



U. S. Department of Housing and Urban Development

Knoxville Field Office, Region IV
John J. Duncan Federal Building
710 Locust Street, Suite 300
Knoxville, Tennessee 37902-2526

November 2, 2017

Ralph M. Perrey, Executive Director
Tennessee Housing Development Agency
Andrew Jackson Building, Third Floor
502 Deaderick Street
Nashville, TN 37243

Dear Mr. Perrey:

SUBJECT: Annual Performance Assessment Letter and Report
State of Tennessee, Program Year 2016: July 1, 2016- June 30, 2017

The Office of Community Planning and Development (CPD) is required to assess the performance of each of its grant recipients at least annually. The review is the result of an ongoing process that assesses the quality of a grantee's performance over a period of time involving continuous communication and evaluation. As the lead agency for the State of Tennessee's Consolidated Planning Programs, this assessment letter and report are being transmitted to your Office.

In conducting this assessment pursuant to Section 91.525, this Office assessed whether the State's management of its program funds is in compliance with the U. S. Department of Housing and Urban Development's (HUD) approved consolidated plan and its regulations. The scope of this analysis includes a review of the Consolidated Annual Performance and Evaluation Report (CAPER) for the past program year, as well as information obtained through program monitoring and audits. Also, this Office assessed whether progress has been made towards the regulatory goals identified in Section 91.1 of the consolidated plan regulations. In addition, the assessment included a review of your jurisdiction's efforts to ensure that housing assisted under our programs is in compliance with contractual agreements and requirements of law. During this assessment, any open Neighborhood Stabilization Program (NSP), and Community Development Block Grant – Disaster Recovery (CDBG-DR) awarded in jurisdiction were also reviewed.

The CAPER has been distributed to the Nashville/Memphis and Knoxville Field Office Directors' Offices and the other program offices for review/comments. The Office of Fair Housing and Equal Opportunity (FHEO) provided comments regarding the Program Year 2016 - 2017 CAPER and recommended its approval. This Office acknowledges the accomplishments and efforts to assist citizens with housing and community development programs and activities to address their needs. These accomplishments have included, but are not limited to, the following:

1. The State's success in partnering with agencies and leveraging funds to carry out housing and community development activities with the Community Investment Tax

Credit Program, Appalachian Renovation Loan Program, Low Income Housing Tax Credits, Multifamily Tax-Exempt Bond Authority, and the Tennessee Housing Trust Fund;

2. The continuous compliance to the commitment and expenditure deadlines of the Consolidated Planning formula programs;
3. The assistance of 214,639 eligible persons through an array of Community Development Block Grant (CDBG) public service and economic development activities;
4. The affordable housing and supportive services to 685 households with Housing Opportunity for Persons With AIDS funds, along with assisting 15,773 persons with shelter and supportive services under the Emergency Solutions Grants Program; and
5. The provision of 149 affordable housing units with CDBG and Home Investment Partnerships funds.

Based on this analysis, this Office has determined that the State's overall progress is acceptable. The activities undertaken are consistent with the HUD-approved Consolidated Plan, and appear to be carried out in accordance with program requirements. The CAPER has been approved. The State, including the Tennessee Department of Economic and Community Development, the Tennessee Department of Health and the Tennessee Housing Development Agency has the continuing capacity to administer the Consolidated Planning Programs.

As the State goes forward with its housing and community development activities, it is encouraged to continue its preparations in closing out the NSP-3 and earlier CDBG-DR grants (2008 and 2010) within the next two years. In addition, the State should review the NSP1 grant and explore the possibility of closing it out, as well. The State is reminded that the Department has a Technical Assistance Program available to assist it with its housing and community development activities.

In accordance with 24 CFR Section 91.525, if you have comments regarding this enclosed report, please submit them to this Office within 30 days of receipt of this letter. HUD may revise the report after considering your response. If we do not receive comments within the 30-day time period, this report will be considered final and can be made available to the public.

May we take this opportunity to remind you that the Minority Business Enterprise (MBE) Report is due each year within 10 days of September 30th. That information should be submitted to this Office. Also, as a reminder, the Section 3 report (Form HUD 60002) is due that same time as the CAPER, 90 days after the end of program year and is required to be entered into the Section 3 Performance Evaluation and Registry System (SPEARS) at the below website:

<http://portal.hud.gov/hudportal/documents/huddoc?id=spearsuserregguide.pdf>

We also request your continued efforts to expend grant funds and enter progress and accomplishments data in a frequent and timely manner. The Department will continue to provide a range of training opportunities on Affirmative Furthering Fair Housing (AFFH) and its requirements. A number of resources on AFFH and the Final Rule can be found at:

https://www.huduser.gov/portal/affht_pt.html

We continue to appreciate the positive working relationship that you and your staff maintain with this CPD Office. We look forward to continuing to support your jurisdiction's efforts meeting the goals in the Consolidated Plan, including assisting your residents with housing and other community development needs.

If you have any questions with respect to the enclosed comments or need technical assistance, please do not hesitate to contact Calvin Whitaker, Senior CPD Representative at (865) 474-8226 or me at (865) 474-8225.

Very sincerely yours,


Mary C. Wilson, Director
Office of Community Planning
and Development

Enclosure

cc

Honorable Bill Haslam, Governor

Mr. Don Watts, THDA

Commissioner Bob Rolfe, ECD

Commissioner John Dreyzehner, MD MPH
TDH

Ms. Bettie Tealsey, THDA

Mr. Kent Archer, ECD

Ms. Brooxie Carlton, ECD

Ms. Trang Wadsworth, TDH