

STATE OF TENNESSEE
FISCAL YEAR 2026-27 ANNUAL ACTION PLAN
FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS



TENNESSEE HOUSING DEVELOPMENT AGENCY
TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
TENNESSEE DEPARTMENT OF HEALTH

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Executive Summary

AP-05 Executive Summary – 24 CFR 91.300(c), 91.320(b)

Introduction

The State of Tennessee’s Fiscal Year (FY) 2026-27 Annual Action Plan (AAP) is the State’s annual application to the U.S. Department of Housing and Urban Development (HUD) for annual federal funding of five formula grant programs. The AAP covers the period of July 1, 2026 through June 30, 2027 and describes the State’s program goals, funding allocations, methods of distribution, and intended activities, which are aligned to the State’s strategic priorities in the 2025-2029 Consolidated Plan.

Through the AAP, HUD provides federal funding for the following five programs:

- The Housing Opportunities for Persons with AIDS (HOPWA) program addresses the housing needs of low-income people who are living with HIV/AIDS and their families.
- The Emergency Solutions Grants (ESG) program provides funding for supportive services and housing assistance for people at risk of homelessness or people experiencing homelessness, enabling them to regain stability in permanent housing.
- The Housing Trust Fund (HTF) program promotes the production, preservation, and rehabilitation of affordable rental housing for extremely low-income households.
- The HOME Investment Partnerships (HOME) program promotes the production, preservation, and rehabilitation of affordable housing for rent or homeownership for low-income households.
- The Community Development Block Grant (CDBG) program promotes economic and community development, mostly through infrastructure and facility improvement activities, in eligible cities and counties with low-to-moderate income residents across the state. Additionally, CDBG administers the Recovery Housing Program (CDBG-RHP), which funds temporary supportive housing projects for people recovering from substance use disorders (SUDs).

The Tennessee Department of Health (TDH) administers HOPWA. The Tennessee Housing Development Agency (THDA) administers the ESG, HTF, and HOME programs. The Tennessee Department of Economic and Community Development (TNECD) administers CDBG and CDBG-RHP. While THDA is the lead agency responsible for coordinating the development of the Consolidated Plan and AAP, all administering agencies of the five grant programs participated in their development.

For FY 2026-27, the State of Tennessee expects HUD will distribute program funding at an approximately similar level to the previous program year, which totaled \$51,179,789.40.

The table below shows the FY 2025-26 program allocations, alongside the FY 2026-27 program allocations.

Programs	FY 2025-26 Allocations	FY 2026-27 Allocations
HOPWA	\$2,333,081.00	Not available yet
ESG	\$3,407,923.00	Not available yet
HTF	\$3,286,783.59	Not available yet
HOME	\$13,175,337.81	Not available yet
CDBG	\$27,472,066.00	Not available yet
CDBG-RHP	\$1,504,598.00	Not available yet
TOTAL	\$51,179,789.40	Not available yet

Section AP-05, Figure 1: Table of FY 2025-26 and FY 2026-27 Federal Funding for Consolidated Planning Programs

HUD Community Planning and Development (CPD) Formula Program Allocations

The FY 2026-27 AAP also contains the expected funding and annual goals for the State’s other affordable housing resources aligned to the State’s Consolidated Planning goals. These other resources include the HOME-American Rescue Plan (ARP) Supportive Services program, HUD’s Section 8 Tenant-Based Housing Choice Voucher (HCV) program, the HOME-ARP Rental Development program, the Community Investment Tax Credit (CITC) program, the Low Income Housing Tax Credit (LIHTC) program, the Tennessee Housing Trust Fund (THTF) program, and the Homebuyer Education Initiative (HBEI) program.

The State invites citizens of Tennessee to give feedback on the FY 2026-27 AAP from March 23 – April 23, 2026 through the public comment survey. Citizens are also invited to attend the public hearing, which will be held both virtually and in-person on Thursday, April 16, 2026. Links to the public comment survey and details of the public hearing were posted on THDA’s Public Notice and Comment webpage on behalf of the State of Tennessee. Full documentation of citizen participation outreach and comments will be included in an appendix to the FY 2026-27 AAP.

Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The State’s Consolidated Plan is a five-year strategic plan, describing the State’s strategic priorities for housing and community development. The 2025-29 Consolidated Plan covers the

period of July 1, 2025 through June 30, 2029. The FY 2026-27 Annual Action Plan covers Year 2 of the 2025-2029 Consolidated Planning period.

The State has set the following strategic priorities for the 2025-29 Consolidated Plan. These strategic priorities stem from the State's assessment of Tennesseans' housing needs, as demonstrated through Tennesseans' responses to the Housing Needs Survey, feedback from focus group participants in each of Tennessee's nine development districts (which included representatives from Continuums of Care and public housing authorities), consultation with the State's current and former sub-grantees for Consolidated Planning program funds, and analyses of housing-related data. These strategic priorities are most aligned to the needs of households with incomes of 80% or less of Area Median Income (AMI), since these are the households eligible for assistance through the Consolidated Planning programs.

The bullet points below capture the State's strategic priorities and the main activities the Consolidated Planning program funds will support.

- **Priority 1: Prevent, address, and decrease homelessness**
 - Prevent homelessness
 - Conduct outreach to people experiencing homelessness
 - Provide emergency shelter to people experiencing homelessness
 - Connect people experiencing homelessness with stable housing and/or rental assistance
 - Provide supportive services to help people attain and maintain their housing
 - House vulnerable populations (e.g., people living with HIV/AIDS, people fleeing domestic violence, people recovering from a substance use disorder) and connect them with appropriate resources
- **Priority 2: Produce, rehabilitate, and preserve affordable housing**
 - Rehabilitate and preserve existing, affordable multifamily housing
 - Rehabilitate and preserve existing, affordable single-family housing
 - Weatherize existing housing
 - Produce new, affordable multifamily housing
 - Produce new, affordable single-family housing
- **Priority 3: Improve community livability and resilience**
 - Expand and improve community infrastructure
 - Weatherize existing infrastructure
 - Promote recovery after natural disasters

The priorities outlined above are numbered according to their designation in IDIS, the reporting database where the State of Tennessee submits the Consolidated Plan and Annual Action Plans to HUD. These numbers do not reflect the strategic priorities' relative levels of importance.

The State will ensure fair housing laws are followed through the Consolidated Planning programs and other housing and community development programs. While this is not a formal strategic priority for which the State allocates a specific funding stream or sets numeric goals in the Consolidated Plan, the State takes many actions aligned with implementing fair housing laws.

The State actively looks for ways to remove barriers to housing access. The State also provides resources to educate Tennesseans about their housing rights under the Fair Housing Act and to educate the State's Consolidated Planning program grantees about their fair housing obligations. Finally, the State addresses violations of the Fair Housing Act. These activities will continue throughout the 2025-2029 Consolidated Planning period. See the Fair Housing section in the appendix for more information.

Evaluation of past performance

The State of Tennessee will build upon past efforts to address housing insecurity, increase the supply of affordable housing units, promote community livability and resilience, and implement fair housing laws, evaluating how effective each program's activities are and working to improve programs' efficiency and impact.

For detailed assessments of the State's past performance, see the Consolidated Annual Performance and Evaluation Reports (CAPERs), which detail the programs' annual accomplishments and outcomes. They are available on the Consolidated Planning page of Tennessee Housing Development Agency's (THDA's) website: <https://thda.org/research-and-reports/consolidated-planning/>

Summary of Citizen Participation Process and consultation process

The State will solicit public input during the Annual Action Plan's public comment period from March 23 - April 23, 2026. Public notices were translated into Spanish, Arabic, Somali, Chinese, Korean, Laotian, Vietnamese, Badini, and Sorani. Additional accommodations, such as translation services for other languages and/or services for people with disabilities, were available upon request.

An in-person and virtual public hearing will be held on Thursday, April 16, 2026 from 11:00 AM - 12:00 PM CST in the Tennessee Tower's Conference Room B in Nashville. The people who attend the public hearing, their comments, and the State's responses will be included in the appendix.

The public is invited to give feedback on a summary and final draft of the Annual Action Plan through posts on State of Tennessee's government websites and Tennessee's development district websites. THDA also will use its email lists to invite the State's current and former Consolidated Planning program grantees, local government officials, and other interested parties to give feedback on the draft Annual Action Plan.

Finally, public notices informing local communities of the public comment period and public hearing were published in these newspapers.

- Chattanooga Times Free Press – Chattanooga
- The Commercial Appeal – Memphis
- 615Azul (formerly El Crucero de Tennessee) – Nashville (in Spanish)
- Herald-Citizen – Cookeville
- The Daily Herald - Columbia
- The Jackson Sun – Jackson
- Johnson City Press- Johnson City
- Knoxville News Sentinel – Knoxville
- La Campana – Franklin (in Spanish)
- La Prensa Latina – Memphis (in Spanish)
- The Leaf Chronicle – Clarksville
- State Gazette – Dyersburg
- The Tennessean – Nashville

In most cases, both the English and Spanish notices are posted together, except for the newspapers where only the relevant notice is published. In addition to publicizing the FY 2026-27 Annual Action Plan, the THDA Board of Directors had previously discussed and voted on program descriptions for each THDA-administered program, which include ESG, HTF, and HOME. These meetings were open and available to the public.

When the public comment period has concluded, please see the appendix for documentation of this year's website postings, email blasts, newspaper tear sheets, and program descriptions.

A list of links to program descriptions, manuals, and additional information are included in section AP-90.

Summary of public comments

A summary of public comments will be included here once the public notice and comment period have concluded.

Summary of comments or views not accepted and the reasons for not accepting them

A summary of any comments or views not accepted and the reasons for not accepting them will be summarized here once the public notice and comment period have concluded.

Summary

N/A

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Annual Action Plan and the Department/Agency responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	TENNESSEE	Department of Economic and Community Development
HOPWA Administrator	TENNESSEE	Department of Health
HOME Administrator	TENNESSEE	THDA, Community Programs
ESG Administrator	TENNESSEE	THDA, Community Programs
HTF Administrator	TENNESSEE	THDA, Community Programs

Section PR-05, Figure 1: Table of Program Administrators and Departments/Agencies

Standard Annual Action Plan Table

Narrative

The Tennessee Department of Health (TDH) administers HOPWA. The Tennessee Housing Development Agency (THDA) administers the ESG, HTF, and HOME programs. The Tennessee Department of Economic and Community Development (TNECD) administers CDBG and CDBG-RHP.

While THDA is the lead agency responsible for coordinating the development of the Consolidated Plan and Annual Action Plan, all administering agencies of the five grant programs participated in their development.

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AP-10 Consultation

Introduction

Provide a concise summary of the state’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The State of Tennessee’s leadership and staff of the Consolidated Planning Programs engage in program-specific coordination efforts with representatives from public and assisted housing providers, governmental, health, mental health, and other service agencies throughout the year. Here is a brief overview of these activities. THDA hosts bi-monthly Tennessee Homeless Supportive Services calls to enhance coordination between housing providers, other state agencies, CoCs, the courts, and the Governor’s Office to navigate complexities and foster collaboration among all stakeholders. HOPWA works closely with PHAs and local providers to support housing opportunities for people living with HIV, collaborates with Ryan White providers on medical care and supportive services, and communicates with the Regional Project Sponsor to ensure consistent service delivery across the state. Furthermore, the HOME program promotes partnership with other state agencies and maintains communication with partners and the general public on activities within and beyond the scope of the Consolidated Plan. Additionally, the National Housing Trust Fund program is administered in coordination with the Low Income Housing Tax Credit program, with applications submitted through the LIHTC process. Throughout the year, the program conducts extensive public outreach to receive feedback from external partners. Lastly, the CDBG program hosts annual meetings to discuss results from the previous program year’s activities, seek feedback for the upcoming program year, and preview application requirements and processes.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

ESG: THDA hosts bi-monthly supportive services calls, which allow for coordination between the Continuums of Care (CoCs) and state agencies. ESG staff receive feedback from CoC collaborative applicants throughout the application process and ensure ESG applicants are engaged with the CoC through meetings, committees, sub-committees, participating in the annual Point-in-Time Count (PITC), HMIS data systems, and Coordinated Entry planning. ESG staff make efforts to attend CoC meetings and meet with individual CoCs, as requested. In addition, THDA connects individuals and families who are experiencing homelessness or at risk of it with their area CoCs and homelessness service providers.

HOPWA: Regional Project Sponsor personnel for the HOPWA program also often attend their regions' CoC meetings, since some of the individuals and families HOPWA serves have experienced homelessness.

Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

ESG: During the ESG application process the CoCs complete a questionnaire for each applicant to inform THDA staff of the current participation or capacity to participate in CoC meetings, HMIS data systems, and Coordinated Entry. The questionnaires are used in determining scores for applicants in the CoC section of the application. ESG staff have met with all CoCs to revise performance standards for ESG grantees and ensure enhanced collaboration between THDA and CoCs across the state. This process will ensure program activities and funding are aligned with CoCs' goals and strategies. It will also enable THDA and CoCs to discuss gaps and priorities for each region so that program outcomes can be better evaluated.

Describe agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies, and other entities

ESG: As previously mentioned, THDA staff consults with CoCs, community agencies, and other state agencies throughout the year. With bi-monthly homeless services calls, multiple workshops, technical assistance, and regular communication with agencies, THDA staff has ample opportunities to solicit feedback, discuss decisions, and enhance coordination to ensure all programs are effectively and efficiently administered to best suit the needs of our state and address housing and homelessness needs.

HOME: The HOME Program hosts annual sponsor application and grantee workshops for each of its three program areas: Homeowner Rehabilitation, Homeownership, and Rental. Each workshop provides potential applicants and other interested parties the opportunity to raise questions, share concerns, and suggest improvements. Participating agencies and organizations typically include, but are not limited to, municipalities statewide, nonprofit organizations, Community Housing Development Organizations (CHDOs), developers, and grant administrators. Additionally, we employ an open-door policy for meeting with one-on-one meetings with any organization or persons.

HTF: The primary participants in the process are external development partners, public housing authorities, and local government officials. Agencies, groups and organizations are encouraged to participate through the existing public comment and document development process

Identify any agency types not consulted and provide rationale for not consulting

No agency types were excluded from the open public participation/consultation process.

AP-12 Participation

Summarize citizen participation process and how it impacted goal-setting.

In the summer of 2024, the Tennessee Housing Development Agency, on behalf of the State of Tennessee, administered a Housing Needs Survey, inviting the public to share their housing experiences and needs in order for the State to better understand how the Consolidated Planning programs' goals could address these needs. The State found substantial need, especially among low income households, for several of the Consolidated Planning programs' allowable activities and set strategic priorities accordingly.

See Section SP-25 Priority Needs of the 2025-29 Consolidated Plan for more information on how this citizen participation impacted strategic planning and goal-setting.

In addition, see the fourth, fifth, and sixth parts of Section AP-05 Executive Summary above for a summary of citizen outreach for feedback on the FY 2026-27 Annual Action Plan.

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The following table summarizes the anticipated annual funding for each Consolidated Planning program. The narrative section after the table summarizes the State’s other programs and resources aligned to the Consolidated Plan’s strategic priorities and goals.

Program	Uses of Funds	Expected Resources Year 2			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
Housing Opportunities for Persons with HIV/AIDS (HOPWA)	Permanent housing placement	Approximately \$2,333,081.00	\$0.00	\$0.00	<p>The Tennessee Department of Health (THD) distributes the State’s HOPWA funds for housing activities that benefit low income persons living with HIV/AIDS and their families.</p> <p>The HOPWA program was allocated \$2,333,081.00 in Year 1, and TBA in Year 2. If annual funding levels in subsequent years are similar to Year 2, the HOPWA program will expect to have an estimated total of \$X,XXX,XXX.XX available for the remainder of the 2025-2029 Consolidated Plan (Years 3-5).</p>
	Short-term or transitional housing facilities				
	Short-term rental, mortgage, and utility (STRMU) assistance				
	Supportive services				
	Tenant based rental assistance (TBRA)				
Emergency Solutions Grant (ESG)	Overnight/Day shelter	Approximately \$3,407,923.00	\$0.00	\$16,951.64	<p>The Tennessee Housing Development Agency (THDA) distributes the State’s ESG funds to provide the services and resources necessary to help people experiencing homelessness or those at risk of becoming homeless to regain stability in permanent housing.</p> <p>The amount of prior year resources was reported on March 3, 2026.</p> <p>The ESG program was allocated \$3,407,923.00 in Year 1, and TBA in Year 2. If annual funding levels in subsequent years are similar to Year 2, the ESG program will expect to have an estimated total of \$X,XXX,XXX.XX available for the remainder of the 2025-2029 Consolidated Plan (Years 3-5).</p>
	Transitional housing				
	Financial assistance				
	Rapid re-housing (rental assistance)				
	Homelessness prevention				
	Rental assistance				
	Supportive services				
	Case Management				

Program	Uses of Funds	Expected Resources Year 2			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
Community Development Block Grant – Recovery Housing Program (CDBG-RHP)	Transitional housing construction	Approximately \$1,504,598.00	\$0.00	\$3,009,196.00	<p>The Tennessee Department of Economic and Community Development (ECD) distributes the State’s CDBG-RHP program funds to develop transitional housing for people in recovery from a substance-abuse disorder.</p> <p>The amount of prior year resources was reported on March 6, 2026.</p> <p>The CDBG-RHP program was allocated \$1,504,598.00 in Year 1, and TBA in Year 2. If annual funding levels in subsequent years are similar to Year 2, the CDBG-RHP program will expect to have an estimated total of \$X,XXX,XXX.XX available for the remainder of the 2025-2029 Consolidated Plan (Years 3-5).</p>
Housing Trust Fund (HTF)	<p>Rehabilitation and preservation of affordable rental housing units</p> <p>New construction of affordable rental housing units</p>	Approximately \$3,286,783.59	\$0.00	\$1,279,573.02	<p>The Tennessee Housing Development Agency (THDA) distributes the State’s Housing Trust Fund (HTF) program funds to produce, rehabilitate, and preserve affordable rental housing for extremely low income households, including homeless families. Though HTF funds and outcome estimates are assigned to a particular program year, HTF projects take multiple years to complete. THDA awards HTF program funds to rental development and rental rehabilitation projects that also have been selected for the Low Income Housing Tax Credit (LIHTC) through the State of Tennessee’s Qualified Allocation Plan (QAP). HTF funds are further targeted to projects in rural areas or to projects which provide permanent supportive housing to vulnerable populations.</p> <p>The amount of prior year resources was reported on March 11, 2026.</p> <p>The HTF program was allocated \$3,286,783.59 in Year</p>

Program	Uses of Funds	Expected Resources Year 2			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
					1, and TBA in Year 2. If annual funding levels in subsequent years are similar to Year 2, the HTF program will expect to have an estimated total of \$XX,XXX,XXX.XX available for the remainder of the 2025-2029 Consolidated Plan (Years 3-5).
HOME Investment Partnerships Program (HOME)	<p>Acquisition</p> <p>Rehabilitation and preservation of affordable rental units</p> <p>New construction of affordable rental units</p> <p>New construction of affordable homes for sale</p> <p>Rehabilitation of affordable homes for low-income homeowners</p> <p>Tenant based rental assistance (TBRA)</p>	Approximately \$13,175,337.81	\$144,659.35	\$13,175,337.81	<p>The Tennessee Housing Development Agency (THDA) distributes the State’s HOME funds to produce, rehabilitate, and preserve single-family housing and rental housing (of 11 units or fewer per project) for low-income households. Though HOME funds and outcome estimates are assigned to a particular program year, these HOME projects take multiple years to complete.</p> <p>The amount of program income is an estimate based on prior years’ program incomes.</p> <p>The amount of prior year resources was reported on March 5, 2026.</p> <p>The HOME program was allocated \$13,175,337.81 in Year 1, and TBA in Year 2. If annual funding levels in subsequent years are similar to Year 2, the HOME program will expect to have an estimated total of \$XX,XXX,XXX.XX available for the remainder of the 2025-2029 Consolidated Plan (Years 3-5).</p>
Community Development Block Grant (CDBG)	<p>Acquisition</p> <p>Administration and planning</p> <p>Economic development</p>	Approximately \$27,472,066.00	\$121,678.53	\$3,606,609.29	<p>The Tennessee Department of Economic and Community Development (ECD) distributes the State’s CDBG funds to smaller cities with substantial low-to-moderate income populations for public infrastructure and facilities projects.</p> <p>The amounts of prior year resources and program</p>

Program	Uses of Funds	Expected Resources Year 2			Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
	Affordable housing Public infrastructure improvements Public facility improvements Public Services				<p>income were reported on March 6, 2026.</p> <p>The CDBG program was allocated \$27,472,066.00 in Year 1, and TBA in Year 2. If annual funding levels in subsequent years are similar to Year 2, the CDBG program will expect to have an estimated total of \$X,XXX,XXX.XX available for the remainder of the 2025-2029 Consolidated Plan (Years 3-5).</p>

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Housing Opportunities for Persons with AIDS/HIV (HOPWA): Tennessee’s HOPWA program does not leverage additional resources and does not require a match for their grants.

Emergency Solutions Grants (ESG): Tennessee’s ESG program does not leverage other State resources, but it does require grantees to provide a dollar-for-dollar match of ESG funds. The State’s ESG grantees must provide a certification of matching funds, and they must supplement their ESG funds with an equal amount of funding or in-kind support from non-ESG sources. Matching funds or in-kind support must be provided after the date of the grant award to the recipient and within the period of the ESG contract with THDA. The recipient may not include funds used to match any previous ESG grants. The State’s ESG grantees should be mindful that some other federal grants contain language that prohibits their use as matching funds.

CDBG Recovery Housing Program (CDBG-RHP): The CDBG-RHP program does not leverage other State resources, and there is no matching requirement. However, the amount of funds grantees leverage from other sources for the construction of transitional housing will be considered when determining the locations of developments and entities to be awarded CDBG-RHP funds.

Housing Trust Fund (HTF): The Tennessee Housing Development Agency (THDA) does not have a leveraging component under the QAP scoring system, and Housing Trust Fund does not have match requirements.

HOME Investment Partnerships Program: The Tennessee Housing Development Agency (THDA) will provide the required federal match for HOME funds. Although no local match is required from applicants, THDA will count any nonfederal project funds that qualify as match under the HOME rule toward a project’s matching requirement. In the scoring matrix, any project that has leveraged funds will receive additional points.

Community Development Block Grant (CDBG): The CDBG program uses an Ability to Pay (ATP) Index to develop the required local match amounts from the applying local governments. The ATP was developed as a requirement of the EPA-backed State Revolving Fund (SRF) for all city and county governments based on factors such as median household income, poverty rate, unemployment rate, food stamp dependency, etc. The Tennessee Department of Economic and Community Development (ECD) uses this ATP to create a match rate range of 5% - 25%.

Applicants must submit a local government resolution with the application for the commitment of matching funds. If, upon bidding, the project budget must be increased, the local

government must provide a commitment, usually in the form of a resolution, to cover the overage. During the reimbursement process, ECD only reimburses based on the percentage of each budget line item attributed to the grant. For instance, if the construction line item is 50% CDBG-funded, when a request for payment is submitted only 50% of the construction amount invoiced will be reimbursed.

The State has other programs whose activities align with the Consolidated Plan’s strategic priorities and goals.

The other programs aligned with Priority 1 to prevent, address, and decrease homelessness are:

- HOME-ARP Supportive Services
 - Expected Resources: \$37,898.16 remaining of the one-time \$6,144,070.00 allocation (as of March 2026)
 - THDA may choose to amend its HOME-ARP Allocation Plan later this year. As of the spring of 2026, THDA does not have a set plan to distribute the remaining \$37,898.16.
 - Program Description: The Tennessee Housing Development Agency (THDA) was allocated federal funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) for the HOME Investment Partnerships Program to provide homelessness assistance and supportive services through the HOME-American Rescue Plan Program. The portion allocated to Supportive Services, which totaled \$6,144,070, will be used to provide financial assistance and essential services to the program’s qualifying populations which include, but are not limited to, persons who are experiencing homelessness, those “at risk” of homelessness, persons fleeing or attempting to flee domestic violence, and special populations.
 - Matching Requirements: N/A
- Housing Choice Voucher (HCV) program
 - Expected Resources: \$55,545,697.38 anticipated
 - Program Description: The Housing Choice Voucher (HCV) program is a federal rental assistance program funded through the U.S. Department of Housing and Urban Development (HUD) where very low-income individuals, families, the elderly and the disabled receive assistance to afford decent, safe and sanitary housing in the private market. In addition to the HCV program, the Tennessee Housing Development Agency (THDA) Rental Assistance division administers the Mainstream and Emergency Housing Voucher (EHV) program, which have separate funding not included in this table. For FY 2026, THDA anticipates approximately \$1,187,706.31 for Mainstream vouchers.

- Matching Requirements: N/A

The other programs aligned with Priority 2 to produce, rehabilitate, and preserve affordable housing are:

- Low Income Housing Tax Credit (LIHTC) program
 - Expected Resources: Approximately \$24,600,000
 - Program Description: The LIHTC program allocates federal tax credits to developers of low-income rental housing. LIHTC allocations are made on the front end for 10 years.
 - Matching Requirements: N/A
- Community Investment Tax Credit (CITC)
 - Expected Resources: Approximately \$499,257,289
 - Program Description: Financial institutions may obtain a credit against the franchise and excise tax liability when qualified loans, investments, grants, or contributions are extended to eligible nonprofit organizations, development districts, public housing authorities, or the Tennessee Housing Development Agency (THDA) for activities that create or preserve affordable housing, help low-income Tennesseans obtain affordable housing, or help build the capacity of eligible nonprofit organizations who provide housing opportunities for low-income Tennesseans.
 - Matching Requirements: N/A
- HOME-American Rescue Plan (ARP) Rental Development
 - Expected Resources: \$14,000,000 remaining of the one-time, approximately \$32 million allocation
 - Program Description: The Tennessee Housing Development Agency (THDA) was allocated federal funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) for the HOME Investment Partnerships Program to provide homelessness assistance and supportive services through the HOME-ARP program. Program funding, which was a one-time allocation totaling approximately \$32 million, can be used for acquisition, construction, and rehabilitation of affordable rental housing for qualifying populations and low-income households. The funding may be combined with other resources but may also be used to cover 100% of project development costs.
 - Matching Requirements: Grantees must provide a 25% match.
- Tennessee Housing Trust Fund (THTF)
 - Expected Resources: \$7,500,000
 - Program Description: THTF funds seven State programs to address unmet housing needs in Tennessee and to help build the capacity of nonprofit housing

development organizations. The Competitive Grants program targets rental housing needs across Tennessee for low-, very low-, and extremely low-income residents. Other programs provide housing modifications for persons with disabilities, home repair for the elderly and disabled, new home construction and purchase for low-income Tennesseans, and assistance for communities impacted by weather-related incidents.

- Matching Requirements: The Competitive Grants Program requires a 50% match of development dollars.

Finally, although ensuring fair housing laws are followed is not a formal strategic priority with its own funding allocations or numerical goals, the State prioritizes following these laws and removing barriers to affordable housing. The State’s Homebuyer Education Initiative (HBEI) program is aligned to that priority.

- Homebuyer Education Initiative (HBEI) program
 - Expected Resources: \$931,900
 - Program Description: The Tennessee Housing Development Agency (THDA) requires homebuyer education for our home loan programs and encourages it for everyone considering homeownership. The purpose of homebuyer education is not only to assist people with purchasing homes, but also to help them become successful homeowners. THDA provides approved local nonprofit organizations and University of Tennessee Extension agents with materials to teach first-time homebuyer education classes as well as hosts certification and continuing education courses for homebuyer education providers. THDA is also a U.S. Department of Housing and Urban Development (HUD) Intermediary for the Office of Housing Counseling, administering the oversight of HUD approved agencies under our HUD designation.
 - Matching Requirements: N/A
 - HBEI anticipates serving 3,100 individuals in FY 2026-27

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The State’s Community Development Block Grant (CDBG) program awards many projects, like water and wastewater treatment system improvements or community facilities, each year that will be completed on publicly owned property.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

The estimated numeric outcomes for Annual Action Plan goals are based on anticipated program funding and previous years' program outcomes. However, increases or decreases in actual program funding, as well as the actual number of applications received that qualify for program funding will impact the actual outcomes. In addition, some programs' projects, like those of the HOME Investment Partnerships (HOME) program and the Housing Trust Fund (HTF) program, take multiple years to complete. As a result, actual yearly outcomes for these programs will differ somewhat from estimates, since individual projects may be completed more quickly or slowly than anticipated.

The order of the goals in the table below are aligned to the order of the State's strategic priorities, not ordered according to a goal's relative level of importance.

Goal Name	Category	Geographic Area	Anticipated Funding (% of allocation from MOD)	Goal Outcome Indicator
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Provision of homelessness services and resources	Homeless	Non-Entitlement Statewide Grant Allocation Priority	<p>Consolidated Planning ESG Approximately \$3,407,923.00</p> <p>Other Programs HOME-ARP Supportive Services \$37,898.16 (remaining portion of a one-time allocation)</p> <p>Housing Choice Voucher (HCV) Approximately \$55,545,697.38</p>	<p>Consolidated Planning ESG Tenant-based rental assistance / Rapid Rehousing (Households Assisted): 400</p> <p>Homeless Person Overnight Shelter (Persons Assisted): 1,800</p> <p>Homelessness Prevention (Households Assisted): 60</p> <p>Other - Street Outreach (Unsheltered Persons Engaged): 150</p> <p>Other Programs HOME-ARP Supportive Services Tenant-based rental assistance/Rapid Rehousing (Households Assisted): 0 (multi-year goal for total funding amount)</p> <p>Homelessness Prevention (Persons Assisted): 0 (multi-year goal for total funding amount)</p> <p>Housing Choice Voucher (HCV) Tenant-based rental assistance (Households Assisted): 5,103</p>
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				(plus 158 mainstream vouchers, funded separately)
Stabilization of housing for persons with HIV/AIDS	Affordable Housing Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning HOPWA Approximately \$2,333,081.00	Consolidated Planning HOPWA Tenant-based rental assistance / Rapid Rehousing (Households Assisted): 85 Overnight/ Emergency Shelter/Transitional Housing Beds added (Beds): 145 Homelessness Prevention (Persons Assisted): 350 Other - Permanent Housing Placement (Households assisted): 130 Other – Supportive Services (Households Assisted):* 250 Other - Housing Information Services (Households Assisted):* 400 *Will be reported in IDIS as a narrative, rather than in a table.
Create transitional recovery housing	Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning CDBG-RHP Approximately \$1,429,368.00	Consolidated Planning CDBG-RHP Other - Transitional housing for people recovering from substance use disorders (Beds): 10

Creation, rehabilitation, and preservation of affordable housing	Affordable Housing	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning HTF Approximately \$3,286,783.59	Consolidated Planning HTF Rental units constructed (Household Housing Units): 24 Rental units rehabilitated (Household Housing Units): 0
			HOME Approximately \$13,175,337.81	HOME Rental units constructed (Household Housing Units): 20 Rental units rehabilitated (Household Housing Units): 25 Homeowner Housing Added (Household Housing Units): 20 Homeowner Housing Rehabilitated (Household Housing Units): 35 Direct Financial Assistance to Homebuyers (Households Assisted): 0
			Other Programs HOME-ARP Rental Development \$14,000,000.00 (remaining portion of a one-time allocation)	Other Programs HOME-ARP Rental Development Rental units constructed (Household Housing Units): 175 (multi-year goal for total funding amount) Rental units rehabilitated (Household Housing Units): 100 (multi-year goal for total funding amount)

			<p>LIHTC</p> <p>Approximately \$24,600,000</p>	<p>LIHTC</p> <p>Rental units constructed (Household Housing Unit): 630</p> <p>Rental units rehabilitated (Household Housing Unit): 550</p>
			<p>CITC</p> <p>Approximately \$499,257,289</p>	<p>CITC</p> <p>Rental units constructed (Household Housing Units): 2081</p> <p>Rental units rehabilitated (Household Housing Units):* 109</p> <p>Homeowner Housing Added (Household Housing Units): 86</p> <p>Homeowner Housing Rehabilitated (Household Housing Units): 6</p>
			<p>THTF</p> <p>Approximately \$7,500,000</p>	<p>THTF</p> <p>Rental units constructed (Household Housing Units): 29</p> <p>Rental units rehabilitated (Household Housing Units): 15</p> <p>Homeowner Housing Added (Household Housing Units): 30</p> <p>Homeowner Housing Rehabilitated (Household Housing Units): 160</p>

				Housing for Homeless added (Household Housing Units): 16
Develop physical infrastructure	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning CDBG Approximately \$12,472,081.00*	Consolidated Planning CDBG Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit (Persons Assisted): 50,000
Revitalize disinvested areas and improve livability	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning CDBG Approximately \$14,300,000.00*	Consolidated Planning CDBG Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Households Assisted): 233,000
Enable technical assistance (TA), administration, job/business development	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Consolidated Planning CDBG Approximately \$924,162.00	Consolidated Planning CDBG Other (Administrative Cycle): 1
			CDBG-RHP Approximately \$75,230.00	CDBG-RHP Other (Administrative Cycle): 1

*These amounts reflect the actual amount CDBG allocated to projects with these goals in FY 2025-26. Actual amounts allocated with FY 2026-27 funds will differ.

CITC Rental units rehabilitated (Household Housing Units): the 109 includes 2 units that were acquired and rehabilitated, and 107 units that were only rehabilitated. Homeowner Housing rehabilitated (Household Housing Units): all 6 of these units were acquired and rehabilitated.

Goal Descriptions

The order of the goals in the table are aligned to the order of the State’s strategic priorities, not ordered according to a goal’s relative level of importance.

Goals 1 and 2 are aligned to Strategic Priority 1 to prevent, address, and decrease homelessness.

Goals 3 and 4 are aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing.

Goals 5, 6, and 7 are aligned to Strategic Priority 3 to improve community livability and resilience.

1	Goal Name	Provision of homelessness services and resources
	Goal Description	Prevent homelessness through short-term rental, mortgage and utility assistance (STRMU). Preserve homeless facilities to meet the needs of Tennessee's homeless population. Provide supportive services and resources, like tenant based rental assistance (TBRA), to connect people experiencing homelessness or people at risk of experiencing homelessness to permanent housing.
	Geography	Non-Entitlement Statewide Grant Allocation Priority
2	Goal Name	Stabilization of housing for people with HIV/AIDS
	Goal Description	Provide resources to secure affordable housing options for people with HIV/AIDS and their families.
	Geography	Non-Entitlement Statewide Grant Allocation Priority
3	Goal Name	Create transitional recovery housing
	Goal Description	Created under the SUPPORT Act to develop transitional housing for persons in recovery from a substance use disorder (SUD).
	Geography	Non-Entitlement Statewide Grant Allocation Priority
4	Goal Name	Create, rehabilitate, and preserve affordable housing
	Goal Description	Create, rehabilitate, and preserve affordable rental and homeownership stock with the construction of new affordable housing, rehabilitation of existing affordable housing, provision of down payment assistance.
	Geography	Non-Entitlement Statewide Grant Allocation Priority Statewide Grant Allocation Priority

5	Goal Name	Develop physical infrastructure
	Goal Description	Provide resources to cities and communities to update and repair water and sewer systems. Create the base of infrastructure that will provide for a high quality of life for individuals and productive capacity for communities to support economic development.
	Geography	Non-Entitlement Statewide Grant Allocation Priority
6	Goal Name	Revitalize disinvested areas and improve livability
	Goal Description	These projects are activities designed to provide other community development services to meet health and safety needs of the communities, particularly to benefit LMI persons. These projects can include purchasing fire trucks or ambulances, repaving roads, assisting with the building of community centers, treatment centers or other public service buildings not for the general use of government.
	Geography	Non-Entitlement Statewide Grant Allocation Priority
7	Goal Name	Enable technical assistance (TA), administration, job/business development
	Goal Description	Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities. Also, technical assistance to non-profit organizations, local development corporations, and local governing bodies. This goal will also help implement programs that will create conditions that encourage the growth of jobs.
	Geography	Non-Entitlement Statewide Grant Allocation Priority
8	Goal Name	Microenterprise support and development*
	Goal Description	This goal aims to support and encourage microenterprise development and growth by funding local governments and non-profits to provide tools, education, and technical assistance.
	Geography	Non-Entitlement Statewide Grant Allocation Priority

9	Goal Name	Emergency job creation and/or retention*
	Goal Description	Intended to respond to the economic impacts of infectious disease pandemics, such as COVID-19 by providing grants and/or loans to impacted businesses to retain jobs and/or to businesses creating jobs for those lost as a result of the pandemic.
	Geography	Non-Entitlement Statewide Grant Allocation Priority

*Note: Goals 8 and 9 are aligned to Strategic Priority 3, but they are not funded for FY 2026-27, or have been funded through other means, and have been removed from allocation charts in this report. However, these goals are included in the 2025-29 Consolidated Plan to allow the State to report on the outcomes of activities aligned to these goals, which were prioritized in past years. Outcomes aligned to these goals will be reported in future Consolidated Annual Performance and Evaluation Reports (CAPERs). These goals are also included to allow future program activities aligned to these goals, should the need arise.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Extremely low-income households have incomes of 30% or less of Area Median Income (AMI). Very low-income households have incomes greater than 30% but less than or equal to 50% of AMI. Low-income households have incomes greater than 50% but less than or equal to 80% of AMI. However, sometimes these three categories are grouped together and simply referred to as low-income households with incomes of 80% or less of AMI. Moderate income households have incomes greater than 80% but less than or equal to 120% of AMI.

Here are estimates of the low-income households, including expected income distributions when available, the Consolidated Planning programs will serve in FY 2026-27.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The State’s HOPWA program serves low-income households (with incomes of less than 80% of Area Median Income) with a member who has been diagnosed with HIV and/or AIDS. HOPWA frequently serves households who are homeless or are at risk of becoming homeless. During FY 2026-27, HOPWA expects to serve 85 households experiencing homelessness, providing them with tenant-based rental assistance (TBRA). HOPWA also expects to provide 145 transitional beds in the form of hotel vouchers to individuals and families experiencing homelessness. Finally, HOPWA expects to provide short-term mortgage, rental, and utility (STRMU) assistance for homelessness prevention to about 350 low-income households.

The distribution of these households' incomes (with respect to Area Median Income) for FY 2026-27 cannot be known in advance. However, the distribution may be similar to previous years, during which the majority of households served were extremely low-income. For example, in FY 2025-26, HOPWA provided TBRA to 18 extremely low-income households, 7 very low-income households, and 11 low-income households. The program also provided STRMU to 184 extremely low-income households, 104 very low-income households, and 76 low-income households.

Emergency Solutions Grant (ESG): The State's ESG program serves people experiencing homelessness, as well as those at risk of experiencing homelessness. During FY 2026-27, ESG estimates it will provide tenant based rental assistance (TBRA)/Rapid Rehousing benefits to 400 households. It estimates it will provide short-term rental and utility assistance (STRU) to 300 households. In addition, ESG expects to support a total of 1,800 people experiencing homelessness in overnight shelters, and 150 people through street outreach.

The ESG program does not categorize the people who receive services by the income categories defined above, for FY 2025-26 ESG's program grantees reported 1501 (47.9%) of 3142 people who received services had no income when first engaged, and nearly all people who received services were earning less than \$2,000 per month when first engaged. Nearly all households ESG serves would be categorized as extremely low-income (with incomes at 30% or less of Area Median Income).

Housing Trust Fund (HTF): Using FY 2026-27 funding, the State's HTF program expects to construct and/or rehabilitate 20 units for extremely low-income renter households. HTF projects take multiple years to complete, so outcomes reported in the FY 25-26 Consolidated Annual Performance and Evaluation Report (CAPER) should more closely match Annual Action Plan estimates from two to three years prior. However, HTF produces rental units only for extremely low-income households, so 100% of beneficiaries will be from this group. For example, in FY 2025-26 HTF placed 112 rental units into service for this income group.

HOME Investment Partnerships Program (HOME): The State's HOME program serves low-income households (with incomes of 80% or less of Area Median Income). Using FY 2026-27 funding, the HOME program expects to rehabilitate 35 existing single-family homes for low-income homeowners, to construct 20 new affordable single-family homes for sale to low-income homebuyers, and to rehabilitate 25 and construct 20 units of rental housing for low-income households. HOME's rehabilitation and construction projects take multiple years to complete, so outcomes reported in the FY 2026-27 Consolidated Annual Performance and Evaluation Report (CAPER) should more closely match Annual Action Plan estimates from two to three years prior.

The distribution of the households' incomes (with respect to Area Median Income) for FY 2026-27 cannot be known in advance. However, the distribution may be similar to previous years. For example, for FY 2025-26 HOME reported serving 10 extremely low-income households, 6 very low-income households, and 60 low-income households through its construction and rehabilitation activities.

Community Development Block Grant (CDBG): For FY 2026-27, the State's CDBG program will not carry out housing activities, focusing instead on infrastructure, facility, and community revitalization activities.

AP-25 Allocation Priorities – 91.320(d)

Introduction

Tennessee will address the strategic priorities as articulated in the 2025 – 2029 Consolidated Plan through the Consolidated Planning programs.

Funding Allocation Priorities

	Goals Aligned to Strategic Priority 1		Goals Aligned to Strategic Priority 2		Goals Aligned to Strategic Priority 3			Total (%)
	Homelessness prevention and preservation of homeless facilities, supportive services, and opportunities to access permanent housing (%)	Preserve housing for persons with AIDS/HIV (%)	Create recovery transitional housing (%)	Creation, rehabilitation, and preservation of affordable housing (%)	Physical infrastructure development (%)	Revitalize disinvested areas & improve livability (%)	TA, Job/Business Development, Administration (%)	
ESG	100	-	-	-	-	-	-	100
HOPWA	-	100	-	-	-	-	-	100
CDBG-RHP	-	-	95	-	-	-	5	100
HTF	-	-	-	100	-	-	-	100
HOME	-	-	-	100	-	-	-	100
CDBG	-	-	-	-	50	47	3	100

Reason for Allocation Priorities

Since exact amounts of funding are often unknown when the Annual Action Plan is developed, the percentages above show how the programs will allocate their actual allocation amounts to goals if/when they differ from the previous year’s allocations. Conditions under which programs may move funds between goals are outlined in more detail in section AP-30 Methods of Distribution.

For example, CDBG’s final allocation priorities are determined by the actual applications submitted to ensure the CDBG program can meet needs in a timely manner. While the percentages above represent Tennessee’s Department of Economic and Community Development’s (ECD’s) best estimate of percentages allocated to each goal based on past applications received, ECD will review the number of submitted applications and the overall amount of funding requested, then allocate funding proportionally. For instance, if 70% of funding requested across the total number of applications submitted are for physical infrastructure development, then 70% of the State’s total CDBG allocation will be used to fund those types of activities. The priorities and eligible activity types, along with the proportional allocation methodology are discussed each fall for the upcoming funding round in the spring. A

public meeting was held in the fall of 2025 for the upcoming 2026 funding round, and no comments were received in opposition to the current priorities and processes.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds is aligned to the following strategic priorities and objectives described in the 2025-29 Consolidated Plan.

Priority 1: Prevent, address, and decrease homelessness

- Prevent homelessness
- Conduct outreach to people experiencing homelessness
- Provide emergency shelter to people experiencing homelessness
- Connect people experiencing homelessness with stable housing and/or rental assistance
- Provide supportive services to help people attain and maintain their housing
- House vulnerable populations (e.g. people living with HIV/AIDS, people fleeing domestic violence, people recovering from a substance use disorder) and connect them with appropriate resources

The ESG, HOPWA, and HOME TBRA activities and goals address this priority need. In addition, the State has other resources, like HOME-ARP Supportive Services and the Housing Choice Voucher (HCV) programs, aligned to this priority need.

Priority 2: Produce, rehabilitate, and preserve affordable housing

- Rehabilitate and preserve existing, affordable multifamily housing
- Rehabilitate and preserve existing, affordable single-family housing
- Weatherize existing housing
- Produce new, affordable multifamily housing
- Produce new, affordable single-family housing

The CDBG-RHP, HTF, and HOME programs' activities and goals address this priority need. In addition, the State has other resources, like the Low Income Housing Tax Credit (LIHTC), Community Investment Tax Credit (CITC), and Tennessee Housing Trust Fund (THTF) programs aligned to this priority need.

Priority 3: Improve community livability and resilience

- Expand and improve community infrastructure
- Weatherize existing infrastructure

- Promote recovery after natural disasters

The CDBG program activities and goals address this priority need. In addition, the State has other resources, like the CDBG-DR program, aligned to this priority need.

Finally, as previously mentioned, the State of Tennessee has not made implementation of fair housing laws a formal strategic priority because this initiative does not have allocated funding with numerical goals and outcomes. However, the State acts to remove barriers to affordable housing in alignment with fair housing laws, and the Homebuyer Education Initiative (HBEI) program is aligned to this.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

The methods of distribution for funding program activities are described below, detailing how individual Consolidated Planning programs will allocate their funding to eligible activities/projects and specifying the program parameters for selecting applications for funding. Additional details are available in program manuals and descriptions available on each program's website and linked in section AP-90.

Distribution Methods

The following programs and activities are aligned to Strategic Priority 1: Prevent, address, and decrease homelessness.

1	State Program Name:	Emergency Solutions Grants Program
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	<p>The ESG Program is designed to identify sheltered and unsheltered persons experiencing homelessness, as well as those at risk of homelessness, and provide the services and resources necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. Eligible activities include street outreach, shelter activities, homelessness prevention, rapid rehousing, Homeless Management Information Systems (HMIS) and administration activities.</p> <p>Funding is made available competitively to non-profit organizations and local units of government serving communities outside the U.S. Department of Housing and Urban Development’s ESG entitlement communities of Memphis and Nashville-Davidson County (and any others that may be added for a given fiscal year).</p> <p>Each program will operate its ESG program in accordance with its approved Consolidated Plan.</p> <p>THDA will allocate 7.5% of ESG funding for administrative and planning expenses. THDA will share the amount available for administration with local governments which are awarded funding through the State’s funding competition. Nonprofit agencies are not eligible to receive funds for administration.</p>
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>THDA will award funding to organizations based on the following general scoring criteria:</p> <ul style="list-style-type: none"> • Program Design – Up to 40 Points • Applicant Experience and Capacity – Up to 20 Points • Applicant Fiscal Capacity – Up to 20 Points • Coordination with CoC Priorities – Up to 20 Points <p>For complete criteria, please consult the current ESG Program Description and ESG Guide at https://thda.org/government-nonprofit-partners/emergency-solution-grants-</p>	

	esg-program
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Non-profits and local governments compete in a competitive round for ESG funds. Additionally, local government recipients may distribute all or a part of their ESG funds to eligible, private 501(c)(3) nonprofit organizations for allowable ESG activities. Once a year, THDA hosts grantee workshops throughout the state, posts notifications on the THDA website, and notifies CoC lead agencies to notify their CoC members and other agencies which include community and faith-based organizations, of funding opportunities. Non-profit organizations are eligible to receive shelter funds only if such funding is approved by the local government jurisdiction where programs are based.</p> <p>Non-profits must be an eligible non-profit agency as defined in the 2026 ESG Program Description.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The funding categories within ESG are Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Rehousing, and Data Collection.</p> <p>Eligible applicants may request funding for different categories based on assessed community needs and input from local CoC priorities. Expenditure limits of combined Street Outreach and Emergency Shelters cannot exceed 60% of the entire ESG allocation. THDA reserves the right to adjust applicants’ budgets, if needed, to remain within this requirement.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Threshold criteria include submission of a complete application, proposal of an eligible activity, proposal of a project that meets the requirements of 24 CFR Part 576 and 91, as amended, programs with established written ESG standards, habitability standards, and confidentiality and privacy policies, and compliance with and participation in the applicable Continuum of Care, including its Coordinated Entry system.</p> <p>Non-profit applicants must also upload required organizational documentation through THDA’s Participant Information Management System (PIMS).</p> <p>An applicant must apply for at least \$35,000 and may apply for a maximum of \$125,000 in ESG funding.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Tenant-based rental assistance / Rapid Rehousing (Households Assisted) • Homeless Person Overnight Shelter (Persons Assisted) • Homelessness Prevention (Persons Assisted) • Other - Street Outreach (Unsheltered Persons Engaged) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p> <p>Additionally, the Tennessee ESG Guide instructs grantees to adopt performance standards consistent with HUD and THDA program requirements. Examples of outcome measures expected are reducing the average length of time a person is homeless, reducing returns to homelessness, improving program coverage, reducing</p>

	<p>the number of homeless individuals and families, reducing the number of chronically homeless individuals and families, improving employment rate and income amounts of program participants, reducing first time homelessness, and preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs.</p> <p>Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources to ensure the ongoing housing stability of program participants.</p>
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2	State Program Name:	Housing Opportunities for People with HIV/AIDS (HOPWA)
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	<p>HOPWA’s goal is to establish and maintain affordable and stable housing for qualifying clients impacted by HIV or AIDS.</p> <p>The State is divided into seven (7) HOPWA regions (East Tennessee, North East Tennessee, Upper Cumberland, Mid Cumberland, South Central Tennessee, West Tennessee and South East Tennessee). The regions and project sponsors for each region are listed below.</p> <ul style="list-style-type: none"> • East Tennessee (Positively Living) • North East Tennessee (Frontier Health – HOPE for TN) • Upper Cumberland (Positively Living) • Mid Cumberland (Nashville CARES) • South Central Tennessee (Columbia CARES) • West Tennessee (Positively Living) • South East Tennessee (Chattanooga CARES)
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>For FY 2026-27, the HOPWA allocation will be distributed through a formula process based on the reported HIV and AIDS case data provided by CDC and further adjusted based on the seven (7) State of TN HOPWA Regions for areas of growing need. For example, if a region reports an HIV outbreak, additional funds may be allocated to that region to assist with stabilizing housing for clients in that area.</p> <p>Pursuant to HOPWA regulations, changes in eligibility jurisdictions for HOPWA may occur if a metropolitan area reaches a population of more than 500,000 and has a least 1,500 cumulative AIDS cases. The State’s method of distribution selects projects and proposals targeted at meeting local needs, closing supportive service gaps, and addressing the regions of the state reporting an increase of homelessness.</p>	

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Sponsors are solicited through grant proposals that include grass roots faith-based and other community-based organizations. The purpose of this Request for Grant Proposal (RFGP) is to define the State’s minimum requirements, solicit grant proposals and gain adequate information from which the State can evaluate the services potential project sponsors propose to provide. The contracts for these agencies are for one year with the option to renew for four additional years. However, the State reserves the right to terminate a contract should there be substandard performance by a project sponsor. In the event a contract is terminated the State will solicit new agency proposals. The Tennessee Department of Health will contract with established not-for-profit agencies that continually show both the capability to plan for, as well as the ability to provide direct intervention and housing assistance to eligible clients and their families. Proposals are evaluated on criteria such as technical services, organization, experience, and budget, etc. Funds will be awarded to sponsors who submitted proposals that best meet or exceed the required criteria and provide a detailed budget to meet the needs of HOPWA clients.</p> <p>The current RFGP was approved in March 2021 for use between July 1, 2021 through June 30, 2026.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>To address urgent needs of persons living with AIDS/HIV and to assist in meeting the State’s goal, project sponsors will pursue the following eligible HOPWA activities:</p> <ul style="list-style-type: none"> • Administration • STRMU- Short term rent, mortgage and utility (STRMU) assistance • Tenant based rental assistance (TBRA) • Supportive Services to include nutrition, transportation, housing information services, and non-medical case management • Permanent Housing Placement (PHP), which can include payment of security deposits and other up-front housing costs • Facility-Based Short-term/Transitional Housing – Hotel/Motel Voucher • Housing Information Systems (HIS) to provide navigation to appropriate housing resources • Resource ID to obtain identification and documents needed for accessing resources <p>Project sponsors may use funds for allocation of indirect cost of no more than 7% for grant administration. The State will draw down admin funds of no more than 3%.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The amount of funding allocated to each of HOPWA’s regional project sponsors is determined through a set formula with no minimum or maximum limits.</p> <p>Project sponsors may use funds for allocation of indirect cost of no more than 7% for grant administration. Also, the Tennessee Department of Health (TDH) will not exceed the 3% administrative cap for the HOPWA program.</p>
<p>What are the outcome measures expected as</p>	<p>The outcome measures for this program are:</p>

	a result of the method of distribution?	<ul style="list-style-type: none"> • Tenant-based rental assistance / Rapid Rehousing (Households Assisted) • Overnight/ Emergency Shelter/Transitional Housing Beds added (Beds) • Homelessness Prevention (Persons Assisted) • Other - Permanent Housing Placement (Households assisted) • Other - Supportive Services (Households Assisted) • Other - Housing Information Services (Households Assisted) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>
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The following programs and activities are aligned to Strategic Priority 2: Produce, rehabilitate, and preserve affordable housing.

3	State Program Name:	CDBG-Recovery Housing Program
	Funding Sources:	CDBG-RHP
	Describe the state program addressed by the Method of Distribution.	This program is part of the SUPPORT Act to develop transitional housing for persons in recovery from a substance-abuse disorder (SUD).
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>This is a continuation of the pilot program that addresses existing gaps in transitional housing to prioritize where the transitional housing units will be developed or constructed.</p> <p>All applications must meet the below criteria, before being scored:</p> <ul style="list-style-type: none"> • Meet a National Objective • Be an eligible activity • Be a local government <p>CDBG-RHP applications will be scored on the following criteria:</p> <p>Project Need</p> <ul style="list-style-type: none"> • County fatal overdose rate (TDH) • County non-fatal overdose rate (TDH) • County poverty rate (Census/ACS) • Explanation of need of population served <p>Project Impact</p> <ul style="list-style-type: none"> • Readiness (planning, design, shovel-ready, additional funding availability) • Community support • Explanation of supportive programs provided • Project located in an Opportunity Zone <p>Project Feasibility</p> <ul style="list-style-type: none"> • Timeline • Sustainability • Budget

		<ul style="list-style-type: none"> • Leveraged Funds • Prior experience (with TDMHSAS and/or TNECD programs, with Recovery Housing programs, with construction projects) • Organizational Capacity and Partnerships <p>The CDBG-RHP program was amended in December 2025 to allow the program to receive and evaluate applications for this funding anytime, as long as funding is available, instead of a designated application period. (This means the funding is available on a first-come, first-serve basis, as long as the applicant meets the requirements.) Program applicants must meet a 50 percent threshold in application score to be eligible to receive the funds.</p>
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Program guidelines and requirements are available on the CDBG website. See Section AP-90 for the link.
	Describe how resources will be allocated among funding categories.	<p>No additional categories will be created under the initial pilot program.</p> <p>In the even the State of Tennessee’s CDBG-RHP allocation significantly differs from prior years, grant awards may be reduced to accommodate more awards.</p>
	Describe threshold factors and grant size limits.	Maximum grant amount will be \$1,000,000.
	What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Other - Transitional housing for people recovering from substance use disorders (Beds) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

4	State Program Name:	Housing Trust Fund
	Funding Sources:	Housing Trust Fund

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Housing Trust Fund (HTF) is an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve safe, sanitary, decent, and affordable rental housing for extremely low- and very low-income households, including homeless families.</p> <p>Specifically, HTF program funds will finance the construction and/or preservation of affordable rental units for extremely low-income households through a deferred loan to projects that have also been awarded Low Income Housing Tax Credits.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>THDA will accept/consider proposals that are consistent with the State's fair housing certifications.</p> <p>THDA reserves the right not to select a proposed project if sufficient funding is not available to award all funds requested by the applicant. In such instances and at its sole and absolute discretion, THDA may move to the next lower scoring project to meet its commitment obligations under the HTF.</p> <p>Geographic Diversity. THDA will rank applications consistent with the Qualified Allocation Plan (QAP) and HTF Program Description.</p> <p>Ability to obligate HTF funds. THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity to carry out the proposed housing project. THDA will evaluate the experience and capacity of the organization to ensure compliance with the requirements and regulations of all Federal, State and local housing programs used in conjunction with HTF funds; THDA will evaluate the history of the applicant and their team in serving the community in which the HTF-assisted housing is proposed.</p> <p>Ability to undertake eligible activities in a timely manner. Applicants must be capable of undertaking and completing HTF-funded activities in a timely manner. THDA will evaluate past performance of the applicant in completing THDA funded activities.</p> <p>For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low-income families. THDA does not prioritize projects with dedicated project-based rental assistance; however, the existence of such resources does enhance the economic feasibility of NHTF projects, making the project more likely to receive funding.</p> <p>For rental housing, the duration of the units' affordability period. All rental developments assisted with HTF resources will have a 30 year affordability period.</p> <p>Merits of the application in meeting the State's priority housing needs. THDA will prioritize applications in rural areas with a higher rental housing need and applications addressing the need for permanent supportive housing.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Up to 10% of HTF funding will be used for THDA's administrative expenses, and no less than 90% will finance projects.</p>

	Describe threshold factors and grant size limits.	The minimum allocation is \$100,000 and the maximum is \$1,500,000. There is no difference in minimum or maximum for non-entitlement, entitlement, urban and rural jurisdictions.
	What are the outcome measures expected as a result of the method of distribution?	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Rental units constructed (Household Housing Units) • Rental units rehabilitated (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

5	State Program Name:	HOME Rental Development
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>All activities funded through the annual HOME allocation must address the housing needs of low-income households. However, several types of activities are eligible for funding.</p> <p>HOME Rental Development focuses on the eligible activity of rental rehabilitation. THDA provides HOME funds for the rehabilitation of existing affordable rental units for low-income households.</p> <p>Specifically, HOME Rental funds must be used for the new construction of or the acquisition and/or rehabilitation of existing affordable, permanent rental housing projects that consist of eleven (11) total units or less that address the needs of low-income households, families whose annual incomes do not exceed 80 percent of the area median income (“AMI”), as further defined at 24 CFR 92.2. The housing may be stick-built or modular housing, as defined in Tennessee Code Annotated Title 68 -126-202 & 303, provided that the housing meets all of the applicable state and local codes. All HOME Units must be occupied by low-income families and meet the requirements of 24 CFR 92.252.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>These are the criteria the HOME Rental Development program will use to evaluate applications:</p> <p>PROGRAM DESIGN AND PLANNING- Up to 35 points</p> <p>APPLICANT’S CAPACITY AND EXPERIENCE - Up to 30 points</p> <p>NEED - Up to 10 Points</p> <p>AREAS OF OPPORTUNITY SCORE - Up to 10 Points</p> <p>CHDO DESIGNATION – Up to 5 points</p> <p>RURAL DESIGNATION– Up to 5 points</p> <p>PROJECTS LOCATED OUTSIDE OF A LOCAL PJ – 5 points</p> <p>DESIGNATED DISTRESSED COUNTIES – 5 points Bonus</p> <p>MATCH EXCEEDING 25% MINIMUM – 5 points Bonus</p> <p>See Section AP-90 for the link to the program’s FY 2026-27 Program Description.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Since the actual amount of the FY 2026-27 HOME allocation is unknown at the time the Annual Action Plan is prepared, and because the HOME allocation supports several eligible HOME activities, the following describes how THDA’s HOME program intends to apportion its annual allocation and make funding available to eligible applicants.</p> <p>THDA will initially set aside up to 10% of its total allocation for administrative and planning purposes, 20% for its CHDO set aside, and up to 5% for CHDO Operating Expenses.</p> <p>Next, 50% of the remaining funding will be for Homeowner Rehabilitation activities and 50% for Rental Development Activities.</p> <p>Note: After applications for each type of HOME activity (e.g. Homeowner Development, Homeowner Rehabilitation, Rental Development) are received, if there are not enough eligible applications for the funding available, unutilized funding may be used to fund additional applications for another eligible HOME activity. In addition, any leftover funding from previous years’ allocations may also be used to fund additional applications for any of the eligible HOME activities. Finally, while THDA intends to implement the competitive process outlined above, the distribution of HOME program funds among eligible HOME activities may be adjusted if a significant need arises (e.g. natural disaster, change in housing market, macroeconomic change). In addition, HOME funds can be awarded on a discretionary basis, rather than competitive, in these instances.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Program funding will be administered as grants through a competitive application process for projects located in any of Tennessee’s 95 counties. Applicants must apply for at least \$300,000 and may apply for a maximum grant of \$1,500,000.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Rental units constructed (Household Housing Units) • Rental units rehabilitated (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

<p>6</p>	<p>State Program Name:</p>	<p>HOME Homeowner Rehabilitation</p>
	<p>Funding Sources:</p>	<p>HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>All activities funded through the annual HOME allocation must address the housing needs of low-income households. However, several types of activities are eligible for funding.</p> <p>HOME Homeowner Rehabilitation focuses on the eligible activity of homeowner rehabilitation. THDA provides HOME funds for the rehabilitation of existing affordable homes for current low income homeowners.</p> <p>The use of HOME funds will be limited to the rehabilitation or reconstruction of existing housing units. A maximum investment per unit will be limited by both (1) the federal maximum HOME subsidy limit as adjusted by the number of bedrooms per unit and (2)</p>

		<p>the after rehabilitation value of the unit permitted under the federal regulations. By regulation, the after rehabilitation value may not exceed 95% of the median purchase price for the area.</p> <p>HOME funds are awarded under this Program Description through a competitive application process to cities, counties, and non-profit organizations that are located outside of local participating jurisdictions. Local participating jurisdictions (“Local PJs”) are those local governments that also receive HOME funds directly from the United States Department of Housing and Urban Development (“HUD”). The Local PJs in Tennessee are Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville-Davidson County, Knox County, Shelby County, and the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Kingsport, Johnson City, Bluff City, Sullivan County, and Washington County, excluding the Town of Jonesborough). Non-profit organizations located in a Local PJ may apply for projects located outside of a Local PJ.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>These are the criteria the HOME Homeowner Rehabilitation program will use to evaluate applications:</p> <ol style="list-style-type: none"> 1. PROGRAM DESIGN - Up to 60 points 2. NEED - Up to 10 points 3. NOT PROPORTIONALLY SERVED - Up to 10 points 4. DISASTER AREAS - 5 points 5. MATCH - Up to 5 points 6. TENNESSEE GROWTH POLICY ACT - 10 points 7. PRIOR YEAR UNEXPENDED HOME FUNDS DEDUCTIONS - Up to -7 points <p>Applications must receive a minimum threshold score equal to 60% of the total points available under the applicable scoring matrix.</p> <p>Applications that do not meet the threshold score will not be considered for funding. There is a \$750,000 maximum grant per county. Grants to successful applicants in the same county will be reduced proportionately should there be multiple successful applicants from the same county with a minimum grant of \$250,000. However, the THDA Board of Directors may award less than \$250,000 should there be more than three successful applicants from the same county.</p> <p>HOME awards will be in the form of a grant. Grantees will be required to repay any HOME funds expended on projects that are not completed and ready for occupancy by the close of the grant period. Grantees may also be required to repay HOME funds as described in the Working Agreement.</p> <p>THDA will not make any funding awards for units in a jurisdiction where the unit cannot be inspected by a state certified building inspector or by a provider as permitted under State law.</p> <p>See Section AP-90 for the link to the program’s FY 2026-27 Program Description.</p>
	<p>Describe how resources will be</p>	<p>Since the actual amount of the FY 2026-27 HOME allocation is unknown at the time the Annual Action Plan is prepared, and because the HOME allocation supports several eligible HOME activities, the following describes how THDA’s HOME program intends to apportion its annual allocation and make funding available to eligible applicants.</p>

<p>allocated among funding categories.</p>	<p>THDA will initially set aside up to 10% of its total allocation for administrative and planning purposes, 20% for its CHDO set aside, and up to 5% for CHDO Operating Expenses.</p> <p>Next, 50% of the remaining funding will be for Homeowner Rehabilitation activities and 50% for Rental Development Activities.</p> <p>An amount equal to 8% of each grantee’s award from the administrative set aside will be put toward grantee administrative expenses.</p> <p>THDA will initially set aside one of third of the amount available for the Homeowner Rehabilitation Program to be awarded to eligible applicants from each of Tennessee’s three Grand Divisions (West, Middle, and East), starting with the highest scoring, eligible application and then in order as ranked from highest to lowest scores for each Grand Division. If any funds are left over after all eligible applicants from a specific Grand Division have been funded, the remaining applications for all Grand Divisions will be ranked by score, highest to lowest, and funded in order of next highest score until all remaining funds have been expended.</p> <p>Note: After applications for each type of HOME activity (e.g. Homeowner Development, Homeowner Rehabilitation, Rental Development) are received, if there are not enough eligible applications for the funding available, unutilized funding may be used to fund additional applications for another eligible HOME activity. In addition, any leftover funding from previous years’ allocations may also be used to fund additional applications for any of the eligible HOME activities. Finally, while THDA intends to implement the competitive process outlined above, the distribution of HOME program funds among eligible HOME activities may be adjusted if a significant need arises (e.g. natural disaster, change in housing market, macroeconomic change). In addition, HOME funds can be awarded on a discretionary basis, rather than competitive, in these instances.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Applicants under the Homeowner Rehabilitation matrices must apply for at least \$250,000 and may apply for a maximum HOME grant of \$750,000. There is a \$1,000,000 limit on the amount of HOME funds that can be awarded in any one county.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Homeowner Housing Rehabilitated (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

<p>7</p>	<p>State Program Name:</p>	<p>HOME Homeownership Development</p>
	<p>Funding Sources:</p>	<p>HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>All activities funded through the annual HOME allocation must address the housing needs of low-income households. However, several types of activities are eligible for funding.</p>

		<p>HOME Homeownership Development focuses on the eligible activity of homeowner development. THDA provides HOME funds for the development of affordable new homes for sale to low income households.</p> <p>THDA provides funds to the Community Housing Development Organization (CHDO) as a grant for the rehabilitation or new construction of units that will be sold to qualified households. Each CHDO must provide an amount of down payment assistance not to exceed \$39,999 for use by the home buyer as a soft second mortgage necessary to qualify the household for permanent financing. CHDOs may retain the remaining balance from the sale of the unit as CHDO proceeds for development of future HOME eligible housing.</p> <p>CHDO's may request up to 7% of the funds awarded as operating expense assistance and up to 8% of the actual hard project costs as a developer fee. Additional qualified soft costs may be charged to each project. All soft costs will count towards the HOME maximum subsidy.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>These are the criteria the HOME Homeowner Rehabilitation program will use to evaluate applications:</p> <ol style="list-style-type: none"> 1. CAPACITY - Up to 60 points 2. CHDO SERVICE AREA NOT IN A PJ - 5 points 3. PUBLIC PRIVATE PARTNERSHIP FOR NEIGHBORHOOD REDEVELOPMENT - 10 Points 4. MATCH - Up to 15 points 5. LEVERAGE - Up to 10 points 6. ENERGY CONSERVATION - Up to 10 points 7. UNIVERSAL DESIGN - Up to 10 points 8. PRIOR YEAR UNEXPENDED HOME FUNDS DEDUCTIONS - Up to -5 Points <p>Applications must receive a minimum threshold score equal to 60% of the total points available under the applicable scoring matrix to be eligible for funding.</p> <p>See Section AP-90 for the link to the program's FY 2026-27 Program Description.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Since the actual amount of the FY 2026-27 HOME allocation is unknown at the time the Annual Action Plan is prepared, and because the HOME allocation supports several eligible HOME activities, the following describes how THDA's HOME program intends to apportion its annual allocation and make funding available to eligible applicants.</p> <p>THDA will initially set aside up to 10% of its total allocation for administrative and planning purposes, 20% for its CHDO set aside, and up to 5% for CHDO Operating Expenses.</p> <p>The HOME Homeowner Development activity is funded with the CHDO set-aside.</p> <p>CHDO Set-aside. Twenty percent (20%) of 2024 HOME allocations will be reserved for eligible applications from CHDOs, including CHDOs located in Local PJs. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the maximum per county grant.</p>

		<p>A successful CHDO that receives an allocation of 2026 CHDO funds must commit those funds to specific units no later than January 31, 2028. If in the opinion of THDA, the applications submitted do not contain viable proposals or are from a CHDO that lacks the organizational potential to comply with all HOME affordability requirements, THDA may choose not to award any or all of the funds set-aside for CHDOs in the current application round.</p> <p>THDA will not make any funding awards for units in a jurisdiction where the unit cannot be inspected by a state certified building inspector or by a provider as permitted under State law.</p> <p>Note: After applications for each type of HOME activity (e.g. Homeowner Development, Homeowner Rehabilitation, Rental Development) are received, if there are not enough eligible applications for the funding available, unutilized funding may be used to fund additional applications for another eligible HOME activity. In addition, any leftover funding from previous years' allocations may also be used to fund additional applications for any of the eligible HOME activities. Finally, while THDA intends to implement the competitive process outlined above, the distribution of HOME program funds among eligible HOME activities may be adjusted if a significant need arises (e.g. natural disaster, change in housing market, macroeconomic change). In addition, HOME funds can be awarded on a discretionary basis, rather than competitive, in these instances.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>An applicant must apply for at least \$250,000 and may apply for a maximum HOME grant of \$1,000,000. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the \$1,000,000 maximum grant.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures for this program are:</p> <ul style="list-style-type: none"> • Homeowner Housing Added (Household Housing Units) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p>

The following programs and activities are aligned to Strategic Priority 3: Improve community livability and resilience.

<p>8</p>	<p>State Program Name:</p>	<p>CDBG - Regular Round</p>
	<p>Funding Sources:</p>	<p>CDBG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State of Tennessee holds an annual round of applications open to all non-entitlement jurisdictions that do not have a grant open at the time of application. The public meeting was held in October of 2025 to discuss the application and award process of the 2026 grants. All local officials from eligible non-entitlement jurisdictions, along with administrators and engineers who frequently work with CDBG projects, were</p>

		invited to participate and offer comments. The public meeting was held in-person with a virtual option to increase participation.
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>All applications must meet four criteria, before being scored:</p> <ol style="list-style-type: none"> 1. Meet a National Objective 2. Be an eligible activity 3. Be a non-entitlement jurisdiction 4. Be one of four eligible community development objectives: <ul style="list-style-type: none"> • Physical Infrastructure Development - to create the base of infrastructure that will provide for a high quality of life for individuals and productive capacity for communities. • Community Livability Development - to develop an improved community livability by enhancing emergency and protective services or making improvements to the physical environment. • Target Economic Distress - to deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged areas of the state. • Maximize Grantees - to use the resources available to the state in a manner which will maximize the number of grantees and, therefore, beneficiaries of the programs. <p>For State FY 2026-27, applicants may apply for funding from one of four different program categories: Water/Sewer, Community Infrastructure, Community Revitalization, or Public Health and Safety. All Urgent Need/Imminent Threat projects must also fall into one of the program categories.</p> <p>Applications are scored based on the following criteria:</p> <ol style="list-style-type: none"> 1. Community Need 2. Project Need 3. Project Feasibility 4. Project Impact 5. Project Essentialness 6. Economic Development (up to 10 additional points)
	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application</p>	<p>All CDBG manuals and applications materials are available on the CDBG website and by request. See Section AP-90 for the link.</p>

criteria? (CDBG only)													
<p>Describe how resources will be allocated among funding categories.</p>	<p>The balance of CDBG awards across funding categories will be proportional to the amount of funding requests received for each category. The percentages below are estimates based on the prior application round. Actual percentage allocations for this funding round will be based on applications received this year.</p> <table data-bbox="537 457 1055 745"> <tr> <td>Water and Sewer Projects</td> <td>25%</td> </tr> <tr> <td>Community Infrastructure Projects</td> <td>18%</td> </tr> <tr> <td>Community Revitalization Projects</td> <td>22%</td> </tr> <tr> <td>Public Health and Safety Projects</td> <td>32%</td> </tr> <tr> <td>Administration and Tech. Assistance</td> <td>3%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </table> <p>Program income will be applied to the funding of additional regular round activities. Up to \$1,000,000 of recovered funds from prior activities may be held for funding imminent threat projects during the year. At the end of the year, excessive balances will be allocated for use in the next program year.</p> <p>In the even the State of Tennessee’s CDBG allocation significantly differs from prior years, the program will still award grants proportionally and will not cut categories or prioritize geographies or regions.</p>	Water and Sewer Projects	25%	Community Infrastructure Projects	18%	Community Revitalization Projects	22%	Public Health and Safety Projects	32%	Administration and Tech. Assistance	3%	Total	100%
Water and Sewer Projects	25%												
Community Infrastructure Projects	18%												
Community Revitalization Projects	22%												
Public Health and Safety Projects	32%												
Administration and Tech. Assistance	3%												
Total	100%												
<p>Describe threshold factors and grant size limits.</p>	<p>Non-construction grants have a maximum threshold request of \$420,000. A construction grant will have a maximum threshold request of \$1,000,000.</p>												
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The outcome measures for this program are:</p> <ul data-bbox="597 1318 1469 1459" style="list-style-type: none"> • Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit (Persons Assisted) • Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit (Households Assisted) <p>Please see section AP-20 Annual Goals and Objectives for estimated numeric outcomes for this fiscal year (FY).</p> <p>Additionally, the CDBG program tracks each project upon close regarding the following outcome categories:</p> <ul data-bbox="597 1644 906 1755" style="list-style-type: none"> • Accessibility/Availability • Affordability • Sustainability 												

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Housing Opportunities for Persons with HIV/AIDS (HOPWA): The State’s HOPWA program allocates funding to seven HOPWA regions (overseen by six Project Sponsors), which include all counties in the state not covered by the HOPWA Eligible Metropolitan Statistical Area (EMSA) entitlements (Nashville EMSA and Memphis EMSA).

See HOPWA’s Program Description, which is linked in Section AP-90, for a list of HOPWA regions and their Project Sponsors.

Emergency Solutions Grant (ESG): The State’s ESG program invites applications from eligible entities in Non-entitlement Communities. Entitlement Communities receive their own ESG funding directly from the U.S. Department of Housing and Urban Development (HUD) and, therefore, are excluded.

See ESG’s Program Description, which is linked in Section AP-90, for a list of Entitlement Communities.

Housing Trust Fund (HTF): The State’s national HTF program invites statewide applications from eligible entities for funding to preserve, rehabilitate, and/or construct affordable multifamily units for extremely low-income Tennesseans (households with incomes of 30% or less of Area Median Income). HTF priorities permanent supportive housing throughout the state, and family housing in rural areas of the state for HTF investment. Additionally, applications for HTF funding are accepted concurrent with and as a part of the application for a competitive Low Income Housing Tax Credit (LIHTC). As a result, the State’s Qualified Action Plan (QAP) for the LIHTC program will further influence the locations of the HTF funded units.

See the Qualified Action Plan, which is linked in Section AP-90, for more information on potential geographic impacts of the LIHTC program.

HOME Investment Partnerships (HOME) Program: The State’s HOME program invites *statewide* applications from eligible entities for funding for the following Homeowner Development activities and Rental Development activities. Homeowner Development activities are the construction of affordable single-family homes for sale to low-income Tennesseans (households with incomes of 80% or less of Area Median Income in the households’ counties). Rental Development activities are the acquisition, rehabilitation and/or construction of affordable multifamily housing for low-income Tennesseans (households with incomes of 80% or less of Area Median Income in the households’ counties).

As previously stated, the HOME program allows applications from all geographic areas of Tennessee for Homeowner Development and Rental Development activities. However, specific geographies are prioritized in other ways:

- For FY 2026-27, for Homeowner Development activities, applications from non-local Project Jurisdictions (PJs) will receive additional points.
- For FY 2026-27, for Rental Development activities, the program will use a county-level need score and a tract-level opportunity score to prioritize funding areas of the state with greater need and/or opportunity. Applicants can also earn points for activities in a rural area of Tennessee (as defined by the HOME program).

Finally, for Homeowner Rehabilitation activities, the State’s HOME program invites applications from eligible entities in *non-local Project Jurisdictions (PJs)*, which are the rehabilitation of existing affordable single-family homes for low-income homeowners in Tennessee. Local PJs receive their own HOME funding directly from HUD and, therefore, are excluded from applying for HOME funding for Homeowner Rehabilitation activities.

- For FY 2026-27, the program uses a county-level need score to prioritize funding areas of the state with greater need, as well as a county-level “Not Proportionately Served” score to prioritize areas of the state for funding that have receive fewer dollars per low-income household over a set period of time compared to other counties.

While all applications for HOME funding are typically scored competitively, the HOME program may make HOME funding available discretionarily to respond to significant needs, like changes in the housing market and/or a natural disaster. In addition, the scoring methodologies, including their geographic impacts, may be revised from year-to-year, as described in HOME’s annual Program Description for each activity type.

See HOME’s Program Descriptions, which are linked in Section AP-90, for a list of local Project Jurisdictions (PJs) and current details of application scoring and its geographic impacts.

Community Development Block Grant (CDBG): The State’s CDBG program invites applications from eligible entities in Non-entitlement Jurisdictions (cities and counties). Entitlement Jurisdictions receive their own CDBG funding directly from HUD and, therefore, are excluded. In addition, the area benefiting from CDBG activities must have 51% or more of households that have low-to-moderate incomes (incomes of 80% or less of Area Median Income), except areas considered under the slums, blight, and urgent need national objectives.

Please see CDBG’s Program Descriptions, which are linked in Section AP-90, for lists of Entitlement Cities. The LMI areas benefiting from CDBG activities will be included in the

appendix of the State’s Consolidated Action Plan Evaluation Report (CAPER), which shares the State’s goal accomplishments and outcomes with program funding.

Geographic Distribution

Target Area	Percentage of Funds
Statewide Grant Allocation Priority	21%
Non-Entitlement Statewide Grant Allocation Priority	79%

Rationale for the priorities for allocating investments geographically

See explanations for each program above.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

The table below shows the one-year estimated goals for households the Consolidated Planning programs expect to serve. These estimates are based on prior years’ outcomes and adjusted for anticipated increases or decreases in funding and/or changes in activities.

These goals do not capture every household served by the programs, only those that meet the criteria for specific types of activities.

One Year Goals for the Number of Households to be Supported	HOPWA	ESG	Total
Homeless	85	2,900	TBA
Non-Homeless	300	60	TBA
Special-Needs	150	-	TBA
Total	535	2,960	TBA

One Year Goals for the Number of Households Supported by	HOPWA	ESG	CDBG-RHP	HTF	HOME	Total
Rental Assistance	435	300	-	-	-	TBA
The Production of New Units	-	-	3	20	40	TBA
Rehab of Existing Units	-	-	4	-	60	TBA
Acquisition of Existing Units	-	-	3	-	0	TBA
Total	435	300	10	20	100	TBA

AP-60 Public Housing - 24 CFR 91.320(j)

Actions planned during the next year to address the needs of public housing

In the 2025 QAP, PHAs had a 25% set-aside of the competitive housing credit ceiling that funded one new construction and one rehabilitation of public housing units. The 2023 Qualified Allocation Plan (QAP) for the Low income Housing Credit (LIHTC) program includes a set-aside of up to 25% of the state's annual competitive housing credit authority to assist the redevelopment of public housing units. Within the set-aside, the Tennessee Housing Development Agency (THDA) prioritizes applications involving public housing authorities (PHAs) which the U.S. Department of Housing and Urban Development (HUD) has selected for the Rental Assistance Demonstration (RAD) program.

The 2025 QAP gave a preference for the Choice Neighborhoods Initiative (CNI) under the \$5.4M Economic Development Set-Aside, which led to the funding to two CNIs. The 2019, 2020, 2021, 2022, and 2023 QAPs set aside an additional \$1.8 million of Tennessee's annual competitive tax credit authority to assist PHAs awarded a CNI Implementation Grant from HUD. In this way THDA is confronting gentrification and helping serve Tennessee's low-income residents and communities. THDA also uses its discretionary basis boost authority under the Housing and Economic Recovery Act (HERA) to ensure these transactions are financially viable. There will be no economic development set-aside in the 2026 QAP.

In 2026, the QAP will have a \$3.6M set-aside for PHAs and will prioritize PHAs with a CNI. For FY 24-25, THDA prioritized CNI and allocated at least \$1.8 million in annual credits (approximately \$16-17 million across 10 years). THDA is continuing its use of basis boost authority under HERA to all applicants under the 2024 QAP. In 2020 THDA incentivized investment in rural rental housing. Pursuant to the Governor's emphasis on serving at risk and distressed rural counties, THDA amended the 2019-20 QAP to make it easier to produce small developments in these areas, which continues currently. Applications for competitive LIHTC have increased maximum credit requests, removed the cap of total development cost limits, and increased use of the basis-boost under HERA. These provisions are only available to proposals to develop rental housing in counties designated as at risk or distressed by the Appalachian Regional Commission (ARC). This policy produced immediate results. In 2020 THDA awarded \$1.3 million of annual tax credits to an affordable housing development in one of Tennessee's most economically troubled counties, though now developers can request up to \$1.8 million in annual credits. The development will meaningfully increase the availability of affordable rental housing in an underserved rural area. This policy will also continue under the 2026 QAP.

Additionally, in 2024 the national Housing Trust Fund (HTF) migrated to being administered by

THDA's Multifamily Programs division. HTF funds are being utilized for proposals that provide permanent supportive housing and/or projects located in rural counties as defined in the HTF Program Description. PHA's are eligible applicants for the Housing Trust Fund and often provide supportive housing to extremely low-income households that meet the statutory program requirements for HTF.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

THDA manages the Family Self Sufficiency (FSS) program for its Housing Choice Voucher (HCV) Program participants, which includes financial counseling and pre-purchase homeownership counseling for participants. THDA also offers a homeownership voucher option to participants of the FSS program (Section 8 to Homeownership). THDA is not able to offer these services to families participating in other PHA public housing or HCV programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

1. Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

ESG commits up to 60% of its annual funding to Street Outreach and Emergency shelters to assist individuals and families who are experiencing literal homelessness. Grantees use person-centered approaches to ensure that all immediate needs are met and develop an individualized housing plan to ensure that the length of homelessness is brief and sparse. The grantees will work within their Continuums of Care (CoCs) to ensure that resources are used in the most efficient and effective way possible.

The Tennessee Housing Development Agency (THDA) conducted a workshop specific to Street Outreach, which was available to current grantees, those interested in applying for ESG funding, and to the public. The workshop is also now available on the THDA website.

Eligible program participants for Street Outreach activities include unsheltered individuals and families who qualify as homeless under Category 1 of HUD's Definition of Homelessness.

Allowable Street Outreach activities include:

- **Engagement** – Activities to locate, identify, and build relationships with unsheltered homeless persons for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or social services and housing programs.
Eligible costs include: initial assessment of need and eligibility; providing crisis counseling; addressing urgent physical needs; and actively connecting and providing information and referral. Eligible costs also include the cell phone costs of outreach workers during the performance of these activities
- **Case Management** – Assessing housing and service needs, and coordinating the delivery of individualized services.
Eligible costs include: using a Continuum of Care centralized or coordinated assessment system; initial evaluation including verifying and documenting eligibility; counseling; helping to obtain Federal, State and local benefits; providing information and referrals to other providers; and developing an individualized housing/service plan
- **Emergency Health Services** – Outpatient treatment of urgent medical conditions by

- licensed medical professionals; and providing medication and follow-up services
- Emergency Mental Health Services – Outpatient treatment of urgent mental health conditions by licensed professionals; medication costs and follow up services
- Transportation – Travel by outreach workers or other service providers during the provision of eligible outreach activities; costs of transportation of clients to emergency shelters or other service providers; and costs of public transportation for clients.
- Services to Special Populations – Essential Services that have been tailored to address the needs of homeless youth, victims of domestic violence, and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

2. Addressing the emergency shelter and transitional housing needs of homeless persons

ESG funding provided emergency shelters, as defined by 24 CFR 576.2, is used for the operation and essential services to address the needs of those experiencing homelessness. ESG funds are used for family shelters, domestic violence shelters, day shelters and as overflow (warming/cooling) shelters as needed during extreme weather.

Eligible program participants for Emergency Shelter activities include individuals and families who qualify as homeless under Categories 1 and 4 of HUD’s Definition of Homelessness.

Emergency Shelter allowable activities include:

- Essential Services - This includes services concerned with employment, health, drug abuse, education and staff salaries necessary to provide these services and may include, but are not limited to: assistance in obtaining permanent housing; medical and psychological counseling and supervision; employment counseling; nutritional counseling; substance abuse treatment and counseling; assistance in obtaining other Federal, State and local assistance including mental health benefits; employment counseling; medical assistance; Veteran’s benefits; and income support assistance such as Supplemental Security Income, Supplemental Nutrition Assistance Program (SNAP) and Families First (Temporary Assistance for Needy Families/TANF); Other services such as child care, legal services, life skills training, transportation, job placement and job training; and Staff salaries necessary to provide the above services.
- Operating expenses - Payment of eligible operation costs related to the operation of emergency and transitional housing, including but not limited to, maintenance, operation, rent, repair, security, fuel, equipment, insurance, utilities, food and

furnishings.

- 3. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

ESG funds are used to fund projects providing rapid re-housing services. These projects provide rental assistance and housing relocation and stabilization services to quickly house individuals and decrease the length of time persons experience homelessness. After individuals are housed, projects provide up to 24 months of case management to ensure the household is able to maintain stable housing.

Eligible program participants for rapid re-housing services include individuals and families who meet the definition of “homeless” who live in an emergency shelter or other place described in the definition provided by HUD.

Homelessness Prevention and Rapid Re-Housing eligible activities include:

- Financial Assistance – Rental application fee (excludes pet deposit); moving costs; security deposit for rental or utility; payment of rental arrears up to six months; and short-term (up to 3 months) or medium-term (up to 9 months) rental and/or utility assistance.
- Housing Relocation and Stabilization Services – Housing search and placement; assessment of housing barriers and needs; landlord mediation; legal services resolving landlord/tenant matters; assistance with submitting rental applications and leases; assessment of housing for habitability, lead-based paint and rent reasonableness; case management; HMIS data collection and submission; credit repair counseling; budget classes; and monitoring and re-evaluating program participants.

Short and Medium Term Rental Assistance Requirements and Restrictions:

- Compliance with Fair Market Rents (FMR) and Rent Reasonableness;
- For purposes of calculating rent, the rent must equal the sum of the total rent, any fees required for rental (excluding late fees and pet deposits), and, if the tenant pays separately for utilities (excluding telephone) the monthly allowance for utilities as

established by the public housing authority for the area in which the housing is located

- Compliance with minimum habitability standards;
- Tenant based rental assistance means that participants select a housing unit in which to live and receive rental assistance. Project based rental assistance means that grantees identify permanent housing units that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize it so that eligible program participants have access to the unit;
- A standard and legal lease must be in place;
- No rental assistance can be provided to a household receiving assistance from another public source for the same time period (with the exception of rental arrears); and
- Participants must meet with a case manager at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting would increase the risk of danger to client).
- The Grantee must develop an individualized plan to help the program participant remain in permanent housing after the ESG assistance ends.

4. Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

See response above for homelessness prevention eligible activities and short-term/medium-term rental assistance requirements and restrictions.

5. Discussion

AP-70 HOPWA Goals – 91.320(k)(4)

Narrative

The goals below are based on households served during the prior fiscal year. However, the individuals HOPWA serves during this fiscal year will have unique needs, and services provided will be tailored to the clients. Therefore, the goals below should be understood as an educated guess about what might happen.

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	350
Tenant-based rental assistance	85
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	N/A
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	
Note: for Tennessee’s HOPWA program, these are hotel vouchers.	145
Total	580

AP-75 Barriers to affordable housing – 91.320(i)

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The State of Tennessee currently has limited actions it can take to remove the negative effects of public policies that serve as barriers to affordable housing, such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment, since these are policies that are largely set by local governments, not the State of Tennessee. However, the State can draw attention to the negative effects of these policies and can encourage local governments to change policies and take steps to ameliorate the negative impacts.

AP-85 Other Actions – 91.320(j)

Actions planned to address obstacles to meeting underserved needs

See the Fair Housing section in the appendix.

Actions planned to foster and maintain affordable housing

See Section AP-20.

Actions planned to reduce lead-based paint hazards

See Section SP-65 of the 2025-29 Consolidated Plan.

Actions planned to reduce the number of poverty-level families

See Section SP-70 of the 2025-29 Consolidated Plan.

Actions planned to develop institutional structure

See Section SP-40 of the 2025-29 Consolidated Plan.

Actions planned to enhance coordination between public and private housing and social service agencies

None at this time.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

The Consolidated Planning programs regularly update their program descriptions, program manuals, scoring, and other program information on their websites. Links to relevant websites and documents are below.

Housing Opportunities for Persons with HIV/AIDS (HOPWA):

Program website: <https://www.tn.gov/health/health-program-areas/std/std/hopwa.html>

Emergency Solutions Grant (ESG):

2026 Program Description: <send link once Board approves the 2026 Program Description>

Program website: <https://thda.org/government-nonprofit-partners/emergency-solution-grants-esg-program>

Housing Trust Fund (HTF):

2026 Program Description: https://dogvxws799i6n.cloudfront.net/wp-content/uploads/MP_2026-NHTF-PD_APPROVED.pdf

Program website: <https://thda.org/rental-housing-partn/national-housing-trust-fund/>

2026 Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP):

<https://thda.org/wp-content/uploads/2025/10/2026-QAP-FOR-GOV-SIGNATURE-10.23.2025.pdf>

HOME Investment Partnerships Program (HOME):

2026 Program Website: [Tennessee Housing Development Agency » HOME Program - Tennessee Housing Development Agency](#)

Operating Manual: <https://dogvxws799i6n.cloudfront.net/wp-content/uploads/HOME-Program-Manual-3-3-25edited.pdf>

Community Development Block Grant (CDBG)

Handbook: [https://www.tn.gov/e cd/community-development-block-grant/cdbg/cdbg-](https://www.tn.gov/e cd/community-development-block-grant/cdbg/cdbg-manual.html)

[manual.html](https://www.tn.gov/e cd/community-development-block-grant/cdbg/cdbg-manual.html) Program website: <https://www.tn.gov/e cd/community-development-block-grant/cdbg.html>

Community Development Block Grant – Recovery Housing Program (CDBG-RHP)

Handbook: [https://www.tn.gov/e cd/community-development-block-grant/cdbg/cdbg-](https://www.tn.gov/e cd/community-development-block-grant/cdbg/cdbg-manual.html)
[manual.html](https://www.tn.gov/e cd/community-development-block-grant/cdbg/cdbg-manual.html)

Program website: <https://www.tn.gov/e cd /community-development-block-grant/cdbg/cdbg-rhp.html>

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	150,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	3,600,000
5. The amount of income from float-funded activities	0
Total Program Income	3,750,000

Other CDBG Requirements

1. The amount of urgent need activities	1,000,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

HOME Investment Partnerships Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

HOME funds may be used by nonprofit developers, including CHDOs, to develop units for homeownership, including new construction or acquisition and substantial rehabilitation of substandard single-family dwellings. HOME funds are to be used as the primary method of financing (without interest cost) for the development of affordable single-family units. The nonprofit developer must be the owner-developer of the project. At the time of permanent financing the HOME funds are repaid to the nonprofit, and if a CHDO, used as CHDO proceeds to develop additional single-family units for homeownership. Any homeownership unit developed that cannot be sold to an eligible homeowner within nine months of project completion must be converted to rental housing and rented to an income eligible tenant.

HOME funds used for a soft second mortgage in homeownership programs are limited to the lesser of \$39,999 in HOME funds or the amount of HOME funds necessary to qualify the household for permanent financing, but not less than \$1,000. THDA requires that a subsidy remain in the financing when the unit is sold so affordability is based on the less restrictive recapture provisions of the HOME regulations. All grant recipients using HOME for soft second mortgages must use the THDA single-family underwriting template to determine the amount of HOME assistance, and must submit the determination to THDA for review and final approval. If the underwriting template indicates that the homebuyer does not have an unmet need for the soft second mortgage, the grant recipient may not provide direct HOME assistance to that homebuyer. The amount of the soft second mortgage is the “direct HOME subsidy” provided to the homebuyer and subject to recapture.

The soft second mortgage will have an affordability period of five years, which is forgiven at the end of the fifth year if the unit remains in compliance, i.e., the unit remains the permanent residence of the initial buyer and is not leased or vacated. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME

subsidy must be repaid.

THDA requires that the nonprofit developer be listed as a Loss Payee on the homeowner's insurance during the period of affordability.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Down Payment Assistance Programs by Local Communities or Non-CHDO Nonprofit Orgs: A grant recipient who is a local community or a non-CHDO nonprofit organization may provide down payment and closing costs assistance as a soft second mortgage in an amount equal to the lesser of \$39,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five to ten years, secured by a Note and Deed of Trust between the grant recipient and the homebuyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial buyer and is not leased or vacated. If the property is sold or transferred at the end of the affordability period, the homebuyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid.

CHDOs: At the time of the sale of the unit to an eligible homebuyer, the CHDO must leave up to \$39,999 of HOME funds in the unit as a soft second mortgage in an amount equal to the lesser of \$39,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five to ten years, secured by a Note and Deed of Trust between the CHDO and the homebuyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial homebuyer and is not leased or vacated. If the property is sold or transferred at the end of the affordability period, the homebuyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability

period, the entire HOME subsidy must be repaid.

Sale/Transfer of the Property: The HOME-assisted homebuyer may sell or otherwise transfer the unit on or before the end of the affordability period to any willing buyer at any price, and the amount of the HOME subsidy subject to recapture will be reduced by 10 to 20 percent per year of occupancy by the initial buyer. The amount subject to recapture is limited by the availability of net proceeds. The net proceeds are the sales price minus superior non-HOME loan repayments minus closing costs. If the net proceeds are not sufficient to recapture the remaining outstanding principal balance of the HOME Note plus the amount of the down payment made by the homeowner, if any, plus the amount of any capital improvement investment made by the homeowner, then the Grantee shall recapture a pro rata share of the net proceeds of the sale in lieu of the full remaining outstanding principal balance of the HOME Note. “Capital improvement investment” means the improvements to the property made at the homeowner’s expense (and not through some other form of subsidy), as evidenced by receipts or cancelled checks detailing the capital improvements made. Capital improvements do not include items of maintenance, deferred maintenance or cosmetic improvements. The pro rata amount to be recaptured shall be calculated in accordance with the HOME Program Regulations at 24 CFR 92.254(a)(5)(ii)(A)(3).

Additional guidelines are included in the appendix. Guidelines are also included in the HOME Program Manual, which is updated annually and posted to the THDA website.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

Emergency Solutions Grant (ESG)

Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

The written standards for providing ESG assistance, *the Emergency Solutions Grants Guide*, are attached and can also be found at the THDA ESG Program webpage (see link in Section AP-90 Introduction).

2. If the Continuum of Care (CoC) has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Tennessee has seven Continuums of Care (CoC) under the State's ESG funding umbrella. Each CoC is attempting to address the coordinated assessment system in a way that meets the needs of the individual region. For instance, the Cities of Murfreesboro and Chattanooga have centralized physical locations for those needing assistance. While effective for a city, the model does not work for the other CoC regions that cover eight to 23 counties. In Upper East Tennessee, led by Appalachian Regional Homeless Coalition (ARCH), there are three physical intake locations in Bristol, Kingsport and Johnson City as well as a hotline available CoC-wide. West Tennessee, led by TN Homeless Solutions, also has created an ESG-funded hotline to assess over the phone and refer potential clients to the closest agency for services. All agencies in their CoC who receive ESG and/or CoC funding also act as coordinated access points. Two CoCs (Homeless Advocacy for Rural TN and Community Housing Partnership of Williamson County) have opted for a centralized system of intake for their Continuum agencies. TN Valley Coalition to End Homelessness operates a centralized access point for nine counties, as well as supporting CoC member agencies who offer coordinated assessment for three other counties. Using the 'No Wrong Door' philosophy, each agency within a Continuum uses the same intake process/paperwork within that region.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The method of distribution across the geographic areas with competition for funds is described in the AP-30 Method of Distribution section.

The State of Tennessee, through THDA, will accept applications for the ESG program from nonprofit organizations. Nonprofit applicants must submit **PART V: Nonprofit Checklist** with supporting documentation, and **PART VI: Nonprofit Board Composition**.

To be eligible to apply for ESG funding the nonprofit organization must:

- Be organized or existing as a nonprofit agency under Tennessee law, as evidenced by a Certificate of Existence from the Tennessee Secretary of State dated within 30 days of the application due date OR
- Be organized or existing under the laws of another state but eligible to conduct business in the State of Tennessee;
- Demonstrate at least two (2) years of experience providing affordable housing or affordable housing related services in the State of Tennessee satisfactory to THDA, in its sole discretion.
- Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
- Be established for charitable purposes and whose activities include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of shelter and services to the homeless;
- Have standards of financial accountability that conform to 24 CFR 84.21, Standards of Financial Management Systems; and
- Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) nonprofit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) nonprofit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the nonprofit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.
- Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
- Have approved established ESG Written Standards in accordance with Continuum of Care Coordinated Entry process.
- Submit certification of participation in local Continuum of Care activities and HMIS reporting.

Nonprofit organizations are eligible to receive funds for shelter activities only if such funding is approved by the local government jurisdiction where programs are based. Each application from a nonprofit seeking funds for shelter activities should contain **PART VII: Certification of Local Government Approval** specific to housing and service locations that it controls within each jurisdiction. This Attachment must be submitted to THDA at the time of application. If the organization intends to provide homeless assistance in a number of jurisdictions, the certification of approval must be submitted by each of the units of local

government in which the projects are to be located.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

It is a requirement for all ESG subrecipients to formulate homelessness participation in their program. It is required information on the application. All grantees either have a homeless or formerly homeless individual on staff or on the board, or they have incorporated a process to involve the homeless to participate in policy-making decisions.

5. Describe performance standards for evaluating ESG.

The Tennessee ESG Policies and Procedures Manual instructs grantees to adopt performance standards consistent with HUD and THDA program requirements.

Performance Standards/Measures: THDA must ensure that programs and activities funded through the ESG program meet certain Performance Standards as set by the local Continuum of Care, THDA, and HUD. The following is an example of the types of Standards that THDA and its sub-recipients will be required to meet to demonstrate success of the ESG program:

- Reducing the average length of time a person is homeless
- Reducing returns to homelessness
- Improving program coverage
- Reducing the number of homeless individuals and families
- Reducing the number of chronically homeless individuals and families
- Improving employment rate and income amounts of program participants
- Reducing first time homelessness
- Preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs

Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources that will ensure the ongoing housing stability of program participants.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

- Applications submitted by eligible recipients
- Subgrantees that are State Agencies
- Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to State agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The Tennessee Housing Development Agency will distribute HTF funds by selecting applications submitted by eligible recipients as the program is open to for profits and nonprofit entities. A recipient must:

- Be organized and existing to do business in the State of Tennessee, or if organized in another state, must be qualified to do business in the State of Tennessee. All Applicants must demonstrate at least two years of related housing experience in Tennessee.
- Demonstrate the financial capacity necessary to undertake, complete, and manage the proposed project, as demonstrated by its ability to own, construct, or rehabilitate and manage and operate affordable rental housing. THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity before the applicant qualifies as an eligible recipient.
- Have demonstrated understanding of the Federal, State and local housing programs used in conjunction with HTF funds to ensure compliance with all applicable program requirements and regulations.

- Not be debarred or excluded from receiving federal assistance or THDA assistance prior to selection or entering into a Written Agreement or closing the loan.
- Certify that housing units assisted with the HTF will comply with HTF program requirements during the entire period that begins upon selection and ending upon the conclusion of all HTF - funded activities.

b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

- NHTF loans are awarded in conjunction with 9% Low Income Housing Tax Credits (Competitive LIHTC), utilizing the Competitive LIHTC application and scoring process. Applications for the 2026 NHTF program will be accepted concurrently with, and as a part of, an application for 2026 Competitive LIHTC under the 2026 Qualified Allocation Plan, and will be targeted towards proposals for permanent Supportive Housing and proposals for multifamily housing in Rural Counties. THDA will notify successful applicants in conjunction with notification of Competitive LIHTC program awards. Development partners intending to apply for NHTF resources must demonstrate the need for NHTF as a part of their Competitive LIHTC application, available through the THOMAS website.
- THDA will evaluate each application to determine if the proposal meets threshold criteria. Threshold criteria include submission by an eligible applicant of a complete application, including any documentation required, submitted through THDA's THOMAS system and:
 - a. Proposal of an eligible activity; proposal of a project that, in the opinion of THDA, is physically, financially and administratively feasible; proposal of a project that meets the requirements of 24 CFR Parts 91 and 93, as amended.
 - b. Submission of a 30-Year Proforma demonstrating a need for the NHTF funds.
 - c. 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 that were established by the Centers for Medicare and Medicaid Services ("CMS") in the final rule: <https://www.federalregister.gov/articles/2014/01/16/201400487/medicaid-program-state-plan-home-and-community-based-services-5-year-period-for-waivers-provider>.

d. Applications meeting the threshold requirements will be scored and ranked according to the applicable criteria established in the 2026 QAP.

e. The top-ranking proposals for Permanent Supportive Housing and Multifamily Housing in Rural Counties (as defined in Exhibit A attached hereto and incorporated by this reference) will be awarded first, in order of their ranking, until funds are exhausted, subject to the requirements below. If NHTF funds remain after such awards, projects not proposing Permanent Supportive Housing or Multifamily Housing in Rural Counties will be awarded until funds are exhausted, subject to the requirements below.

f. Should there be NHTF funds remaining after the 2026 Competitive LIHTC round, THDA, in its sole discretion, may elect to hold a second round of funding for projects awarded tax credits under either the 2026 or prior years' Competitive LIHTC rounds.

i. In the event THDA elects to hold a second round of funding, an application deadline will be announced by THDA.

ii. Applications submitted under the second round will be subject to all applicable requirements of this Program Description and will be ranked according to the score the project received under its applicable Qualified Allocation Plan.

iii. Applications submitted but not awarded NHTF in round one may elect to compete in round two.

iv. Applications submitted but not awarded NHTF in round one that elect to compete in round two will have priority over applications newly submitted for round two.

g. When the amount of funds remaining is less than the request for funding identified in the application, THDA reserves the right to offer partial funding pending the applicant's ability to secure additional financing within a timeframe established by THDA or to not select a proposed project if sufficient funding is not available to award all funds requested by the applicant.

i. When the applicant is not able to secure additional financing within THDA's identified timeline, THDA, subsequently and at its sole discretion, may move to the next lower scoring application(s) in order to meet its commitment obligations under the NHTF program.

ii. When THDA opts to not select a proposed project if sufficient funding is not available to award all funds requested by the applicant, THDA may move to the

next lower scoring project(s) in order to meet its commitment obligations under the NHTF program."

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Tennessee will select recipients of HTF resources through a competitive selection process that will evaluate the following factors. See the full program description in the appendix for additional detail.

LOCATION - Up to 4 points

MEETING HOUSING NEEDS - Up to 6 points

DEVELOPMENT CHARACTERISTICS - Up to 23 points

SPONSOR CHARACTERISTICS - Up to 7 Points

WATER & SEWER AVAILABILITY - Up to 4 points

FINANCIAL READINESS TO PROCEED – Up to 4 points

DESIGN DEVELOPMENT – Up to 4 points

PLANNING & ZONING STATUS – Up to 4 points

PUBLIC HOUSING WAITLIST/HCV HOLDER – Up to 1 point

SERVING SPECIAL NEEDS or SERVING HOUSEHOLDS WITH CHILDREN – Up to 5 points

DEVELOPMENTS INTENDED FOR EVENTUAL RESIDENTS HOMEOWNERSHIP – Up to 1 point

ENERGY EFFICIENCY – Up to 10 points

TENNESSEE GROWTH POLICY ACT – Up to 5 points

WAIVER OF QUALIFIED CONTRACT PROCESS – Up to 9 points

EXTENDED DECAPITALIZATION WAIVER – Up to 8 points

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

THDA will accept and consider proposals for HTF resources that will serve communities across the state consistent with the State’s fair housing certifications. THDA will rank all applications consistent with the 2026 LIHTC Qualified Allocation Plan (QAP) and the 2026 NHTF Program Description. THDA reserves the right not to select a proposed project if sufficient funding is not available to award all funds requested by the applicant. In such instances and at its sole and absolute discretion, THDA may move to the next lower scoring project(s) to meet its commitment obligations under the HTF program.

e. Describe the grantee’s required priority for funding based on the applicant’s ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

THDA will evaluate the experience of the entire proposed team with owning, developing and managing projects of similar size and scope serving the intended population proposed. Applicants and their development team must undergo an evaluation by THDA of their capacity to carry out the proposed housing project before the applicant qualifies as an eligible recipient. THDA will also evaluate the experience and capacity of the organization to ensure compliance with the requirements and regulations of all Federal, State and local housing programs used in conjunction with HTF funds; THDA will also evaluate the history of the applicant and project team in serving the community in which the HTF - assisted housing is proposed.

The applicant must be capable of undertaking and completing HTF-funded activities in a timely manner. THDA will evaluate the past performance of the applicant in completing THDA funded development activities.

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low-income families:

THDA does not prioritize projects with dedicated project-based rental assistance; however, the existence of such resources does enhance the economic feasibility of NHTF projects, making the project more likely to receive funding.

g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

For rental housing, the duration of the units’ affordability period:

All rental units assisted with HTF resources will have a 30-year period of affordability. No additional consideration is proposed for units that will extend the period of affordability beyond this minimum requirement.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The merits of the application in meeting the State’s priority housing needs:

N/A

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The extent to which application makes use of non-federal funding sources:

N/A

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee’s goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee’s maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The investment of HTF funds must conform to the following minimum and maximum standards per unit:

a. Minimum HTF Funds: \$1,000 per unit

b. Maximum HTF Funds Per Unit:

\$136,613	0-Bedroom (Efficiency) Limit
\$156,036	1-Bedroom Limit
\$189,745	2-Bedroom Limit
\$245,470	3-Bedroom Limit
\$269,447	4-Bedroom Limit

THDA uses the HOME program’s maximum per unit subsidy amounts for Tennessee as determined by HUD and adopted by THDA. Based upon development costs across the

state, THDA has determined that the HOME maximum subsidy limits are appropriate for the HTF program. Periodically, THDA may update these limits pending approval from HUD. Updated limits will be effective for all activities in which the written agreement for the activity is entered into after the effective date for the limits issued by HUD.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; National Standards for the Physical Inspection of Real Estate (INSPIRE); and Capital Needs Assessments (if applicable).

All HTF units must meet the specific Design Standards as prescribed by THDA in the Program description. These standards are specific to rehabilitation of existing units and new construction. In addition, all HTF units must meet all applicable local, state and federal building codes.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

___ The grantee will use the HUD issued affordable homeownership limits.

___ The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

The State will not permit the refinancing of existing debt.

Housing Opportunities for Persons with AIDS (HOPWA) 91.320(k)(4)

HOPWA selected sponsors through soliciting grant proposals from grass roots faith-based and other community-based organizations. The RFGP occurred in March 2021 for the time period July 1, 2021 through June 30, 2026. Additional details are included in the MOD.

Current and Proposed HOPWA Activities Include:

Supportive Services: Provide non-medical case management, advocacy, coordination of benefits, education, employment assistance and training for persons with HIV/AIDS, legal services, life skills management, support groups, nutritional services (including meals), outreach and transportation, health and medical services. Supportive Services may be provided in conjunction with HOPWA housing assistance or as a stand-alone service.

Housing Case Management simply means that the central emphasis of a case manager's work with a household is placed on housing issues, including evaluation of housing options, housing stability, and housing specific goals. Housing Case Management may be provided in conjunction with housing assistance services or as a standalone service.

Short-Term Rent, Mortgage, and Utility (STRMU) assistance is time-limited housing assistance designed to prevent homelessness and increase housing stability. Grantees may provide assistance for a period of up to 21 weeks in any 52-week period. The amount of assistance varies per client depending on funds available, tenant need, and program guidelines.

Tenant-Based Rental Assistance (TBRA) is a rental subsidy used to help households obtain permanent housing. The gross rent of the proposed unit must be at or below the lower of the rent standard or the reasonable rent.

Transitional Supportive Housing works the exact same way as TBRA except the rental assistance is unit-based as opposed to tenant-based AND transitional supportive housing can't last longer than 24 months.

Short Term Supportive Housing is used for hotel/motel and reserving shelter beds; it cannot last longer than 60 days in any 6 month period; there is no rent calculation; there is no lease; it doesn't have to pass habitability (although you probably should not use Federal funds in a hotel or shelter that is gross, uninhabitable, or unsafe).

Permanent Housing Placement allows for the payment of reasonable costs to move clients into permanent housing. Security deposit costs cannot exceed two months of rental costs. In addition to the security deposit, funds may also be used for utility connection fees and processing costs. A HOPWA rental assistance program that provides such rent and utility

deposits should require that landlords and utility companies pay any returned deposits directly to the program rather than to the client. Funds recaptured in this manner are considered program income and must be applied to future rental program or housing placement activities.

Resource Identification can be utilized for a variety of activities related to outreach and expansion of housing resources, system coordination and needs assessments, among others. Resource ID has a broader community or system focus that includes activities that help establish, coordinate and develop housing assistance resources for eligible persons.

Housing Information Services include, but are not limited to, counseling, information, and referral services to assist households with locating, acquiring, financing, and maintaining housing. This may also include fair housing guidance for households that have encountered discrimination on the basis of membership in a protected class.