FY 2025-26 CAPER Summary

The Consolidated Annual Performance and Evaluation Report (CAPER) serves as the State of Tennessee's annual performance report to the U.S. Department of Housing and Urban Development (HUD) for six formula grant programs: Emergency Solutions Grants (ESG), Housing Opportunities for Persons Living with HIV/AIDS (HOPWA), Community Development Block Grant – Recovery Housing Program (CDBG-RHP), Home Investment Partnerships Program (HOME), Housing Trust Fund (HTF), and Community Development Block Grant (CDBG).

The reporting period for the State's fiscal year (FY 2025-26) CAPER is July 1, 2025 – June 30, 2026. This is the reporting period for Year 1 of the State's 2025-2029 Consolidated Plan, which set the following strategic priorities for the formula grant programs:

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

Priority 1 Progress

The ESG and HOPWA programs' activities are aligned to Priority 1 to prevent, address, and decrease homelessness.

Emergency Solutions Grants (ESG): The purpose of the ESG program is to provide housing assistance and services to enable people experiencing homelessness or those at risk of experiencing it to regain stability in permanent housing.

For FY 2025-26, the ESG program expended $2,293,073.76 of program funding to assist 4,741 low-, very low-, and extremely low-income people. Of the ESG beneficiaries who reported their status, 160 were veterans, 593 were chronically homeless, 733 were children, and 902 were fleeing domestic violence.

See Appendix A for a list of ESG projects that were active during FY 2025-26.

The Tennessee Housing Development Agency (THDA) administers the ESG program.

Housing Opportunities for Persons with AIDS (HOPWA): The purpose of the HOPWA program is to provide housing assistance and services benefitting low-income people living with HIV/AIDS and their families.

In FY 2025-26, the HOPWA program expended $2,188,818.82 for State of Tennessee administrative activities and for program funding to six regional project sponsors that served 790 qualifying individuals and their family members.

See Appendix B for a list of HOPWA projects that were active during FY 2025-26.

The Tennessee Department of Health (DOH) administers the HOPWA program.

Priority 2 Progress
The CDBG-RHP, HOME, and HTF programs' activities are aligned to Priority 2: to produce, rehabilitate, and preserve affordable housing.

Community Development Block Grant – Recovery Housing Program (CDBG-RHP): The main purpose of the CDBG-RHP is to create temporary supportive housing for people recovering from substance use disorders (SUDs).

In FY 2025-26, the CDBG-RHP expended $750,000.00 on one project, which was completed, creating 10 new temporary supportive housing units and assisting 141 individuals.

The CDBG-RHP subgrantees have three years to expend funding and complete projects.

Tennessee's Department of Economic and Community Development (ECD) administers the CDBG-RHP program.

Housing Trust Fund (HTF): The purpose of the HTF program is to develop and rehabilitate rental housing for extremely low-income households with incomes at or below 30 percent of the area median income (AMI).

In FY 2025-26, the HTF program awarded three new rental development and rehabilitation contracts to program applicants, totaling $3,489,877.00. HTF subgrantees have three years to expend funding and complete projects.

In FY 2025-26, the HTF program expended $10,276,765.88 to support 16 rental development and rehabilitation projects. Of the 16 rental development projects, 10 were ongoing at the end of the reporting period, and six were completed. Total HTF funding expended over multiple program years for the six completed projects was $9,128,737.00, and 104 rental units were constructed or rehabilitated and placed in service.

See Appendix C for a list of HTF projects that were active during FY 2025-26.

THDA administers the HTF program.

HOME Investment Partnerships Program: The main purpose of the HOME program is to promote the production, preservation, and rehabilitation of housing for low-income households.

The HOME program engages in three types of activities: Homeowner Rehabilitation, Homeowner Development, and Rental Development.

In FY 2025-26, the HOME program awarded:

- A total of $11,425,925 to 19 program applicants, contracting 109 housing units for the Homeowner Rehabilitation activity.
- A total of $1,615,700 to two program applicants, contracting eight housing units for the Homeownership Development activity.
- A total of $1,359,190 to one program applicant, contracting 11 housing units for the Rental Development activity.

HOME subgrantees have three years to expend funding and complete projects.

In FY 2025-26, a total of $14,524,813.87 of HOME program funding was expended toward:

- 44 housing units for the Homeowner Rehabilitation activity, totaling $9,235,225.14 during the reporting period.

- 14 housing units for the Homeownership Development activity, totaling $2,902,736.95 during the reporting period.
- Five housing units for the Rental Development activity, totaling $2,386,851.78 during the reporting period.

In FY 2025-26, the HOME program also completed:

- 44 housing units for the Homeowner Rehabilitation activity. Total funding expended for these projects over multiple program years was $5,556,104.28.
- 17 housing units for the Homeownership Development activity. Total funding expended for these projects was $2,929,838.27.
- Four housing units for the Rental Development activity. Total funding expended for these units over multiple program years was $780,503.53.

Some of the funding for these completed projects is represented in the expended amount for FY 2025-26 above.

See Appendix D for a list of HOME projects that were active during FY 2025-26.

THDA administers the HOME program.

Priority 3 Progress
The CDBG program's activities are aligned to Priority 3, to improve community livability and resilience.

Community Development Block Grant (CDBG): The primary purpose of this program is to develop and improve public facilities and infrastructure across Tennessee.

In FY 2025-26, CDBG awarded 45 new contracts to city governments, county governments, and other subrecipients, totaling $27,717,497.00 of funding. This amount includes the FY 2025-26 award amount plus additional funds that were recaptured, unspent funds from completed projects from previous years, and CDBG loan repayment funds from the CDBG Economic Development Loan Program. An estimated total of 381,350 people, of whom 231,138 are low- and moderate-income (LMI) people, will be assisted. CDBG subgrantees have three years to complete projects.

For all active projects, CDBG expended $21,856,031.59 in FY 2025-26.

In FY 2025-26, the CDBG program also completed 53 projects.

ECD administers the CDBG program.

See Appendix E for a list of CDBG projects that were active during FY 2025-26.

The State's strategic priorities are reported in the order in which they were created in HUD's Integrated Disbursement and Information System (IDIS). Thus, the order of the strategic priorities listed above does not indicate relative importance.