

# 2026 HOME Rental Development Round

---

Community Housing Division  
Tennessee Housing Development Agency

June 10, 2026

# Disclaimer

---

THIS WORKSHOP DOES NOT TAKE THE PLACE OF READING THE ACTUAL 2025 HOME RENTAL PROGRAM DESCRIPTION.

IT IS THE RESPONSIBILITY OF EVERY APPLICANT TO REVIEW ALL PROGRAM MATERIALS PRIOR TO APPLYING.

# 2026 HOME Rental Application Grant Round

---

- APPLICATIONS WILL OPEN JUNE 15, 2026
- APPLICATIONS FOR THE HOME RENTAL DEVELOPMENT PROGRAM MUST BE RECEIVED BY THDA ON OR BEFORE 4:00 PM CDT ON THURSDAY, JULY 30, 2026
- THDA ANTICIPATES NOTIFYING SUCCESSFUL APPLICANTS ON OR ABOUT SEPTEMBER 1, 2026
- HOME GRANT AGREEMENTS WILL BEGIN ON OCTOBER 1, 2026, AND WILL END ON SEPTEMBER 30, 2029.

# Grant Funding

---

**MINIMUM GRANT: \$300,000 | MAXIMUM GRANT: \$1,500,000**

- GRANTS AWARDED THROUGH COMPETITIVE APPLICATION PROCESS
- HIGHEST RANKING QUALIFIED APPLICATION AWARDED
- THDA RESERVES THE RIGHT TO LIMIT AWARDS TO ONE PER COUNTY

# Highlights

---

- 50% OF THDA'S REMAINING HOME ALLOCATION WILL BE COMMITTED TO ACQUISITION, NEW CONSTRUCTION OR REHABILITATION OF AFFORDABLE RENTAL HOUSING
- PROJECTS BEING DEVELOPED IN URBAN AREAS (AS DEFINED IN THE PROGRAM DESCRIPTION) MAY NOT CONSIST OF MORE THAN 11 UNITS OF HOUSING TOTAL. PROJECTS IN THIS CATEGORY MAY BE COMBINED WITH OTHER RESOURCES, EXCEPT LOW-INCOME HOUSING TAX CREDITS ("LIHTC")
- PROJECTS THAT ARE BEING DEVELOPED IN RURAL AREAS (AS DEFINED IN THE PROGRAM DESCRIPTION) MUST NOT HAVE MORE THAN 11 HOME-FUNDED UNITS, BUT THE TOTAL NUMBER OF UNITS IN THE PROJECT IS NOT LIMITED. PROJECTS IN THIS CATEGORY MAY BE COMBINED WITH OTHER RESOURCES, INCLUDING LIHTC
- DEVELOPERS FEE OF UP TO 15% OF HOME DEVELOPMENT COSTS
- MUST BE ORGANIZED OR LICENSED TO OPERATE IN TENNESSEE

# General Requirements

---

- INCOME RESTRICTED AT 80% < OF AMI OR FEDERAL POVERTY GUIDELINE
- RENTS RESTRICTED TO BE AFFORDABLE AT 30% OF AMI (HUD)
- 5-20 YEAR AFFORDABILITY PERIOD
- ONGOING MONITORING FOR PROPERTY CONDITION AND COMPLIANCE
- **REQUIRED** 25% MATCH TOWARDS PROPOSED PROJECT

# General Requirements Cont...

---

- ENVIRONMENTAL REVIEW: PART 58
- MAXIMUM PER-UNIT SUBSIDY WILL FOLLOW HOME PROGRAM LIMITS
- UNDERWRITING REQUIRED TO DETERMINE APPROPRIATE LEVEL OF SUBSIDY
- NEW CONSTRUCTION: MUST BE BUILT TO CODE AND DESIGN STANDARD
- ENERGY EFFICIENCY: MUST MEET MINIMUM EFFICIENCY STANDARDS

# General Requirements Cont...

---

- ACCESSIBILITY AND VISITABILITY PER PROGRAM DESCRIPTION
- LEAD BASED PAINT HAZARD REQUIREMENTS – FOR REHAB BUILT PRIOR TO 1978 MUST COMPLY WITH 24 CFR.35
- TENANT PROTECTIONS: LEASE REQUIRED, PROHIBITED LEASE TERMS, TERMINATION ONLY FOR CAUSE

# Spend Down Requirement

---

APPLICANTS WITH PREVIOUS HOME, NHTF, HOME-ARP AND THTF GRANT AWARDS MUST HAVE SUBMITTED AN OFFICIAL REQUEST FOR PAYMENT FORM BY JUNE 1, 2026.

GRANT YEAR	SPEND DOWN REQUIREMENT
ANY ROUND 2023 OR PREVIOUS	100%
ANY 2024 ROUND	50%
ANY 2024-2 HOME RENTAL ROUND	25%
ANY 2025 ROUND	INELIGIBLE

# Eligible Applicants

---

## CHDOS, NON-PROFIT DEVELOPERS AND PUBLIC HOUSING AUTHORITIES

- THE APPLICANT MUST BE THE SOLE GENERAL PARTNER OR THE SOLE MANAGING MEMBER OF THE OWNERSHIP ENTITY OR OWN 100% OF THE STOCK OF A CORPORATE OWNERSHIP ENTITY.
- THE APPLICANT MUST MATERIALLY PARTICIPATE (REGULAR, CONTINUOUS, AND SUBSTANTIAL ON-SITE INVOLVEMENT) IN THE DEVELOPMENT AND OPERATION OF THE DEVELOPMENT THROUGHOUT THE COMPLIANCE PERIOD.

# Eligible Applicants cont..

---

## CHDOS, NON-PROFIT DEVELOPERS AND PUBLIC HOUSING AUTHORITIES

- DEMONSTRATE FINANCIAL CAPACITY FOR THE PROJECT
- MINIMUM 2 YEARS EXPERIENCE WITH AFFORDABLE RENTAL HOUSING DEVELOPMENT
- DEMONSTRATE FINANCIAL VIABILITY THROUGHOUT THE 5-20 YEAR AFFORDABILITY PERIOD
- CAPACITY TO DEVELOP AND MANAGE RENTAL HOUSING IN COMPLIANCE WITH PROGRAM REQUIREMENTS

# Eligible CHDO Applicants

---

- 501(C)(3) NON-PROFIT ORGANIZATIONS
- 501(C)(4) NON-PROFIT ORGANIZATIONS
  - 501(C) DESIGNATIONS MUST DEMONSTRATE PROOF FROM THE IRS OF THE STATUS OR DESIGNATION
- ALL APPLICANTS MUST MEET **ALL** CHDO REQUIREMENTS AS PUBLISHED AT THE TIME OF APPLICATION.

# Eligible CHDO Applicants Must:

---

- MEET ALL OF THE REQUIREMENTS FOR A NON-PROFIT ORGANIZATION  
AND:
  - BE INDEPENDENT
  - NOT BE A GOVERNMENTAL ENTITY
  - HAVE A DEFINED SERVICE AREA THAT DOES NOT INCLUDE ALL OF TENNESSEE
  - **MAINTAIN ACCOUNTABILITY TO LOW INCOME COMMUNITY RESIDENTS**
  - **HAVE PAID STAFF WITH HOUSING DEVELOPMENT EXPERIENCE**
  - **HAVE A HISTORY OF SERVING THE COMMUNITY IN WHICH THE HOME PROJECT IS TO BE LOCATED**

# Non-Profit Checklist/CHDO Designation

- CERTIFICATE OF EXISTENCE DATED WITHIN 30 DAYS OF APPLICATION
- COPY OF 501(C)(3) OR (C)(4) LETTER FROM IRS
- COPY OF CHARTER AND BY-LAWS
- RESOLUTION AUTHORIZING SUBMISSION OF HOME APPLICATION
- **CHDO BOARD COMPOSITION**
  - **CHDOS MUST INDICATE AND DOCUMENT THE LOW-INCOME BOARD MEMBERS**
- COPY OF MOST RECENT BOARD MINUTES
- ONE PAGE EXPLANATION OF HOW BOARD IS INVOLVED IN THE OPERATION OF THE NON-PROFIT

# CHDO Checklist & Designation

---

- **CHDO ORGANIZATIONAL REQUIREMENTS**
  - CHDO LEGAL STRUCTURE
  - CHDO INDEPENDENCE
  - CHDO ACCOUNTABILITY TO ITS LOW-INCOME COMMUNITY
  - CHDO CAPACITY
  - CHDO CERTIFICATION
  - SIGNED BY CHDO'S EXECUTIVE DIRECTOR

# Financial Analysis of Non-profits

---

- THE ASSET AND LIABILITY INFORMATION IN THE AUDITS WILL BE USED TO EVALUATE THE FINANCIAL CAPACITY OF THE NON-PROFIT ORGANIZATION BY REVIEWING FINANCIAL RATIOS, INCLUDING:
  - CURRENT RATIOS
  - WORKING CAPITAL
  - CASH TO WORKING CAPITAL
  - CURRENT TO NON-CURRENT LIABILITIES
  - DEBT RATIOS

# Commitment

---

- **COMMITMENT TO A PROJECT MUST HAPPEN WITHIN 9 MONTHS OF THE RESERVATION OF FUNDS BE EXECUTED**
- **THIS INCLUDES:**
  - EXECUTED CONTRACT
  - SUBMISSION AND APPROVAL OF SITE AND NEIGHBORHOOD STANDARDS
  - SUBMISSION OF SITE-SPECIFIC ERR AND HUD RELEASE OF FUNDS
  - FIRM FINANCIAL COMMITMENTS FOR ALL FINANCING NECESSARY FOR THE CONSTRUCTION PROJECT
  - DEVELOPMENT OF FIRM PROJECT BUDGET AND SCHEDULE DEMONSTRATING CONSTRUCTION WILL BEGIN WITH 12 MONTHS CONTRACT EXECUTION
  - COMPLETION OF WORK SCOPE OR PLANS AND SPECS MEETING THDA'S MINIMUM STANDARDS

# Eligible Activities

---

PRODUCE OR PRESERVE AFFORDABLE, PERMANENT RENTAL HOUSING TO ADDRESS THE NEEDS LOW-INCOME HOUSEHOLDS

- NEW CONSTRUCTION OF RENTAL HOUSING UNITS.
- ACQUISITION AND/OR REHABILITATION OF EXISTING RENTAL HOUSING UNITS.
- FOR FAMILIES WHOSE ANNUAL INCOMES DO NOT EXCEED 80% OF AMI
- NO FUNDING OF AN OPERATING COST ASSISTANCE ASSOCIATED WITH THE NEW CONSTRUCTION OR ACQUISITION AND REHABILITATION OF HOUSING ASSISTED WITH HOME FUNDS

# Eligible Costs

---

FUNDS FROM THE HOME AWARD MAY ONLY BE EXPENDED FOR ELIGIBLE COSTS SPECIFIC TO OR PRORATED TO COMMITTED UNITS.

- ACQUISITION OF EXISTING HOUSING
- DEVELOPMENT HARD COSTS
- RELATED SOFT COSTS - 24CFR 92.206(D)
- RELOCATION COST - 24CFR 92.206(F), 24 CFR 92.353

# Ineligible Activities

---

- PROVIDING HOME ASSISTANCE TO RENTAL UNITS THAT REQUIRE RECONSTRUCTION
- USING HOME FUNDS TO REFINANCE EXISTING DEBT
- USING HOME FUNDS FOR HOUSING FOR SALE TO HOMEBUYERS
- PROVIDING NON-FEDERAL MATCHING CONTRIBUTIONS REQUIRED UNDER ANY OTHER FEDERAL PROGRAM
- PROVIDING ASSISTANCE AUTHORIZED UNDER SECTION 9 OF THE 1937 ACT (ANNUAL CONTRIBUTIONS FOR OPERATION OF PUBLIC HOUSING)

# Ineligible Activities **Cont;**

---

- PROVIDING ASSISTANCE TO A PROJECT PREVIOUSLY ASSISTED WITH HOME FUNDS DURING THE PERIOD OF AFFORDABILITY
- CARRYING OUT ACTIVITIES UNDER 24 CFR PART 968 (PUBLIC HOUSING MODERNIZATION)
- USING HOME FUNDS FOR POLITICAL ACTIVITIES; ADVOCACY; LOBBYING, WHETHER DIRECTLY OR THROUGH OTHER PARTIES; COUNSELING SERVICES; TRAVEL EXPENSES; AND PREPARING OR PROVIDING ADVICE ON TAX RETURNS.
- PAYING FOR ANY COST THAT IS NOT ELIGIBLE UNDER 24 CFR 92.730 THROUGH 93.200
- OTHER USES PROHIBITED BY THDA'S PROGRAM DESCRIPTION

# Affordability

---

UNITS ASSISTED WITH HOME FUNDS MUST REMAIN COMPLIANT/AFFORDABLE FOR 5-20 YEARS AFTER COMPLETION

- REQUIRES CAREFUL EVALUATION OF THE PROJECT'S FINANCIAL VIABILITY
- WILL INCLUDE ANNUAL REPORTING AND REGULAR, PERIODIC INSPECTIONS AND FILE REVIEW (MONITORING)
- REQUIRES SKILLED MANAGEMENT TO SUCCEED
  - CAREFUL TENANT SELECTION
  - STRONG MANAGEMENT TEAM
  - BUDGETING FOR THE LONG HAUL (COMPLETION OF 5-20 YEAR PROFORMA)

# Affordability

---

UNITS ASSISTED WITH HOME FUNDS MUST REMAIN COMPLIANT/AFFORDABLE FOR 5-20 YEARS AFTER COMPLETION

<b>ACTIVITY</b>	<b>HOME FUNDS PER UNIT</b>	<b>AFFORDABILITY PERIOD</b>
ACQ./REHAB OF EXISTING HOUSING	UNDER \$25,000	5 YEARS
ACQ./REHAB OF EXISTING HOUSING	\$25,000 - \$50,000	10 YEARS
ACQ./REHAB OF EXISTING HOUSING	OVER \$50,000	15 YEARS
NEW CONSTRUCTION	ANY	20 YEARS

# Level of Subsidy

---

THE INVESTMENT OF HOME FUNDS MUST CONFORM TO THE FOLLOWING MINIMUM AND MAXIMUM STANDARDS PER UNIT:

- MINIMUM HOME FUNDS: \$1,000 PER UNIT
- MAXIMUM HOME FUNDS PER UNIT:
  - \$187,658 0-BEDROOM (EFFICIENCY) LIMIT
  - \$215,122 1-BEDROOM LIMIT
  - \$261,595 2-BEDROOM LIMIT
  - \$337,419 3-BEDROOM LIMIT
  - \$371,477 4-BEDROOM LIMIT

# Layering

---

LAYERING IS THE COMBINATION OF GOVERNMENT RESOURCES ON A HOME ASSISTED PROJECT.

- THDA WILL EVALUATE THE PROJECT PROPOSED IN THE APPLICATION TO DETERMINE THAT THE PROPOSED AMOUNT OF HOME FUNDS NEEDED TO COMPLETE THE PROJECT IS NECESSARY TO PROVIDE QUALITY AFFORDABLE HOUSING.
- THDA WILL REQUIRE COMPLETION AND SUBMISSION OF A DEVELOPMENT BUDGET, OPERATING BUDGETS, AND A 5-20 YEAR OPERATING PROFORMA (INCLUDED WITH APPLICATION) DEPENDING ON THE PROJECT TYPE OF AFFORDABILITY PERIOD
- TOTAL HOME RESOURCES ALLOCATED TO ANY PROJECT CANNOT EXCEED THE CURRENT MAXIMUM PER UNIT SUBSIDY LIMIT

# Design Standards

---

ALL RENTAL HOUSING CONSTRUCTED OR REHABILITATED WITH HOME FUNDS  
MUST MEET ALL;

- THDA DESIGN STANDARDS
- APPLICABLE LOCAL, COUNTY AND STATE CODES
- REHABILITATION STANDARDS
- UNIFORM PROPERTY CONDITION STANDARDS (UPCS)
- ALL ZONING ORDINANCES

# Federal Construction Requirements

---



# Equal Opportunity & Fair Housing

---

- No individual can be excluded from participation in the HOME Program on the basis of:
  - Race
  - Color
  - Religion
  - Sex
  - Familial Status
  - National Origin
  - Disability

# Environmental Review

---

- HOME FUNDS CANNOT BE COMMITTED TO A PROJECT **PRIOR TO THE COMPLETION OF THE ENVIRONMENTAL REVIEW**
- THE APPLICABILITY OF THE ENVIRONMENTAL REVIEW IS **BASED ON THE PROJECT AS A WHOLE** AND NOT THE TYPE OF COSTS PAID WITH HOME FUNDS
  - **NO COMMITMENT OF NON-FEDERAL FUNDS** IN THE PROJECT BEFORE COMPLETION OF THE ENVIRONMENTAL REVIEW

# Section 3 Final Rule Quick Reference

## Overview

---

- SECTION 3 APPLIES TO ALL HUD/FEDERAL FUNDED PROJECTS AT/OR ABOVE \$300,000 EFFECTIVE NOVEMBER 30, 2020.
  - (THE PROJECT IS DEFINED AS THE SITE OR SITES TOGETHER WITH ANY BUILDING(S) AND IMPROVEMENTS LOCATED ON THE SITE(S) THAT ARE UNDER COMMON OWNERSHIP, MANAGEMENT, AND FINANCING. [24 CFR § 75.3\(A\)](#))
  
- JULY 1, 2021 COMPLIANCE ON THE NEW REGULATION BEGAN.
  
- SECTION 3 APPLIES TO CONSTRUCTION, DEMOLITION, RECONSTRUCTION, CONVERSION, OR REHABILITATION PROJECTS. IT ALSO APPLIES TO THE GENERAL CONTRACTOR, AND ALL SUBCONTRACTORS.

# Other Requirements

---

IN ADDITION TO THE GENERAL REQUIREMENTS ALL PROJECTS MUST ALSO MEET OTHER FEDERAL REQUIREMENTS

- URA (UNIFORM RELOCATION ACT)
- 2 CFR 200 (UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPALS, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS)
- AFFIRMATIVE FAIR HOUSING MARKETING
- CONFLICT OF INTEREST
- MBE/WBE REPORTING
- OTHERS AS IDENTIFIED

# Submission Instructions

---

THDA WILL EVALUATE EACH APPLICATION TO DETERMINE IF THE PROPOSAL MEETS THRESHOLD CRITERIA.

- SUBMISSION OF AN ELIGIBLE APPLICATION AND DOCUMENTATION INTO THDA'S EFT SYSTEM
- SUBMISSION OF REQUIRED NON-PROFIT DOCUMENTS INTO THDA'S PIMS SYSTEM
- PROPOSAL OF AN ELIGIBLE ACTIVITY

# Submission Instructions cont...

---

THDA WILL EVALUATE EACH APPLICATION TO DETERMINE IF THE PROPOSAL MEETS THRESHOLD CRITERIA.

- SUBMISSION OF A 5-20 YEAR PROFORMA DEMONSTRATING FINANCIAL FEASIBILITY FOR THE ENTIRE AFFORDABILITY PERIOD. THIS PROFORMA IS INCLUDED AND WILL BE BUILT OUT FROM YOUR OPERATING BUDGET IN THE APPLICATION.
- PROPOSALS THAT WILL SET-ASIDE MORE THAN 20% OF THE UNITS FOR INDIVIDUALS WITH DISABILITIES MUST DEMONSTRATE THAT THE PROJECT WILL MEET THE QUALITIES OF SETTINGS THAT ARE ELIGIBLE FOR REIMBURSEMENT UNDER THE MEDICAID HOME AND COMMUNITY-BASED SERVICES

# PIMS

---

- ALL NONPROFIT APPLICANTS WILL BE REQUIRED TO UPLOAD CERTAIN SUPPORTING DOCUMENTATION TO THDA'S PARTICIPANT INFORMATION MANAGEMENT SYSTEM (PIMS)
- [HTTPS://RESOURCES.THDA.ORG/PIMS/](https://resources.thda.org/pims/)



# Application Scoring

---

## HOME RENTAL HOUSING SCORING MATRIX UP TO 100 POINTS + 5 BONUS POINTS

- PROGRAM DESIGN AND PLANNING- UP TO 35 POINTS
- APPLICANT'S CAPACITY AND EXPERIENCE - UP TO 30 POINTS
- NEED – UP TO 10 POINTS
- AREAS OF OPPORTUNITY SCORE - UP TO 10 POINTS
- CHDO DESIGNATION –5 POINTS
- RURAL DESIGNATION – UP TO 5 POINTS (3 RURAL DESIGNATIONS AND 2 ADDITIONAL FOR PHA LOCATED IN THESE AREAS)
- PROJECTS LOCATED OUTSIDE OF A LOCAL PJ – 5 POINTS
- DESIGNATED DISTRESSED COUNTIES – 5 POINTS (BONUS)
- MATCH IN EXCESS OF 40% - 5 POINTS (BONUS)

# Application

---

## APPLICATIONS WILL BE LOCATED ON THE THDA WEBSITE

- APPLICATIONS WILL BE AVAILABLE AT: [HTTPS://THDA.ORG/GOVERNMENT-NONPROFIT-PARTNERS/HOME-PROGRAM/HOME-PROGRAM-APPLICATIONS-AND-INFORMATION/HOME-PROGRAM](https://thda.org/government-nonprofit-partners/home-program/home-program-applications-and-information/home-program)
- ONE ORIGINAL APPLICATION AND ALL REQUIRED SUPPORTING DOCUMENTS MUST BE RECEIVED IN OUR EFT SYSTEM NO THAN 4:00PM CDT JULY 30, 2026. **APPLICATIONS RECEIVED LATE WILL NOT BE CONSIDERED**
- INFORMATION NEEDED FOR EFT SET UP:
  - ORGANIZATION NAME
  - GRANT NAME & GRANT ROUND YOU ARE APPLYING FOR – **Very Important!**
  - NAME, EMAIL ADDRESS, & TELEPHONE NUMBER OF AGENCY STAFF WHO WILL BE UPLOADING THE APPLICATION
- FAXED OR EMAILED APPLICATIONS WILL NOT BE ACCEPTED

# Contact THDA

---

- COMMUNITY PROGRAMS STAFF CAN ANSWER YOUR QUESTIONS ABOUT THE HOME APPLICATION UNTIL THE July 30, 2026 SUBMISSION DEADLINE.
  - **AARON TORAN: 615-815-2037**
  - **MONICA RUTHERFORD: 615-815-2105**
  - **CRAIG STEVENS: 615-815-2035**
  - **HARRIET NOLEN-BONDS: 615-815-2044**

**CALL US OR SCHEDULE A MEETING!**

# Questions

---

