed during 2017-18.

Activities Data:

- During FY 2017-18, 186 affordable housing units were completed with HOME allocations ranging from program years 2012-2017¹. Eighty-three percent of those projects (155 units) were rehabilitation-only projects. New construction followed with eight percent (14 units). Acquisition only and acquisition with rehabilitation or new construction each comprised five percent or less of the total units completed.
- Forty-two percent of the units were completed in East Tennessee, 47 percent in Middle Tennessee, and 11 percent in West Tennessee.

Beneficiary Data:

- During FY 2017-18, 49 percent of the households reporting beneficiary data were categorized as elderly and 25 percent as single (non-elderly). The remaining 26 percent of households were a combination of other types of household configurations.
- HOME serves only low-income households, and of the households served in 2017-18, 59 percent were very low-income.
- All of the housing units completed were owner-occupied.
- Seventy percent of the households reported as White, 28 percent as Black/African American, and two percent reported as Other/Multiracial. There were three beneficiaries that described themselves as Hispanic.

¹ A program year refers to the year in which the program was funded by HUD and follows the federal fiscal year cycle, which is October 1 through September 30. THDA reports HOME activities and beneficiary data based on the state's fiscal year cycle, which is July 1 through June 30. Throughout this report, FY 2017-18 will refer to the state's fiscal cycle, July 1, 2017 – June 30, 2018, but will often be referred to by the first year in the cycle (i.e. 2017, or FY 2017), which is how Tennessee's HOME program refers to its program cycles.

Introduction

The U.S. Department of Housing and Urban Development's (HUD) HOME 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. THDA also competitively awarded funds to nonprofit housing developers qualified as Community Housing Development Organizations (CHDOs). Unlike the other funding competition, CHDOs may implement homeownership development projects anywhere in Tennessee.

This report provides information regarding HOME allocations received by the State of Tennessee, the households served by the HOME program, and the activities completed during FY 2017-2018 with funding from previous program years. 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. Therefore, projects are shown both as outcomes tied to the funding year and reported for all completed units in the active funding years, the latter of which may include projects funded prior to the current active grant years. The number of completed units and the beneficiary data available for program years 2012 – 2017 are reported as of June 30, 2018 but may not represent the final number of units or total beneficiary data from projects resulting from those program years.

Funding for the State of Tennessee's HOME program increased by 50 percent from 2016 to 2017. Tennessee received an allocation of \$14,391,943 in 2017 and \$9,582,153 in 2016. These HOME funds have made substantial contributions to affordable housing for low-income Tennesseans. During FY 2017-18, HOME funds contributed to the completion of 186 housing units for low- and very low-income families.

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. Beginning in 2016, awards made to CHDOs are made available to any county in the state, without regard to PJ status. Map 1 below shows the State of Tennessee by jurisdiction type.

Map 1 State of Tennessee HOME Program



HOME Allocations and Awards

Figure 1 shows Tennessee’s federal HOME allocations for the past 10 years. Table 1 shows the federal HOME allocation for program years 2012 – 2017. The table additionally shows the year-to-year percent change in HOME funds over the reporting period. The HOME program may reallocate recaptured funds² or program income³ from one HOME program year to the next. The “Funds Awarded” column represents the amount of funds awarded for HOME projects across the state, which may include program income and recaptured funds from previous rounds, but does not include any administrative funds.

Figure 1 Annual Federal Allocations for the State of Tennessee’s HOME Program, 2008-2017

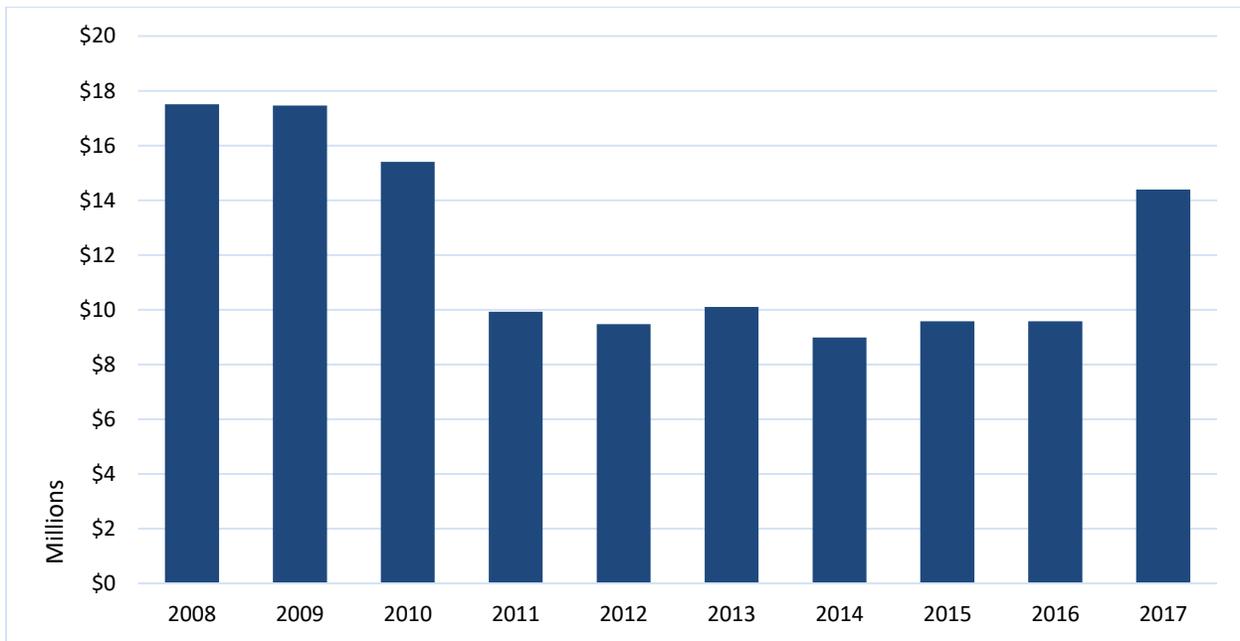


Table 1 Annual Allocations for the State of Tennessee’s HOME Program, 2012-2017

Program Year	Federal Allocation	Change from Previous Year’s Allocation	Funds Awarded	FY 2017-18 Additional Units Completed	Cumulative Units
2012-13	\$9,474,797	-4.5%	\$10,641,629	45	170
2013-14	\$10,096,577	6.6%	\$8,489,121	31	119
2014-15	\$8,984,790	-11.0%	\$9,255,466	55	92
2015-16	\$9,582,308	6.7%	\$8,605,740	29	29
2016-17	\$9,582,153	-0.002%	\$6,937,943	25	26
2017-18	\$14,391,943	50.20%	\$10,822,250	1	1

² Recaptured funds are funds from previous HOME rounds that have been unspent and reallocated to future HOME awards.

³ The HOME program makes a small amount of program income from repayments made by homeowners who do not comply with the established terms of the period of affordability or compliance period.

The distribution of HOME funds across Tennessee’s three grand divisions is represented in Table 2. During the reporting period, Middle Tennessee received 31 percent of HOME funds, followed by East Tennessee with 42 percent. HOME funds are distributed to rural and urban areas based on a set of criteria found in the [HOME Manual \(located on the THDA website here\)](#). The allocation amounts do not include funds retained for the state’s administrative costs or funds that were not committed at the time of this report.

Table 2 HOME Program Funds Awarded by Grand Division

Grand Division	2012	2013	2014	2015	2016⁴	2017	Total
East	\$2,393,015	\$3,829,269	\$3,490,220	\$5,865,000	\$4,264,993	\$4,545,000	\$24,387,497
	22%	45%	38%	68%	61%	42%	45%
Middle	\$4,817,500	\$3,548,904	\$4,120,246	\$1,640,000	\$2,672,950	\$3,390,000	\$20,189,600
	45%	42%	45%	19%	39%	31%	37%
West	\$3,431,114	\$1,110,949	\$1,645,000	\$1,100,740	\$0	\$2,887,250	\$10,175,053
	32%	13%	18%	13%	0%	27%	19%
Total	\$10,641,629	\$8,489,121	\$9,255,466	\$8,605,740	\$6,937,943	\$10,822,250	\$54,752,149

Distribution of HOME Funds by Funding Category

In 2012, the Urban/Rural Allocation replaced a regional allocation (based on the Development District regions). The Urban/Rural competition comprises 75 percent of the total HOME funds available. Thirty percent of the Urban/Rural Allocation funds were available to urban counties and 70 percent were available to rural counties.⁵ At least 15 percent of the total allocation is reserved for CHDOs.

Table 3 represents the distribution of HOME funds across each of the program categories (Urban/Rural, Supportive Housing Development, and CHDO) for program years 2012 – 2017. 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.

⁴ 2015 and 2016 Program year funds were awarded together in 2016. If the 2015 and 2016 totals are combined, 65 percent of funds were awarded in the East Grand Division, 28 percent in the Middle, and seven percent in the West.

⁵ 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, 2012 - 2016

Program	2012	2013	2014	2015	2016	2017	Total
CHDO	\$2,447,612	\$1,431,172	\$1,292,500	\$1,865,000	\$1,662,950	\$1,087,250	\$9,786,484
Supportive Housing⁶	\$969,914	\$0	\$0	\$0	\$0	\$0	\$969,914
Urban/Rural	\$7,224,103	\$7,057,949	\$7,962,966	\$6,740,740	\$5,274,993	\$9,735,000	\$43,995,751
Total	\$10,641,629	\$8,489,121	\$9,255,466	\$8,605,740	\$6,937,943	\$10,822,250	\$54,752,149

HOME Units

The HOME program funds 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 units during FY 2017-18 and the program years from which they were originally funded. In FY 2017-18, all completed projects were homeowner projects.

Table 4 HOME Units Completed during FY 2017-18 by Activity Type and Program Year

Program Year	Rehabilitation Only	New Construction Only	Acquisition Only	Acquisition and Rehabilitation	Acquisition and New Construction	Total Units
2012	45	0	0	0	0	45
2013	30	1	0	0	0	31
2014	45	4	4	2	0	55
2015	12	9	1	6	1	29
2016	23	0	1	1	0	25
2017	0	0	1	0	0	1
Total	155	14	7	9	1	186

⁶ Prior to 2012, the Supportive Housing Category was known as Special Needs that included projects designed for persons with unique needs due to a temporary or permanent disability. The Supportive Housing Category requires on-going, on-site services for persons with a disability that is either permanent or temporary. Ten percent of the total HOME funds available were reserved for the Supportive Housing Development category. The last Supportive Housing Funds were awarded in 2012.

Rehabilitation

A total of 155 rehabilitation only projects were completed during FY 2017-18. These units account for 83 percent of all projects completed during the reporting period.

New Construction

A total of 14 new construction only projects were completed during FY 2017-18. These units accounted for eight percent of all projects.

Acquisition Only

There were seven acquisition only projects completed during FY 2017-18.

Acquisition and Rehabilitation

Nine acquisition and rehabilitation projects were completed during FY 2017-18. These units accounted for five percent of all projects.

Acquisition and New Construction

There was one acquisition and new construction projects completed during FY 2017-18.

Table 5 below shows the cumulative number of units completed with funding from each specified program year, as of June 30, 2018.

Table 5 Cumulative HOME Units Completed by Activity Type and Program Year

Program Year	Rehabilitation Only	New Construction Only	Acquisition Only	Acquisition and Rehabilitation	Acquisition and New Construction	Total Units
2012	132	9	1	22	6	170
2013	105	14	0	0	0	119
2014	69	8	6	9	0	92
2015	12	9	1	6	1	29
2016	23	0	2	1	0	26
2017	0	0	1	0	0	1
Total	341	40	11	38	7	437

HOME Units by Grand Division

During FY 2017-18, the majority of the 186 completed HOME units took place in East and Middle Tennessee. Of the total units completed, 42 percent occurred in East Tennessee, 47 percent occurred in Middle Tennessee and 11 percent took place in West Tennessee. Table 6 shows the completed units in FY 2017-18 by grand division and program year.

Table 6 HOME Units Completed in FY 2017-18 by Grand Division and Program Year

Grand Division	2012	2013	2014	2015	2016	2017	Total Units
East	4	3	39	17	14	1	78
Middle	35	25	11	5	11	0	87
West	6	3	5	7	0	0	21
Total	45	31	55	29	25	1	186

Table 7 shows the cumulative total units completed from each program year that remained active during the reporting period and in each of the grand divisions, as of June 30, 2018.

Table 7 Cumulative HOME Units Completed by Grand Division and Program Year

Grand Division	2012	2013	2014	2015	2016	2017	Total Units
East	43	39	53	17	15	1	168
Middle	73	66	29	5	11	0	184
West	54	14	10	7	0	0	85
Total	170	119	92	29	26	1	437

Details of HOME Beneficiaries

During FY 2017-18, 186 households were assisted with the State of Tennessee's HOME funds. Beneficiaries, or recipients of the HOME funds, must be low- or very low-income households.⁷ THDA provides income determination guidelines to grantees to ensure all recipients of HOME funds meet income limits. The demographics of HOME recipients in the sections below are detailed based on the head of household.

Household Characteristics

Elderly households were served more frequently with HOME assistance than any other type of household during the reporting period at 49 percent of all beneficiaries. Table 8 shows the beneficiary household sizes

⁷ 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.

and types for activities completed during FY 2017-18. Table 9 shows the cumulative beneficiary characteristics for households served during program years 2012 through 2017⁸.

Table 8 Household Size of HOME Beneficiaries in FY 2017-18 by Household Type

Household Size	Single, Non-Elderly	Elderly	Single Parent HH	Two Parent HH	Other	Total
1	38	56	0	0	0	94
2	6	31	11	0	8	56
3	1	4	11	2	1	19
4	0	1	1	4	4	10
5	1	0	3	2	0	6
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	1	0	0	0	0	1
Total	47	92	26	8	13	186

Table 9 Cumulative Data on Household Size of HOME Beneficiaries Served During 2012-2017 by Household Type

Household Size	Single, Non-Elderly	Elderly	Single Parent HH	Two Parent HH	Other	N/A	Total
1	222	222	1	0	5	0	450
2	38	109	44	5	27	0	223
3	17	27	78	23	7	0	152
4	11	9	23	39	9	0	91
5	6	1	12	16	4	0	39
6	0	4	4	5	0	0	13
7	1	0	1	0	0	0	2
8	1	0	0	1	0	0	2
N/A	0	0	0	0	0	1	1
Total	296	372	163	89	52	1	973

Note: The one N/A unit was vacant

Income, Occupancy Type and Other Forms of Assistance Received

Out of the 186 occupied households that received HOME assistance during FY 2017-18, 59 percent were very low-income and 41 percent were low-income households. Table 10 shows the number of very low- and low-income households served during FY 2017-18. Table 11 shows the cumulative total of beneficiaries served from program years 2012 through 2017.

⁸ These cumulative totals derive from all households served during the active program years, regardless of when the funding was awarded, which may include households assisted with funding awarded before 2012.

Table 10 Distribution of HOME Program Beneficiaries in FY 2017-18 by Income

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	110	59%
Low-Income	76	41%
<i>Total</i>	<i>186</i>	<i>100%</i>

Note: Of the 110 very low-income beneficiaries, 57 were considered extremely low income (0-30% AMI).

Table 11 Cumulative Distribution of HOME Program Beneficiaries Served During 2012-2017 by Income

Beneficiary Income	Number of Households	Percentage of Households
Very Low-Income	610	63%
Low-Income	362	37%
Not Available	1	0%
<i>Total</i>	<i>973</i>	<i>100%</i>

Note: Of the 610 very low-income beneficiaries, 255 were considered extremely low income (0-30% AMI).

During FY 2017-18, all of the units created were occupied by owners. No units were vacant. Fifty-nine percent of owner-occupied units were occupied by very low-income households. Table 12 shows the distribution of tenant type by income level during FY 2017-18. Table 13 shows the cumulative data for beneficiaries from program years 2012 through 2017.

Table 12 Distribution of HOME Program Beneficiaries in FY 2017-18 by Tenant Type & Income

Tenant Type	Very Low-Income HHS	Low-Income HHS	Not Available	Total
Renter	0	0	0	0
Owner	110	76	0	186
Vacant	0	0	0	0
<i>Total</i>	<i>110</i>	<i>76</i>	<i>0</i>	<i>186</i>

Table 13 Cumulative Distribution of HOME Program Beneficiaries Served During 2012-2017 by Tenant Type & Income

Tenant Type	Very Low-Income HHS	Low-Income HHS	N/A	Total
Renter	145	46	0	191
Owner	465	316	0	781
Vacant	0	0	1	1
<i>Total</i>	<i>610</i>	<i>362</i>	<i>1</i>	<i>973</i>

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 were 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 2017-18. Table 15 shows the cumulative race and ethnicity data for all HOME beneficiaries with units completed from program years 2012 through 2017.

Table 14 HOME Beneficiaries in FY 2017-18 by Race and Ethnicity

Race		Number	Percentage
	White	130	70%
	Black/African American	53	28%
	Asian	0	0%
	American Indian/Alaska Native	0	0%
	Other Multi-Racial	3	2%
	N/A	0	0%
	Total	186	100%
Ethnicity		Number	Percentage
	Hispanic	3	2%

Table 15 Cumulative HOME Beneficiaries Served During 2012-2017 by Race and Ethnicity

Race		Number	Percentage
	White	713	73%
	Black/African American	247	25%
	Asian	1	<1%
	American Indian/Alaska Native	0	0%
	Other Multi-Racial	12	1%
	N/A	1	<1%
	Total	973	100%
Ethnicity		Number	Percentage
	Hispanic	7	<1%

Data from FY 2017-18 and the cumulative data show that a majority of HOME beneficiaries are Non-Hispanic White. This percentage is generally consistent with the proportion of low-income White households with housing problems⁹ in the Tennessee HOME service area. According to 2010 – 2014 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, 17 percent are

⁹ Housing problems are defined as spending more than 30 percent of household income on housing, lacking kitchen/plumbing facilities, or overcrowding.

Black/African American, three percent identified as Hispanic, and three percent are other races. The allocation of HOME funds are fairly proportional, based on race and ethnicity, to the low-income households with housing problems in Tennessee, although Hispanic and Asian households are slightly underserved compared to CHAS data.



Tennessee Housing Development Agency (THDA)

As the State's housing finance agency, the Tennessee Housing Development Agency (THDA) is a self-sufficient, independently funded, publicly accountable entity of the State of Tennessee. THDA's mission is to meaningfully expand safe, sound, affordable housing opportunities for low and moderate income Tennesseans as the state's leading resource. More information about THDA programs can be found online at www.thda.org.

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