# STATE OF TENNESSEE

## FISCAL YEAR 2025-26

## CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

TENNESSEE HOUSING DEVELOPMENT AGENCY

TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

TENNESSEE DEPARTMENT OF HEALTH

## CR-05 - Goals and Outcomes

**Progress the jurisdiction has made in carrying out its strategic plan and its action plan.**

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), Housing Trust Fund (HTF), Home Investment Partnerships Program (HOME), 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 the ESG funding awards to subgrantees, as well as their expenditures during the reporting period.

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 the FY 2025-26 regional funding allocations, expenditures, and counts of people served.

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 the HTF subgrantees' expenditure amounts and housing unit statuses.

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 the HOME funding and expenditure amounts for subgrantees and housing unit statuses.

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, the CDBG program expended $21,856,031.59 in FY 2025-26.

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

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). The order of the strategic priorities listed above does not indicate relative importance.

**Program Year Goals and Outcomes**

The following table captures the State of Tennessee's progress during FY 2025-26 on its goals aligned to Strategic Priority 1 to prevent, address, and decrease homelessness with its ESG and HOPWA funds.

| Goal | Category | Source/Amount Expended in FY | Indicator | Unit of Measure | Program Year Outcomes |
|---|---|---|---|---|---|
| Provision of homelessness services and resources | Homeless | Emergency Solutions Grant (ESG): $2,293,073.76 | Tenant-Based Rental Assistance (TBRA) | Households Assisted | 353 |
| | | | Homeless Person Overnight Shelter | Persons Assisted | 2,225 |
| | | | Homelessness Prevention | Households Assisted | 68 |
| | | | Other – Street Outreach | Unsheltered Persons Engaged | 211 |
| Stabilization of housing for persons with HIV/AIDS | Affordable Housing Non-Homeless Special Needs | Housing Opportunities for Persons with HIV/AIDS (HOPWA): $2,188,818.82 | Tenant-Based Rental Assistance (TBRA) | Households Assisted | 34 |
| | | | Overnight/Emergency Shelter/Transitional Housing Beds added | Beds | 56 |
| | | | Homelessness Prevention | Persons Assisted | 384 |
| | | | Other – Permanent Housing Placement | Households Assisted | 112 |
| | | | Other – Supportive Services* | Households Assisted | 565 |

*This goal will be reported in the narrative in IDIS, rather than the table

The following table captures the State of Tennessee's progress during FY 2025-26 on its goals aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing with its

CDBG-RHP, HOME, and HTF funds.

| Goal | Category | Source/Amount Expended in FY | Indicator | Unit of Measure | Program Year Outcomes |
|---|---|---|---|---|---|
| Create transitional recovery housing | Non-Homeless Special Needs | Community Development Block Grant – Recovery Housing Program (CDBG-RHP: $750,000.00 | Other – Transitional housing for people recovery from substance use disorders | Beds | 10 |
| Creation, rehabilitation, and preservation of affordable housing | Affordable Housing | Housing Trust Fund (HTF): $2,877,323.00<br><br>HOME Investment Partnerships Program: $14,524,813.87 | Rental units constructed | Household Housing Unit | HTF: 77<br>HOME: 4 |
| | | | Rental units rehabilitated | Household Housing Unit | HTF: 27 |
| | | | Homeowner housing added | Household Housing Unit | HOME: 17 |
| | | | Homeowner housing rehabilitated | Household Housing Unit | HOME: 44 |
| | | | Direct financial assistance to homebuyers | Households Assisted | HOME: 0 |

The following table captures the State of Tennessee's progress during FY 2025-26 on its goals aligned to Strategic Priority 3 to improve community livability and resilience with its CDBG funds.

| Goal | Category | Source/Amount Contracted in FY | Indicator | Unit of Measure | Program Year Outcomes |
|---|---|---|---|---|---|
| Develop physical infrastructure | Non-Housing Community Development | Community Development Block Grant (CDBG): $12,335,074.00 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 56,275 |
| Revitalize disinvested areas and improve livability | Non-Housing Community Development | CDBG: $15,382,423.00 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | Households Assisted | 325,075 |
| Enable technical assistance (TA), administration, job/business development | Non-Housing Community Development | CDBG: $924,162.00<br><br>CDBG-RHP: $0.00 | Other – Administrative Cycle | Administrative Cycle | CDBG: 1<br><br>CDBG-RHP: 1 |

**Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

**ESG:** The ESG program's activities are aligned to Strategic Priority 1 to prevent, address, and decrease homelessness. The State's ESG program subgrants its funding to eligible organizations within the State's Continua of Care (CoC) regions that do not receive an ESG allocation directly from HUD. ESG subgrantees can use the funds for street outreach, emergency shelter costs, rapid rehousing expenses, homelessness prevention expenses, eligible supportive services, and data collection costs. The State empowers the CoCs and applicants for funding to determine how this funding can best be spent in their regions, since they have the greatest knowledge of local needs. The applicants, however, report the types of uses planned for the ESG funding in their applications. For more details about the eligible uses of ESG funds, please see Section CR-25: Homelessness and Other Special Needs, and for more information about the activities for which specific subgrantees utilize ESG funds, see Appendix A.

**HOPWA:** The HOPWA program's activities also are aligned to Strategic Priority 1 to prevent, address, and decrease homelessness, focusing specifically on the needs of people with HIV/AIDS and their family members. The State's HOPWA funding is distributed regionally based on a formula that considers levels of HIV cases, housing costs, and poverty. The funding has several eligible uses, including Tenant Based Rental Assistance (TBRA), short term rental, mortgage, and utility assistance (STRMU), supportive services, permanent housing placement, and ongoing housing case management. Local project sponsors use the regional funding to meet the needs of eligible individuals and their family members. The table above reflects the amount of HOPWA funding expended during FY 2025-26 and the number of households/persons assisted for each HOPWA activity. See Appendix B for regional allocations and expenditures.

**CDBG-RHP:** The CDBG-RHP program's activities are aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing, focusing specifically on the creation of temporary supportive housing for people recovering from substance use disorders (SUDs). The State completed an amendment to its Annual Action Plans in December 2025 to allow CDBG-RHP to accept applications and issue grants for this program at any time during the program year, which will enable the program to contract its funds more efficiently. The table above reports $750,000.00 in CDBG-RHP funding that was expended during FY 2025-26 toward one contracted project, and 10 temporary supportive housing units were completed and placed in service.

**HTF:** The HTF program's activities are also aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing. The State's HTF funding must be paired with Low-Income Housing Tax Credit (LIHTC) funding to rehabilitate and/or develop units for extremely low-income households as part of larger rental development projects for low-income households. The State's requirement to combine HTF and LIHTC funding was implemented beginning in FY 2024-25; the State's HTF subgrants issued prior to FY 2024-25 were not paired with LIHTC funding. The table above reports the amount of program funding expended during FY 2025-26 on all active projects, both those completed during the reporting period and those still in progress. The table also reports the number of units completed and placed in service during FY 2025-26. See Appendix C for more information.

**HOME:** The HOME program's activities are also aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing. The Homeowner Rehabilitation activity focuses on the rehabilitation of existing affordable homes for current low-income homeowners, preserving the safety and quality of these single-family homes. The Homeownership Development activity focuses on the development of affordable new homes for sale to low-income households, increasing the supply of these single-family homes. The Rental Development activity focuses on the rehabilitation or new construction of affordable rental units for low-income households, preserving the quality or increasing the supply of affordable rental units. The table above reports the amount of program funding expended during FY 2025-26 on all active projects, both projects completed during the reporting period and those still in progress. The table also reports the number of units completed and placed in service during FY

2025-26. See Appendix D for more information.

The State also has several other programs with activities aligned to Strategic Priority 2. See Section CR-15 Resources and Investments narrative for descriptions of these programs' activities and outcomes during FY 2025-26.

**CDBG:** The State's CDBG funds are primarily awarded to water and sewer public infrastructure projects and public facilities projects, which further the State's priority to improve the livability of communities through infrastructure development, the promotion of health and safety, and targeting economic distress. For FY 2025-26, approximately 45 percent of CDBG funds were contracted for infrastructure development, and approximately 55 percent were contracted for community livability, health, and safety projects. The table above reports the amounts of FY 2025-26 CBDG funding contracted for each goal and estimated future outcomes.

## CR-10 - Racial and Ethnic composition of individuals and/or families assisted

**Describe the families assisted (including the racial and ethnic status of families assisted).**

### ESG and HOME-ARP Programs: Race and Ethnicity

| Race and Ethnicity Categories | ESG | HOME-ARP Supportive Services |
|---|---|---|
| American Indian, Alaska Native, or Indigenous | 33 | 4 |
| Asian or Asian American | 14 | - |
| Black, African American, or African | 1,186 | 150 |
| Hispanic/Latina/e/o | 71 | - |
| Middle Eastern or North African | 3 | - |
| Native Hawaiian or Pacific Islander | 12 | 0 |
| White | 2,992 | 423 |
| Multi-Racial | 27 | - |
| Another race | 251 | 39 |
| Client doesn't know or prefers not to answer | 64 | - |
| Data not collected | 88 | 6 |
| **Total** | **4,741** | **622** |

### Other Consolidated Planning Programs: Race

| Race Categories | HOPWA | HOME Homeowner Rehabilitation | HOME Homeownership Development | HOME Rental Development | HTF | CDBG |
|---|---|---|---|---|---|---|
| White | 485 | 31 | 10 | 4 | 37 | 352,447 |
| Black or African American | 273 | 11 | 4 | 0 | 65 | 15,357 |
| Asian | 1 | - | 0 | 0 | 0 | 1,658 |
| American Indian or American Native | 0 | 0 | 0 | 0 | 1 | 383 |
| Native Hawaiian or Other Pacific Islander | 0 | 0 | 0 | 0 | 0 | 266 |
| Other or Multiracial | 31 | 0 | 0 | 0 | 1 | 10,429 |
| Unknown | 0 | 1 | 0 | 0 | 0 | 0 |
| **Program or Activity Totals** | **790** | **43** | **14** | **4** | **104** | **381,350** |

### Other Consolidated Planning Programs: Ethnicity

| Ethnicity Categories | HOPWA* | HOME Homeowner Rehabilitation | HOME Homeownership Development | HOME Rental Development | HTF | CDBG* |
|---|---|---|---|---|---|---|
| Hispanic | - | 1 | 0 | 1 | 0 | 16,526 |
| Non-Hispanic | - | 0 | 0 | 0 | 104 | 364,824 |
| Unknown | 790 | 42 | 14 | 3 | - | 0 |
| **Program Totals** | **790** | **43** | **14** | **4** | **104** | **381,350** |

### Other Reporting Programs: Race

| Race Categories | HOME-ARP Rental Development | CDBG-CV |
|---|---|---|
| White | 37 | - |
| Black/African American | 10 | - |
| Asian | 0 | - |
| American Indian or American Native | 0 | - |
| Native Hawaiian or Other Pacific Islander | 0 | - |
| Other/Multiracial | 1 | - |
| **Program Totals** | **48** | **-** |

### Other Reporting Programs: Ethnicity

| Ethnicity Categories | HOME-ARP Rental Development | CDBG-CV |
|---|---|---|
| Hispanic | 0 | - |
| Non-Hispanic | 0 | - |
| Unknown | 48 | - |
| **Program Totals** | **48** | **-** |

### Narrative

The ESG and HOPWA programs report the racial and ethnic demographics for individuals served during the reporting period, while the CDBG program reports individual-level estimates for beneficiaries of the local infrastructure and community livability projects. The HOME and HTF programs report the racial and ethnic demographics for the head-of-household for housing units that were completed and placed in service during the reporting period.

Some programs are missing client data either because the program did not collect the data or because a beneficiary preferred not to report. As a result, the table above reports some demographic data as unknown. In IDIS, however, the totals for race and the totals for ethnicity may not always match because the system does not have an option to represent unknown demographics. In addition, in IDIS the counts of people who are other races and/or are multiracial are not collected.

## CR-15 - Resources and Investments

**Consolidated Planning Programs:**

| Source of Funds | Total Resources Made Available | Amount Expended During Program Year |
|---|---|---|
| ESG | $3,530,834.58 | $2,293,073.76 |
| HOPWA | $2,333,081.00 | $2,188,818.82 |
| CDBG-RHP | $1,504,598.00 | $750,000.00 |
| HTF | $8,576,806.61 | $2,877,323.00 |
| HOME | $28,617,688.81 | $14,524,813.87 |
| CDBG | $28,715,128.69 | $27,717,497.00 |

**Narrative**

See Section CR-05 Goals and Outcomes for detailed information about resources made available and expended for the Consolidated Planning programs listed in the table above.

The State has other programs with activities aligned to its Consolidated Plan's Strategic Priorities, which are summarized below.

The HOME-ARP Supportive Services program and the Housing Choice Voucher (HCV) program are aligned to Strategic Priority 1 to prevent, address, and decrease homelessness.

**HOME-ARP Supportive Services:** The State through 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 activities is 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 other special populations. In FY 2025-26, $531,148.45 of program funding was expended on supportive services, and 622 people were served.

**Housing Choice Voucher (HCV) Program:** While not specifically a homelessness prevention program, the Housing Choice Voucher program supports Strategic Priority 1 by providing low-income tenants with rental assistance to make housing more affordable and, thus, more stable. The U.S. Department of Housing and Urban Development (HUD) utilizes federal funding to provide a rental assistance voucher so that very low-income individuals and families, the elderly, and the disabled can afford decent, safe and sanitary housing in the private market. For FY 2025-26, $57,378,546.00 in funding was expended on the HCV program, Mainstream Voucher program, Section 811 Non-elderly Disabled (NED), and Homeownership and Emergency Vouchers, but not including administrative funding. This funding supported 5,983 households with rental assistance, including 2,811 households with at least one disabled member and 144 households that had experienced homelessness.

**Homebuyer Education:** The State through THDA requires homebuyer education for its 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. Although the Homebuyer Education program is not specifically a homelessness prevention program, it promotes long-term housing stability. In FY 2025-26, the Homebuyer Education program expended $30,004 to support 185 households with housing counseling.

The Low-Income Housing Tax Credit (LIHTC) program, Community Investment Tax Credit (CITC) program, Tennessee Housing Trust Fund Program, HOME-ARP Rental Development program, and Section 8 Contract Administration are aligned to Strategic Priority 2 to produce, rehabilitate, and preserve affordable housing.

**Low-Income Housing Tax Credit (LIHTC):** The State's LIHTC program supports the development and preservation of affordable housing by providing a credit against federal income tax liability each year for 10 years to owners and investors in low-income rental housing. The amount of tax credits is based on the portion of the buildings' total depreciable cost basis dedicated to serving qualified low-income residents. For FY 2025-26, $33,256,356.00 encompassed the total bond authority (MTBA) and the single-year 4% and 9% LIHTC allocation awarded for the 1,397 newly constructed rental units and 921 rehabilitated rental units placed in service during the reporting period.

**Community Investment Tax Credit (CITC):** The CITC program supports the development of affordable housing units by enabling financial institutions to obtain a credit against the sum total of taxes imposed by the Franchise and Excise Tax Laws when qualified loans, qualified investments, grants or contributions are extended to eligible housing entities for engaging in eligible low-income housing activities. Eligible activities include creating or preserving affordable housing for low-income Tennesseans, activities that assist low-income Tennesseans in obtaining safe and affordable housing, activities that build the capacity of an eligible non-profit organization to provide housing opportunities for low-income Tennesseans, and any other low-income housing related activity approved by the THDA Executive Director and the

Commissioner of Revenue. <insert FY 2025-26>

**Tennessee Housing Trust Fund (THTF) Program:** The THTF program funds many of the programs within THDA to address difficult housing needs, including the Emergency Repair Program and support for Habitat for Humanity. <insert FY 2025-26>

**HOME-ARP Rental Development:** The State of Tennessee through 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. The State is using some of the program funding, which was a one-time allocation totaling approximately $33 million, for the acquisition, construction, and rehabilitation of affordable rental housing for qualifying populations. In FY 2025-26, $4,699,934.00 of program funding was expended on active rental development projects, and $X,XXX,XXX.XX has been expended over the life of the program. In addition, 34 rental units were completed and placed in service during FY 2025-26, and 75 rental units have been completed over the life of the program so far.

**Section 8 Contract Administration:** The State's Section 8 Contract Administration provides project-based subsidies to properties with a Section 8 contract. These subsidies stay with the properties, not with tenants. As a result, if a tenant household moves out of a unit, it does not take the subsidy with it. In FY 2025-26, $341,635,417.00 was expended to support Section 8 subsidized properties, which provided 37,494 households with an affordable rental unit during the reporting period.

The State's CDBG-Disaster Recovery (DR) and Community Development Block Grant – Coronavirus (CV) Response programs' activities are also aligned to Priority 3 to improve community livability and resilience.

**CDBG - Disaster Recovery (DR):** The CDBG-DR program provides federal funding to states and local governments after a major disaster. Congress appropriates funds, and HUD allocates them to affected areas to support long-term recovery. In FY 2025-26, the CDBG-DR program expended $1,571,469.89 to support <X area after X disaster>.

**Community Development Block Grant – Coronavirus Response (CDBG-CV):** Tennessee's CDBG-CV program was established using federal funding provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 to help communities address the impacts of the COVID-19 pandemic. The program was created to prevent, prepare for, and respond to COVID-19 by providing flexible assistance to local governments and community organizations throughout the state. An extension of the CDBG-CV funds was issued through September 30,

2027. At the end of this reporting period, $33,659,479.11 of the CDBG-CV funds have been disbursed to subrecipients. The majority of CDBG-CV funded activities will be completed by the end of 2026, with a small number wrapping up by June 2027. In the fall of 2026 funds that have been recovered and recaptured will be awarded to activities that will be able to meet the disbursement deadlines.

**Leveraging**

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

**ESG:** ESG program subgrantees are required to provide a dollar-for-dollar match for ESG funds. Subgrantees must supplement their ESG funds with equal amounts of funds 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 the State.

**HOPWA:** The HOPWA program does not have a match requirement. The State's HOPWA program, however, sometimes utilizes Ryan White Part B Program funding as leveraging in the administration of the program. For FY 2025-26, the HOPWA program leveraged $485,792.49 in Ryan White funding.

**CDBG-RHP:** The CDBG-RHP does not have match requirements. However, the amount of leveraged funding being provided by a program applicant or partner agency is considered and points are applied accordingly during application scoring for funding awards.

**HOME:** The State awards points in its application scoring matrix for leveraging to encourage additional resource utilization alongside HOME program funds. These include resources like the Federal Home Loan Bank of Cincinnati, other federal funds (including the Self-Help Homeownership Opportunity Program), local agency resources, and homeowner contributions. Additionally, homes constructed by Community Housing Development Organizations (CHDOs) will often use the THDA mortgage revenue bond financed first mortgage program as leverage to provide an affordable low-interest, fixed-rate loan for the homebuyer.

**HTF:** Though match and leveraging are encouraged in the development budget of the proposed projects, neither are required. However, applicants receive additional points in the competitive application scoring process for providing match and/or leverage to the projects. In most cases, leverage was included in the projects through competitive grants from the Tennessee State Housing Trust Fund and tax credits from Community Investment Tax Credits (CITC) or the Low Income Housing Credits (LIHTC). In addition, some applicants who were Public Housing Authorities (PHAs) brought leverage, and in some cases match, by providing owner equity to the projects.

**CDBG:** The CDBG program does not have match requirements. The State's CDBG program, however, awards many projects each year that will be completed on publicly owned property, particularly water and sewer system improvement projects where work is often done at water and wastewater treatment plants or other similar properties.

**HOME MATCH REPORT**

The State's program year runs from July 1, 2025 – June 30, 2026. The federal fiscal year runs from October 1, 2025 – September 30, 2026. HOME Match reporting is done on the federal fiscal year timeline. As a result, the HOME Match information below is from the federal fiscal year October 1, 2024 - September 30, 2025, since the State's CAPER report is due to HUD on September 28, 2026, which is before this federal fiscal year is complete.

| Fiscal Year Summary – HOME Match | |
|---|---|
| **Source of Match** | **Amount** |
| 1. Excess match from prior Federal fiscal year | $7,161,243.65 |
| 2. Match contributed during current Federal fiscal year | $2,177,097.58 |
| 3. Total match available for current Federal fiscal year (Line 1 plus Line 2) | $9,338,341.23 |
| 4. Match liability for current Federal fiscal year | $2,314,225.67 |
| 5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4) | $7,024,115.561 |

| Match Contribution for the Federal Fiscal Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Project No. or Other ID** | **Date of Contribution** | **Cash (non-Federal sources)** | **Foregone Taxes, Fees, Charges** | **Appraised Land /Real Property** | **Required Infrastructure** | **Site Preparation, Construction Materials, Donated labor** | **Bond Financing** | **Total Match** |
| 16363 | 05/02/2025 | $1,800.00 | $46,362.97 | | | | | $48,162.97 |
| 16037 | 03/10/2025 | | $112,741.34 | | | | | $112,741.34 |
| 16065 | 06/17/2025 | | $115,474.33 | | | | | $115,474.33 |
| 16036 | 07/28/2025 | | $11,345.61 | | | | | $11,345.61 |
| 16419 | 08/18/2025 | | $71,562.17 | | | | | $71,562.17 |
| 16647 | 08/15/2025 | $900.00 | $56,365.57 | | | | | $57,265.57 |
| 16326 | 07/15/2025 | | $83,704.78 | | | | | $83,704.78 |
| 16325 | 07/30/2025 | | $81,168.79 | | | | | $81,168.79 |
| 16372 | 07/30/2025 | | $81,168.79 | | | | | $81,168.79 |
| 16096 | 06/24/2025 | | $29,622.67 | | | | | $29,622.67 |
| 16354 | 07/30/2025 | | $26,168.35 | | | | | $26,168.35 |
| 16022 | 01/31/2025 | | $110,340.51 | | | | | $110,340.51 |
| 16026 | 04/24/2025 | | $8,006.24 | | | | | $8,006.24 |
| 16027 | 03/17/2025 | | $34,103.31 | | | | | $34,103.31 |
| 16024 | 06/25/2025 | | $21,251.94 | | | | | $21,251.94 |

| Match Contribution for the Federal Fiscal Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Project No. or Other ID | Date of Contribution | Cash (non-Federal sources) | Foregone Taxes, Fees, Charges | Appraised Land /Real Property | Required Infrastructure | Site Preparation, Construction Materials, Donated labor | Bond Financing | Total Match |
| 16025 | 06/27/2025 | | $21,251.94 | | | | | $21,251.94 |
| 16404 | 12/27/2024 | | $135,454.96 | | | | | $135,454.96 |
| 16350 | 05/08/2025 | | $27,060.98 | | | | | $27,060.98 |
| State: Franklin PHA | 02/12/2025 | $600,000.00 | | | | | | $600,000.00 |
| State: Memphis PHA | 07/29/2025 | $600,000.00 | | | | | | $600,000.00 |

## HOME Minority Business Enterprise / Women's Business Enterprise (MBE/WBE) Report

| **Program Income** – Enter the program amounts for the reporting period | | | | |
|---|---|---|---|---|
| **Balance on hand at beginning of reporting period** | **Amount received during reporting period** | **Total amount expended during reporting period** | **Amount expended for TBRA** | **Balance on hand at end of reporting period** |
| $0.00 | $184,599.60 | $0.00 | $0.00 | $184,599.60 |

| **Minority Business Enterprises and Women Business Enterprises –** Indicate the number and dollar value of contracts for HOME projects completed during the reporting period | | | | | | |
|---|---|---|---|---|---|---|
| | **Total** | **Minority Business Enterprises** | | | | **White Non-Hispanic** |
| | | **Alaskan Native or American Indian** | **Asian or Pacific Islander** | **Black Non-Hispanic** | **Hispanic** | |
| **Contracts** | | | | | | |
| Dollar Amount | $0 | $0 | $0 | $0 | $0 | $0 |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-Contracts** | | | | | | |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Dollar Amount | $0 | $0 | $0 | $0 | $0 | $0 |

| | Total | Women Business Enterprises | Male |
|---|---|---|---|
| **Contracts** | | | |
| Dollar Amount | $0 | 0 | $0 |
| Number | 0 | 0 | 0 |
| **Sub-Contracts** | | | |
| Number | 0 | 0 | 0 |
| Dollar Amount | $0 | $0 | $0 |

***Note: Totals for non-MBE and non-WBE were not calculated.***

**Minority Owners of Rental Property** – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted

| | Total | Minority Property Owners | | | | White Non-Hispanic |
|---|---|---|---|---|---|---|
| | | Alaskan Native or American Indian | Asian or Pacific Islander | Black Non-Hispanic | Hispanic | |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Cost | $0 | $0 | $0 | $0 | $0 | $0 |

**Relocation and Real Property Acquisition –** Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition

| | | |
|---|---|---|
| Parcels Acquired | 0 | 0 |
| Businesses Displaced | 0 | 0 |
| Nonprofit Organizations Displaced | 0 | 0 |
| Households Temporarily Relocated, not Displaced | 0 | 0 |

| Households Displaced | Total | Minority Property Enterprises | | | | White Non-Hispanic |
|---|---|---|---|---|---|---|
| | | Alaskan Native or American Indian | Asian or Pacific Islander | Black Non-Hispanic | Hispanic | |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Cost | $0 | $0 | $0 | $0 | $0 | $0 |

## CR-20 - Affordable Housing

**Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.**

| | FY 2025-26 Outcomes |
|---|---|
| Number of Homeless households to be provided affordable housing units | ESG: 164<br>HOPWA: 26 |
| Number of Non-Homeless households to be provided affordable housing units | ESG: 70<br>HOME: 63 |
| Number of Special-Needs households to be provided affordable housing units | HOPWA: 112<br>CDBG-RHP: 141 |

*Households with at least one person reporting a disability. For HOPWA, these individuals received Permanent Housing Placement (PHP) supports.

| | FY 2025-26 Outcomes |
|---|---|
| Number of households supported through Rental Assistance | ESG: XX<br>HOPWA: 146 |
| Number of households supported through The Production of New Units | HTF: 77<br>HOME: 18 |
| Number of households supported through Rehab of Existing Units | HTF: 27<br>HOME: 43 |
| Number of households supported through Acquisition of Existing Units | N/A |

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

It is often difficult to predict exactly who or how many people the ESG and HOPWA programs will serve. As a result, the one-year goals in the first table capture these programs' best estimates based on previous years' outcomes. In addition, the HOME and HTF programs fund multi-year projects, and the second table reports the results of projects placed in service, which can happen at faster or slower rates than initially expected. Similarly, the one-year goals in the second table capture the programs' best estimates based on previous years' outcomes.

**Discuss how these outcomes will impact future annual action plans.**

The Consolidated Planning program leadership will adjust our annual housing goals to reflect expected program resources, as well as opportunities for and threats to affordable housing in Tennessee. In addition, the State of Tennessee will consult its FY 2025-29 Consolidated Plan to ensure any proposed strategies and changes are aligned to the State's goals. Finally, the state will review the results in past CAPERs to understand progress toward goals and to set realistic goals for future years.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

| Number of Households Served | HTF | HOME Homeowner Rehabilitation | HOME Homeownership Development | HOME Rental Development | CDBG |
|---|---|---|---|---|---|
| Extremely low-income | 104 | - | - | - | 64,606 |
| Low-income | - | 43 | 14 | 4 | 62,727 |
| Moderate-income | - | | | | 103,805 |
| **Total** | **104** | **43** | **14** | **4** | **231,138** |

Extremely low-income households have an income of 30 percent or less of the Area Median Income (AMI). Low-income households have an income of between 30 and 80 percent of the AMI. (Very low-income households, a subset of the low-income household category, have an income of between 30 and 50 percent AMI.) Moderate income households have an income between 80 and 120 percent of AMI.

**CDBG-RHP:** The beneficiaries of the CDBG-RHP funds are also presumed to be LMI persons. However, eligibility for a bed in CDBG-RHP's transitional housing is based on being a person recovering from a substance use disorder (SUD) and not on the person's income.

**HTF:** All HTF program beneficiaries must be extremely low-income households.

**HOME:** All HOME program beneficiaries must be extremely low, very low, or low-income.

**CDBG:** The CDBG program estimates the number of LMI beneficiaries for its activities based on the income characteristics of the project's service area.

## CR-25 - Homeless and Other Special Needs

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

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

The State provides ESG funds to subgrantees, which use the funding to reach out to homelessness people and address their individual needs.

ESG subgrantees provide and/or help homeless people obtain six main services:

- Engagement: activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid rehousing programs.
- Case Management: using the centralized or coordinated assessment system; conducting the initial evaluation, including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining federal, state, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.
- 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 and the transportation of clients to emergency shelters or other service providers.
- Services to special populations which are 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.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

To address emergency shelter and transitional housing needs of homeless persons, ESG subgrantees provide emergency shelter, essential services, and fund operational expenses.

ESG subgrantees provide essential services connected to emergency shelter and transitional housing, including services concerned with employment, health, drug abuse, and education, as well as the staff salaries necessary to provide these services. These services may include, but are not limited to, the following: 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, food stamps and aid to families with dependent children; other services such as child care, legal services, life skills training, transportation, job placement and job training; and the staff salaries necessary to provide the above services.

Under this category, expenses related to the operation of emergency and transitional housing include, but are not limited to, maintenance, operation, rent, repair, security, fuel, equipment, insurance, utilities, food and furnishings.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

For the ESG program, subgrantees can engage in several activities to prevent people from becoming homeless and to assist participants in regaining stability in their current or other permanent housing. Specifically, ESG subgrantees typically provide financial assistance in order to help prevent and rapidly re-house clients in the following ways: pay rental application fees (excludes pet deposit), moving costs, security deposit for rental or utility, payment of rental arrears up to six months, and short-term (up to three months) or medium-term (up to nine months) rental and/or utility assistance. To ensure participants maintain stability, ongoing case management and supportive services are provided.

ESG subgrantees work with other organizations and institutions within their Continuum of Care regions to coordinate prevention and stabilization activities.

**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**

To help homeless people make the transition to permanent housing and independent living, ESG subgrantees provide financial assistance for the following: 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. In addition to financial assistance, participants are provided with services, such as housing search and placement, housing stability case management, mediation, legal services, and assistance with credit repair.

## CR-40 - Monitoring

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The State has established standards and procedures to monitor the use of federal grant funds. Each department managing a Consolidated Planning grant program allocates federal funding resources in accordance with preapproved uses of the funds. Contracts, agreements, and other documentation with program participants incorporate the services and activities to be completed, the compliance requirements, and the specific conditions under which funds may be released.

Further, designated staff are responsible for monitoring compliance with applicable federal and state regulations for programs. Each department conducts monitoring activities regularly or as required by HUD regulations to ensure compliance. Some examples of monitoring activities for funded programs include program site visits, regular reviews of participant-level data via web-based tracking systems, reviews of deliverables reported in monthly and quarterly reports, environmental reviews, on-site construction inspections, and other activities to ensure program compliance.

Specific to the CDBG program, ECD monitors activities prior to closeout. The level of monitoring is set annually based on an assessment of risk of the grant activity and a review of the most recent audit of the grantee. Compliance areas that are monitored include, but are not limited to, national objective, environmental review, procurement procedures, labor, and Title VI.

Specific to minority business outreach and Section 3 requirements, the program documents subgrantees receive include detailed policies and procedures regarding the steps that must be taken to fulfill requirements.

**Citizen Participation Plan 91.105(d); 91.115(d)**

**Description of the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

For the FY 2025-26 CAPER, the State will provide a summary of program expenditures and accomplishments in English and Spanish and a draft of the full CAPER report in English on the THDA Public Notice and Comment webage.

Public notices were translated into Arabic, Badini, Chinese, Korean, Laotian, Spanish, Somali, Sorani, and Vietnamese, and made available through the SurveyMonkey feedback form.

This year, public notices were published in the following English-language newspapers and Spanish-language newspapers:

- Memphis Commercial Appeal
- The Tennessean (Nashville)
- The Herald – Citizen (Cookeville)
- The State Gazette (Dyersburg)
- Chattanooga Times Free Press (Chattanooga)
- The Leaf Chronicle (Clarksville)
- Johnson City Press (Johnson City)
- The Knoxville News Sentinel (Knoxville)
- The Daily Herald (Columbia)
- The Jackson Sun (Jackson)
- La Prensa Latina (Memphis)
- Azul615 (Nashville)

The State also sent an email blast promoting the draft and public comment period to program grantees, as well as advocacy and social service groups for protected classes in Tennessee.

The overview and public comment form will be available on THDA's website from September 4 - 19, 2026, which meets the requirements set forth in the State of Tennessee's Citizen Participation Plan.

A public meeting will be held on September 17, 2026, from 1:00 – 2:00 PM CST with options to participate in person at an accessible location or online. <insert a brief summary of any comments when the public comment period is over>

The final appendix contains copies of the translations, posted notices, and other outreach efforts.

## CR-45 - CDBG

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

The CDBG program's objectives have remained the same for FY 2025-26. However, the State through ECD continues to seek grantee and public feedback on program changes, using both in-person and hybrid formats to encourage participation and involvement in the public participation process. No comments were received at the most recent CDBG public hearing, which was not surprising as no substantial programmatic changes were proposed for the FY 2026-27 funding cycle.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No.

## CR-50 - HOME

**Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations**

*Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.*

The State inspected 46 HOME program properties during FY 2025-26, including both desk reviews and on-site reviews. All properties requiring inspection were inspected. The compliance and monitoring team identified the following issues:

| Types of Issues | Count of Instances Identified |
|---|---:|
| **Concern:** Missing contract between grantee and grant administrator | 2 |
| **Concern:** Missing canceled contractor checks | 17 |
| **Concern:** Missing explanation for using a bid higher than the lowest bid | 1 |
| **Concern:** Incomplete income documentation | 33 |
| **Concern:** Missing verification of receipt of Fair Housing-Equal Opportunity for All brochure | 4 |
| **Concern:** Missing Rehabilitation Agreement | 3 |
| **Concern:** Missing Right of Rescission document | 6 |
| **Concern:** Missing Non-Kickback Certification | 6 |
| **Concern:** Missing Work Write-up/Bid Specs signed by Homeowner | 3 |
| **Concern:** Missing Certification of Completion and Final Inspection | 3 |
| **Concern:** Missing Final Invoice, Release of Liens and Warranty | 5 |
| **Concern:** Missing After Rehab Value Limit form | 1 |
| **Concern:** Missing Recorded Proof of Ownership | 3 |
| **Concern:** Missing public meeting sign in sheet | 1 |
| **Concern:** Missing Relocation Documents | 1 |
| **Concern:** Missing Notice to Proceed | 1 |
| **Concern:** Missing Certification of Completion and Final Inspection | 1 |

| Types of Issues | Count of Instances Identified |
|---|---|
| **Finding:** Construction contract does not comply with HUD & THDA requirements that all work must meet all rehabilitation standards and provide a one-year guarantee for the work completed | 1 |
| **Finding:** Considerable number of required documents were not retained in the homeowner files. | 2 |
| **Concern:** Picture of fair housing poster posted where the general public could view it was not provided. | 3 |
| **Concern:** Missing sign-in listing attendees at a public meeting explaining the HOME program. | 3 |
| **Concern:** Missing matrix or list of applicants demonstrating the applicant priority system is being followed. | 1 |
| **Concern:** Photo of Non-discrimination Policy Public Accountability postings was not provided | 2 |
| **Concern:** Contact Information Sheet was not provided as requested. | 1 |
| **Concern:** Incorrect calculation of income | 2 |
| **Concern:** Public announcements for project bidding did not include language encouraging female/minority businesses to apply. | 1 |
| **Concern:** Missing grantee personnel and hiring policies | 1 |
| **Concern:** Missing contractor qualifications | 2 |

**HOME Rental Development:** The State requires that all HOME-funded units, including rental units, meet applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion and prior to making the final payment. In the absence of a local code, HOME-funded, newly-constructed apartments of three or more units must have met the State-adopted International Building Code. HOME-funded rental rehabilitation must have met the State-adopted International Existing Building Code. Rental new construction must also have met the International Energy Conservation Code. All new construction must have met Energy Star standards as certified by an independent Home Energy Rating System (HERS) rater. All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable state and local housing quality standards and code requirements, and if there were no such standards or code requirements, the housing must have met the Uniform Physical Condition Standards (UPCS). Beginning in 2014, new construction of rental units have also had accessibility requirements and standards to mitigate disaster impact.

The HOME program has used its fund rental development projects only during certain program years. The State did not allocate project funds to rental development projects from FY 2014-15 through FY 2021-22, although compliance staff still engaged in required monitoring of HOME's previously produced rental units. HOME funds were again allocated for Rental Development projects beginning in FY 2022-23, and some of these projects were completed in FY 2025-26.

**HOME Homeowner Rehab and Homeownership Development:** HOME-funded new construction or reconstruction of single-family rental units or duplexes must have met the State-adopted International Residential Code for One- and Two-Family Dwellings.

### An assessment of the jurisdiction's affirmative marketing actions for HOME units.

Prior to beginning a HOME project, grant recipients must adopt affirmative marketing procedures and requirements for all HOME funded home buyer projects with five or more units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. These must be approved by THDA prior to any HOME funds being committed to a project. Requirements and procedures must include:

• Methods for informing the public, owners and potential tenants about fair housing laws and the local program's policies;
• A description of what owners and/or the program administrator will do to affirmatively market housing assisted with HOME funds;
• A description of what owners and/or the program administrator will do to inform persons not likely to apply for housing without special outreach;
• Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness; and
• Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

THDA encourages its grantees to identify those populations who are least likely to apply for assistance and to make outreach to those populations. To accomplish this, THDA recommends that the grantee advertise for assistance availability at churches and other religious institutions, convenience stores, libraries, senior centers, and local offices of the TN Department of Human Services. Additionally, THDA requires that each grantee have policies and procedures to assist non-English speaking applicants. Each grantee must also have a process that notifies people with limited-English proficiency of language assistance availability (i.e. notices, signs) that is accessible to individuals seeking assistance. Grantee staff should be knowledgeable of all procedures and processes.

THDA also requires all grantees to use the Fair Housing logo on all program materials.

### Data on the amount and use of program income for projects, including the number of projects and owner and tenant characteristics.

During this reporting period, THDA received $184,599.60 in HOME program income and expended $0.00.

## CR-55 – HOPWA

This table captures the one-year goals for the number of households provided housing through the use of HOPWA activities, including short-term rent, mortgage, and utility assistance (STRMU) payments to prevent homelessness of the individual or family; tenant-based rental assistance (TBRA); and units provided in housing facilities developed, leased, or operated with HOPWA funds (ST-TFBH or hotel vouchers).

| Number of Households Served Through: | One-year Goal | FY 2025-26 Outcomes |
|---|---|---|
| Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family | 300 | 384 |
| Tenant-based rental assistance | 145 | 34 |
| Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds | 130 | 112 |
| Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds | 85 | 56 |
| **Total** | **660** | **586** |

### Narrative

The table above captures assistance and services provided to households, some of whom received multiple services. During the reporting period, the HOPWA program served 790 unduplicated eligible individuals, including family or household members who benefitted from assistance or services.

A comprehensive assessment of HOPWA and its beneficiaries can be found in HOPWA's annual regional CAPERs.

## CR-56 - HTF

**Describe the extent to which the grantee complied with its approved HTF allocation plan and the requirements of 24 CFR part 93.**

**HTF:** The HTF program provides rental housing for extremely low-income households, which are families or individuals with incomes at or below 30 percent of Area Median Income (AMI).

At the end of the reporting period, $10,276,765.88 of HTF funding was expended, and 104 HTF units were completed and put into service.

**HTF Units in HTF activities completed during the period**

| Tenure Type | 0 – 30% AMI | 0% of 30+ to poverty line (when poverty line is higher than 30% AMI) | % of the higher of 30+ AMI or poverty line to 50% AMI | Total Occupied Units | Units Completed, Not Occupied | Total Completed Units |
|---|---|---|---|---|---|---|
| Rental | 104 | 0 | 0 | 104 | 0 | **104** |
| Homebuyer | 0 | 0 | 0 | 0 | 0 | **0** |

## CR-58 – Section 3

**Identify the number of individuals assisted and the types of assistance provided**

| Total Labor Hours | HTF | HOME | CDBG |
|---|---|---|---|
| Total Number of Activities | 12 | 22 | 27 |
| Total Labor Hours | 452495 | 61127 | 94,052 |
| Total Section 3 Worker Hours | 147330 | 21870 | 20,896.5 |
| Total Targeted Section 3 Worker Hours | 58216 | 5091 | 2,081 |

| Qualitative Efforts - Number of Activities by Program | HTF | HOME | CDBG |
|---|---|---|---|
| Outreach efforts to generate job applicants who are Public Housing Targeted Workers | 10 | 20 | 2 |
| Outreach efforts to generate job applicants who are Other Funding Targeted Workers. | 6 | 12 | 1 |
| Direct, on-the job training (including apprenticeships). | 4 | 2 | 4 |
| Indirect training such as arranging for, contracting for, or paying tuition for, off-site training. | 1 | 0 | 0 |
| Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching). | 3 | 3 | 0 |
| Outreach efforts to identify and secure bids from Section 3 business concerns. | 5 | 21 | 4 |
| Technical assistance to help Section 3 business concerns understand and bid on contracts. | 2 | 0 | 9 |
| Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns. | 2 | 0 | 0 |
| Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services. | 2 | 1 | 0 |
| Held one or more job fairs. | 5 | 18 | 1 |
| Provided or connected residents with supportive services that can provide direct services or referrals. | | 0 | 0 |
| Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation. | 1 | 0 | 0 |
| Assisted residents with finding child care. | 1 | 3 | 0 |

| Qualitative Efforts - Number of Activities by Program | HTF | HOME | CDBG |
|---|---|---|---|
| Assisted residents to apply for or attend community college or a four year educational institution. | 1 | 2 | 0 |
| Assisted residents to apply for,or attend vocational/technical training. | | 2 | 0 |
| Assisted residents to obtain financial literacy training and/or coaching. | 2 | 2 | 0 |
| Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns. | 1 | 0 | 0 |
| Provided or connected residents with training on computer use or online technologies. | | 2 | 0 |
| Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses. | 5 | 0 | 0 |
| Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act. | | 5 | 1 |
| Other. | 1 | 2 | - |

**Narrative**

**HTF:** For FY 2025-26, there were 12 HTF projects that met the qualifying criteria to report on Section 3 activity. Collectively, activities exceeded the 25% benchmark of Section 3 hours worked with 32% and the 5% benchmark of Targeted Section 3 hours worked with 12%.

**Below is a summary of the actions taken by project leaders for the 12 activities:**

- Throughout the project, extensive communication and outreach occurred to identify, qualify, and certify Section 3 Workers, Targeted Section 3 Workers, and Section 3 Businesses.
- Pre-Bid meeting were conducted and job fairs were hosted to present new construction project opportunities.
- Signs were added to each project site encouraging residents and local citizens to apply for jobs. Job openings were posted on social media sites including Facebook and LinkedIn.
- YouthBuild was actively engaged through several meetings and ongoing communication, aimed at aligning our efforts and exploring complementary support services.
- A registry of disadvantaged and small businesses was maintained to ensure their inclusion in all bidding opportunities across projects. Multiple conversations were

engaged to support businesses pursuing certifications as a Disadvantaged Business Enterprise (DBE).

- Budgeting workshops were conducted to assist public housing residents with money management and held build resumes to assist public housing residents with obtaining job opportunities.
- Technical assistance was provided to help Section 3 business concerns understand and bid on contracts.
- Section 3 information was included in all solicitations and required as a "checkbox" on the actual bid documents.
- Section 3 requirements during pre-bid, pre-award, and pre-construction meetings were discussed and explained.
- Separate contracts (framing, plumbing, electric, etc.) were created to divide jobs and facilitate participation by Section 3 businesses.

**HOME:** For FY 2025-26, there were 22 HOME projects identified that met the qualifying criteria to report on Section 3 activity. Collectively, activities exceeded the 25% benchmark of Section 3 hours worked with 35% and the 5% benchmark of Targeted Section 3 hours worked with 8%. Meeting the established goals of hours being worked by Section 3 workers and by Targeted Section 3 workers continues to be a challenge for small rural communities. Often the construction contracts are for small projects and are awarded to bidders that already have an established workforce and do not typically hire additional workers for the job.

- To ensure compliance with Section 3 requirements, we implemented several proactive measures. All invitations to bid included the appropriate Section 3 language to notify potential contractors of the obligations. Pre-Bid Conferences were conducted, during which Section 3 goals and expectations were thoroughly discussed with attendees.
- Job fairs were held, specifically aimed at recruiting Section 3 residents and businesses. In the lead-up to the event, flyers promoting training opportunities, job openings, and other Section 3-related information were distributed. Additionally, posters encouraging targeted workers, businesses and contractors to apply were prominently displayed at the job site and at City Hall.
- Scholarships were offered to two Tennessee College of Applied Technology students entering the building trades, who otherwise could not afford to attend construction certification programs.
- Subcontractors are brought onto our agency builder's risk insurance policy when they need insurance coverage to perform work and are otherwise capable and experienced to perform new building jobs.
- All requests for bids were posted in the local paper and on the GODBE online system. The Governor's Office of Diversity Business Enterprise (GODBE) is the State of

Tennessee's certification agency for diverse business enterprises. Their Mission is to coordinate the State's efforts to facilitate greater participation by minority-owned, women-owned, service-disabled veteran-owned, persons with disabilities-owned, and small businesses in the State's procurement and contracting opportunities.

- Notices were posted at construction job sites informing low-income persons and/or persons residing in Public Housing and/or persons who receive Section 8 vouchers on how to apply for employment.
- The Section 3 plan was executed between prime contractor and grantee to ensure outreach measures are successfully conducted in new hires are required, advertised job opportunities via social media, and posted ads in common areas of housing developments and all public housing management offices.
- Section 3 contracting opportunities were published in local newspapers inviting Section 3 businesses to participate in the bid process.
- Section 3 notices were posted at the job site and City Hall that provided general information about the work to be contracted and where to obtain additional information regarding the bidding process.

**CDBG:** For FY 2025-26, 53 grant activities were completed, 27 of which were subject to the Section 3 rule. Of those, 10 activities met the qualifying criteria to report Section 3. Collectively, activities were just short of the established Section 3 goals with target Section 3 hours worked at 22%, and 2% of hours worked by Target Section 3 employees. Although the Section 3 goals were met this year, meeting the established goals of 25% of hours being worked by Section 3 workers and 5% by Targeted Section 3 workers continues to be a challenge for small rural communities. Often construction contracts are awarded to bidders that are not local. They bring their workforce with them and do not typically need to hire additional workers for the job.

Here are other efforts CDBG subgrantees use to meet Section 3 requirements:

- The local governments continued outreach efforts within the local communities to employ targeted Section 3 applicants to help aid in building a more diversified and qualified labor force. Outreach efforts included assistance with job applications, on the job-training, referrals within the local community, and support services available for those who are seeking employment.
- Local governments posted on the GoDBE website, sent emails to Section 3 and female business owners, and advertised locally.
- Local governments encouraged use of Section 3 subcontractors and employees at preconstruction and within the bid documents.

- Local governments encouraged contractors at the pre-construction conference to hire Section 3 employees if more employees are needed.

## CR-70 – ESG - Assistance Provided and Outcomes

### Shelter Utilization

| | |
|---|---|
| Number of New Units – Rehabbed | 0 |
| Number of New Units - Conversion | 0 |
| Total Number of bed-nights available | 5,429 |
| Total Number of bed-nights provided | 3,443 |
| Capacity Utilization | 63.00% |

**Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)**

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.

## CR-75 – Expenditures

### ESG Expenditures for Homelessness Prevention

| | Dollar Amount of Expenditures in Program Year | | | | |
|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 |
| Expenditures for Rental Assistance | $110,953.38 | N/A | N/A | N/A | N/A |
| Expenditures for Housing Relocation and Stabilization Services - Financial Assistance | $5,123.61 | N/A | N/A | N/A | N/A |
| Expenditures for Housing Relocation & Stabilization Services - Services | $38,599.34 | N/A | N/A | N/A | N/A |
| Expenditures for Homeless Prevention under Emergency Shelter Grants Program | $0.00 | N/A | N/A | N/A | N/A |
| **Subtotal Homelessness Prevention** | **$154,676.33** | **N/A** | **N/A** | **N/A** | **N/A** |

### ESG Expenditures for Rapid Re-Housing

| | Dollar Amount of Expenditures in Program Year | | | | |
|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 |
| Expenditures for Rental Assistance | $110,363.05 | N/A | N/A | N/A | N/A |
| Expenditures for Housing Relocation and Stabilization Services - Financial Assistance | $107,101.25 | N/A | N/A | N/A | N/A |
| Expenditures for Housing Relocation & Stabilization Services - Services | $184,772.10 | N/A | N/A | N/A | N/A |
| Expenditures for Homeless Assistance under Emergency Shelter Grants Program | $0.00 | N/A | N/A | N/A | N/A |
| **Subtotal Rapid Re-Housing** | $402,236.40 | **N/A** | **N/A** | **N/A** | **N/A** |

### ESG Expenditures for Emergency Shelter

| | Dollar Amount of Expenditures in Program Year | | | | |
|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 |
| Essential Services | $786,372.20 | N/A | N/A | N/A | N/A |
| Operations | $435,550.57 | N/A | N/A | N/A | N/A |
| Renovation | $0.00 | N/A | N/A | N/A | N/A |
| Major Rehab | $0.00 | N/A | N/A | N/A | N/A |
| Conversion | $0.00 | N/A | N/A | N/A | N/A |
| **Subtotal** | **$1,221,928.77** | **N/A** | **N/A** | **N/A** | **N/A** |

### Other Grant Expenditures

| | Dollar Amount of Expenditures in Program Year | | | | |
|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 |
| Street Outreach | $285,584.80 | N/A | N/A | N/A | N/A |
| HMIS | $212,235.08 | N/A | N/A | N/A | N/A |
| Administration | $16,412.38 | N/A | N/A | N/A | N/A |

### Total ESG Grant Funds

| Total ESG Funds Expended | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| 8,626,722 | $2,293,073.76 | N/A | N/A | N/A | N/A |

### Match Source

| Source | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| Other Non-ESG HUD Funds | $162,013.03 | N/A | N/A | N/A | N/A |
| Other Federal Funds | $50,746.89 | N/A | N/A | N/A | N/A |
| State Government | $94,122.88 | N/A | N/A | N/A | N/A |
| Local Government | $235,072.35 | N/A | N/A | N/A | N/A |
| Private Funds | $749,222.12 | N/A | N/A | N/A | N/A |
| Other | $969,571.67 | N/A | N/A | N/A | N/A |
| Fees | $15,488.43 | N/A | N/A | N/A | N/A |
| Program Income | $133,080.80 | N/A | N/A | N/A | N/A |
| **Total Match Amount** | **$2,409,318,17** | **N/A** | **N/A** | **N/A** | **N/A** |

| Total Amount of Funds Expended on ESG Activities | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| **Total13**,756,048 | **Autopopulated based on above** | **N/A** | **N/A** | **N/A** | **N/A** |