

STATE OF TENNESSEE

FISCAL YEAR 2013-14

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



TENNESSEE HOUSING DEVELOPMENT AGENCY

TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

TENNESSEE DEPARTMENT OF HEALTH

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STATE OF TENNESSEE
FISCAL YEAR 2013-14 CAPER
EXECUTIVE 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 four formula grant programs; Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons Living with AIDS (HOPWA). The reporting period for the Fiscal Year (FY) 2013-14 CAPER is July 1, 2013 – June 30, 2014. As in previous years, the annual reports completed by each agency are included as appendices to this document.

In January 1995, the final rule "Consolidated Submission for Community Planning and Development Programs" was published in the Federal Register. The final rule amended HUD's regulations for Comprehensive Housing Affordability Strategies (CHAS) with a single rule that consolidated the planning, applications and reporting aspects of the four formula grant programs. The names of the grant programs, the administering state agencies and the HUD allocations for (FY) 2013-14 are as follows:

- Community Development Block Program (CDBG) administered by the Tennessee Department of Economic and Community Development (ECD), \$25,612,067
- HOME Investment Partnership Program (HOME) administered by Tennessee Housing Development Agency (THDA), \$9,474,797
- Emergency Solutions Grants (ESG) administered by THDA, \$2,226,946
- Housing Opportunities for Persons with AIDS (HOPWA) administered by the Tennessee Department of Health (DOH), \$902,360

Based on two substantial amendments to the Consolidated Plan that were submitted during FY12, both the HOME and ESG programs have experienced changes. The substantial amendment to the HOME Program was approved on April 27, 2012. During FY 2013-14, THDA awarded 2012 and 2013 HOME Program Funds. The substantial amendment to the ESG program was approved by HUD on July 10, 2012. THDA awarded the second allocation of 2011 ESG funds along with the 2012 allocation of ESG funds in FY 12-13. Due to the irregular funding timeline caused by the substantial amendment, THDA did not award any ESG funds during FY 2013-14. THDA awarded the 2013 allocation of ESG funds in July of 2014.

In addition to discussing the resources made available to the State of Tennessee in FY 2013-14 through the four formula programs, this document reports the performance of the State of Tennessee in meeting objectives and action steps contained in the 2010-15 Consolidated Plan and assesses the state's overall performance in meeting affordable housing goals. The state has again incorporated the "Optional Table 3B: State Annual Housing Completion Goals" found in Appendix E of this report, to better link HUD's outcome system to the State of Tennessee's objectives, action steps, activities and performance measures.

Other affordable housing resources made available to the state or had an impact on the state's performance are also discussed and include HUD's Section 8 Tenant Based Housing Choice Voucher and Project Based Rental Assistance Programs, the THDA Homeownership Programs, the THDA Rural Repair Program, the THDA BUILD Loan Program, the Community Investment Tax Credit Program, the THDA

Emergency Repair Program (ERP), the Low-Income Housing Tax Credit (LIHTC) Program and the Multi-Family Bond Authority.

The State of Tennessee contracted with Western Economic Services to conduct the Analysis of Impediments (AI) to Fair Housing Choice for the non-entitlement jurisdictions of the state. The Analysis was the culmination of public forums, surveys, data analysis and other public comments on fair housing issues in the state. The report was finalized July 12, 2013 and identifies public and private sector impediments along with suggested actions. The State has developed activities to address the findings contained in the AI and has developed a comprehensive Fair Housing Plan to overcome the impediments, which can be found in the FY 2014-15 Annual Action Plan. These activities address the identified impediments and show the Consolidated Partners' commitment to affirmatively furthering fair housing in Tennessee. The Consolidated Partners will use the AI for the next several years to continue to address impediments. The AI is available on the THDA and ECD websites.

While THDA has been designated as the lead agency for Tennessee's consolidated planning requirements, all of the administering agencies of the four formula grant programs participate in the development of the CAPER and administration of their respective programs. The FY 2013-14 CAPER represents the cooperation of these agencies to further affordable housing and community development in Tennessee. In addition, the plan is developed in consultation with the citizens of our state. The draft plan is made available for review and public comment according to the guidelines developed by the five-year Consolidated Plan.

PART I DESCRIPTION OF RESOURCES

I. DESCRIPTION OF THE RESOURCES MADE AVAILABLE

HUD Resources Made Available Under the Consolidated Planning Programs

A. Community Development Block Grant (CDBG) Small Cities Program

The CDBG program is a multi-faceted federal program that allows a variety of activities. The primary statutory objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low- and moderate-income. The State of Tennessee, through the Department of Economic and Community Development (ECD), administers the CDBG program for all jurisdictions in the state, except for 17 entitlement areas. THE CDBG Small Cities Program received an allocation of \$25,612,067 from HUD for FY 2013-14. In addition to administering the program, each year ECD prepares the State Grant Performance/Evaluation Report (PER). The PER for FY 2013-14 is included as Appendix A of this document.

B. HOME Investment Partnership (HOME)

The Community Programs Division of THDA administers the HOME Program for the State of Tennessee. THDA administers the HOME Program for those jurisdictions not designated by HUD as a local Participating Jurisdiction (PJ). The local PJs that receive HOME funds directly from HUD are: Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville-Davidson County, Knox County, Shelby County and the Northeast Tennessee/Virginia Consortium (the Cities of Bluff City, Bristol, Johnson City, Kingsport, Sullivan County and Washington County, excluding the Town of Jonesborough). The HOME Program is an affordable housing program that provides federal funds to states and the local PJs to carry out multi-year housing strategies. The purpose of the program is to expand the supply of decent, safe, sanitary and affordable housing for low- and very low-income households. Local governments, public agencies and non-profit organizations are all eligible applicants for HOME funds.

On December 16, 2011, HUD published a new proposed regulation for the HOME Program which made significant changes to the HOME rule. Because the new HOME rule applied to any grant with 2012 funds, THDA opted not to accept any applications for 2012 until the new rule was released. The new rule was not published until July 24, 2013; therefore, THDA did not award any HOME funds during FY 2012-13. The State received an allocation of 9,924,071 for 2012 which was allocated during FY 2013-14. In addition to HUD's yearly allocation, THDA had \$1,488,312.05 from 2011 funds and \$231,638.86 in program income for a total of \$11,644,021.91 from 2012. These funds were awarded competitively to local communities and non-profit agencies, including community housing development organizations (CHDOs).

For 2013, the State received an allocation of \$9,474,797. In addition to HUD's yearly allocation, THDA had \$98,796.73 in program income for a total of \$9,573,593.73 for 2013. More than \$8M of these funds were awarded competitively to local communities and non-profit agencies during FY 2013-14. THDA will award the remaining 2013 funds in the fall of 2014 to CHDOs. THDA had a total of \$21,217,615.64 from the 2012 and 2013 programs years available during the reporting period.

C. Emergency Solutions Grants (ESG) Program

The Emergency Solutions Grants (ESG) replaced the Emergency Shelter Grants in May 2009 with the passage of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. ESG provides funding to local governments and non-profit service providers to assist individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. The Community Programs Division of THDA administers the program on behalf of the State of Tennessee to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families; to operate these facilities; to provide essential social services; to provide street outreach services; to provide rapid rehousing assistance; and to provide Homeless Management Information Systems (HMIS). The 2013 allocation for the ESG Program for Tennessee was \$2,226,946; however, THDA did not award these funds until July 1st, 2014 (beyond the reporting period of this report). THDA prepared an ESG beneficiary report, which is included as part of the ESG-only CAPER from IDIS found in Appendix C of this document.

D. Housing Opportunities for Persons with AIDS (HOPWA)

HOPWA provides funding to nonprofit service providers to offer housing assistance and related supportive services to persons living with HIV/AIDS and their families. The Tennessee Department of Health (DOH) administers the program for the State of Tennessee and provides funds to seven project sponsors across the state that directly administer the program. HOPWA funds are used to provide assistance in the following five categories: Housing Information Services; Housing Assistance (Short-term Rent, Mortgage and Utility Payment Program); Supportive Services; Permanent Housing Placement; and Ongoing Housing Assessment Plans. HOPWA funds are also used towards the state's administrative costs and the administrative costs of service providers. The 2013 allocation for the HOPWA Program for Tennessee was \$902,360. DOH prepared the annual HOPWA report, which can be found in Appendix D of this document.

Other Resources Made Available

E. HUD Section 8 Tenant Based Housing Choice Voucher Program

THDA administers the Section 8 Tenant Based Housing Choice Voucher (HCV) program. The Rental Assistance Division of THDA, which administers the Section 8 Housing Choice Voucher program, operates in 72 of Tennessee's 95 counties. During the reporting period, approximately \$33,842,784 was made available for the Section 8 Tenant Based HCV program.

F. HUD Section 8 Project Based Rental Assistance

The Contract Administration Division of THDA administers the Section 8 Project Based contracts and is responsible for the monthly Housing Assistance Payments (HAP) to Section 8 properties throughout the state. At the end of the reporting period, 29,219 units of affordable housing were provided. HAP for the year were \$153,970,916.

G. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit (LIHTC) program is authorized under Section 42 of the Internal Revenue Code and is administered throughout Tennessee by THDA. The program offers owners of and investors in low-income rental housing a reduction in federal income tax liability over a period of 10 years. The Internal Revenue Service allocates tax credit authority to states on a calendar year basis. The State of Tennessee does not receive actual dollars, but instead receives tax credit authority. In Calendar Year (CY) 2013, the state was authorized to allocate \$14,614,996 in competitive 2013 tax credits to non-profit and for-profit developers of low-income housing. THDA allocated \$14,614,996 tax credits in 2013. Additionally, THDA allocated \$1,196,225 in non-competitive credits available for non-profit and for-profit developers in conjunction with the Multifamily Bond Authority Program. The cumulative tax credits allocated during the reporting period was \$15,811,221.

H. Multifamily Bond Authority

THDA authorizes allocations of tax-exempt bond authority to local issuers for financing of multifamily housing units in the state. The authority can be used to provide financing for new construction of affordable rental housing units, conversion of existing properties through adaptive reuse, or acquisition and rehabilitation of rental units. Applications are scored and points are awarded based on certain scoring criteria. In addition, some units must be occupied by households with low-income: 20 percent of the units must be occupied by households with incomes no greater than 50 percent of area median income (AMI), or 40 percent of the units must be occupied by households with incomes no greater than 60 percent of AMI. Seventy-five percent of the units must be occupied by households with incomes no greater than 115 percent of the AMI. In CY 2013, THDA made \$20,173,874 in allocations to local issuers.

I. THDA Homeownership Programs

Until October 2013, the Great Rate, Great Start and Great Advantage Programs were the basic homeownership programs to provide opportunities for low- and moderate-income persons to purchase their first home¹. The Great Rate Program was a low interest rate loan program for low- to moderate-income families. Great Advantage offered an interest rate slightly above Great Rate and borrowers received two percent of the mortgage amount to be used for down payment and/or closing costs. Great Start provided four percent of the purchase price in down payment or closing costs assistance in exchange for a slightly higher interest rate than the interest rate on the Great Advantage Program.

Starting in October 2013, THDA discontinued offering Great Rate, Great Start and Great Advantage program loans and introduced the Great Choice and Great Choice Plus loan programs. The Great Choice Program loan offers a 30-year, fixed rate mortgage to first-time homebuyers. The Great Choice Plus loan is a second mortgage loan offering down payment and closing cost assistance at no interest in conjunction with a Great Choice loan. The second mortgage loan amount is equal to four percent of the sales price of the home and is paid in full over the first 10 years of the mortgage or upon sale of the home.

THDA also has New Start homeownership program, which is a zero percent mortgage loan program delivered through non-profit organizations that have established programs for the construction of single

¹ The first-time homeownership requirement is waived for persons who wish to purchase a home in one of the federally targeted areas and veterans. A Targeted Area is a qualified census tract or an area of chronic economic distress as designated by the IRS.

family housing for low- and very low-income households. It is designed to promote single family construction for very low-income families². All of THDA's homeownership programs include limitations on eligibility based on household income and acquisition costs.

THDA is not a direct lender to borrowers, but works with approved mortgage lenders across the state to originate the loans. THDA either provides funds to approved mortgage lenders to close pre-approved THDA loans, or purchases pre-approved loans from the lenders after the loans are closed. At the end of the reporting period, THDA first mortgage loans totaled \$227,421,240. THDA also funded second mortgage loans. The total value of those second mortgage loans was \$3,460,142.

J. BUILD Loan Program

In November 2005, THDA initiated the BUILD Loan Program to build the capacity of nonprofit organizations to provide affordable housing to low-income Tennesseans. The approximately \$5 million loan program supports the production of affordable housing by providing low interest, short-term loans to eligible nonprofit organizations. BUILD loan funds may be used for new construction or rehabilitation of units for homeownership or rental housing, land acquisition, pre-development activities, and site preparation. No BUILD activities occurred during the FY 2013-14 reporting period.

K. Community Investment Tax Credit

THDA administers the Community Investment Tax Credit (CITC) in cooperation with the Tennessee Department of Revenue. CITC allows financial institutions to obtain a credit against the sum total of taxes imposed by the Franchise and Excise Tax Laws when qualified loans, investments, grants or contributions are extended to eligible housing entities for engaging in eligible low-income housing activities. Eligible housing entities include Tennessee based non-profit organizations, public housing authorities and development districts. Eligible activities under CITC include activities that create or preserve 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 the Tennessee Department of Revenue. The amount of the credit is applied one time and is based on the total amount of the loan, investment, grant or contribution; or the credit may be applied annually for qualified loans and qualified low rate loans and are based on the unpaid principal balance of the loan. During FY 2013-14, THDA and the Tennessee Department of Revenue, awarded credits through CITC for 33 different affordable housing projects with a total investment of \$28,986,963.

L. Emergency Repair Program

In January 2007, THDA created the \$2 million statewide Emergency Repair Program (ERP). The program provides grants to low-income homeowners who are 60 years old or older to correct, repair or replace an essential system and/or critical structural problem. The purpose of the program is to stabilize the elderly homeowner's residence by making rapid, essential repairs to make the home livable. In FY 2013-14, the ERP program was administered through eight of Tennessee's nine Development Districts and the

² Effective January 23, 2006, the New Start Program became a two-tiered program. Tier I is still zero percent loan program for very low-income (60 percent or less of the state median income) people. Tier II allows the borrower to have a slightly higher income (70 percent of the state median income) than Tier I, and in exchange the borrower pays a low fixed interest rate (half of the interest rate on the Great Rate program).

Southwest Human Resource Agency (SWHRA). THDA provided \$694,198, including an additional \$69,238 available for administrative costs. The total funds available during the reporting period, with the required match by the Development Districts, was \$1,427,671.

M. Rural Repair Program

THDA partners with the Rural Housing Service (RHS) division of the US Department of Agriculture (USDA) for its Rural Repair Program. The program offers grants and loans to assist rural, low-income homeowners in need of repairs that will remove health or safety hazards or will help improve accessibility for a homeowner with a disability. The THDA grant is restricted to 50 percent of the RHS approved repair costs and cannot exceed \$7,500 per household for elderly or disabled homeowners. The THDA grant is restricted to 30 percent of the RHS approved repair costs and cannot exceed \$5,000 per household for non-elderly, non-disabled households. Households can receive a loan and a grant for a maximum of \$27,500 for their home. The THDA portion of the program offers grants only. During FY 2013-14, THDA provided \$731,321 to the program.

Summary

During FY 2013-14, the State of Tennessee had over \$506 million available to assist its low- and moderate-income citizens with housing and community development. Federal assistance through the four formula grant programs covered by the 5-year Consolidated Plan totaled nearly \$50 million. Other resources made available for housing and community development amounted to over \$456 million. The following sections of this report will demonstrate how these programs assisted low- and moderate-income Tennesseans during FY 2013-14 with the available resources.

Table 1
Summary of Resources Made Available During FY 2013-14
All Programs

Program	Funds Made Available
<i>Consolidated Plan Grant Programs</i>	
Community Development Block Grant (CDBG)	\$25,612,067
HOME Investment Partnership (HOME) ³	\$21,217,616
Emergency Solutions Grants (ESG)	\$2,226,946
Housing Opportunities for Persons with AIDS (HOPWA)	\$902,360
<i>Subtotal of Consolidated Plan Grant Programs Resources Available</i>	<i>\$49,958,989</i>
<i>Other Resources Made Available</i>	
Section 8 Tenant Based Rental Assistance	\$33,842,784
Section 8 Project Based Rental Assistance	\$153,970,916
Low Income Housing Tax Credit	\$14,614,996
- Non-competitive Tax Credits	\$1,196,225
Multifamily Bond Authority	\$20,173,874
THDA Homeownership Programs ⁴	\$230,881,382
BUILD Loan Program	\$0
Emergency Repair Program	\$1,427,671
Rural Repair Program	\$731,321
<i>Subtotal of Other Resources Made Available</i>	<i>\$456,839,168</i>
Grand Total	\$506,798,157

³ Includes funding from 2012 and 2013 Program Years.

⁴ Includes 1st and 2nd mortgage loans.

II. INVESTMENT OF AVAILABLE RESOURCES

HUD Resources Made Available Under the Consolidated Planning Programs

A. Community Development Block Grant (CDBG) Small Cities Program

During the reporting period, 76 awards were contracted to new subrecipients or city and county governments totaling \$27,244,480 through the CDBG Program. This amount included the 2013-14 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. The awards included an Imminent Threat grant that was awarded outside of the regular round application process based on immediate need in the affected community. The awards also included seven Commercial Façade projects of \$25,000 each. This was the first year that the Commercial Façade category of funding was available.

The activities proposed by subrecipients with contracts are summarized in the following table. Each number in the frequency column represents a local government recipient carrying out the described activity. Each local government may carry out multiple activities. More detailed information is contained in the PER (Appendix A). The CDBG program allows for contracts between ECD and local governments to vary in term. Many contracts continue into subsequent fiscal years. As was the case in previous years, the largest portion of funds awarded (78.5 percent) was designated for public facilities improvements.

Table 2
Awards by Activity Type
CDBG Program

Activity	CDBG Activity Number	Frequency	Amount	Percent of Total Funds
Clearance	2, 6	14	\$3,042,964	11.2%
Relocation	8	2	\$206,000	0.8%
Administration, Planning and Management	13, 13 (P)	76	\$1,731,607	6.4%
Public Facilities, Water/Sewer	4A, 4B	53	\$21,355,084	78.5%
Residential Rehabilitation	9A	9	\$851,500	3.1%
Total	-	154	\$27,187,155	100%

B. HOME Investment Partnership (HOME)

During FY 2013-14, THDA distributed the state's 2012 allocation of \$9,924,071 along with the majority of the 2013 allocation of \$9,474,797, including reallocating \$1,488,312.05 from 2011 and \$330,435.59 in program income from the two years. In total, THDA distributed \$18,833,983 in program funds during FY 2013-14. THDA will distribute the remaining 2013 funds in the fall of 2014 during the 2013 Program Year CHDO Round.

The state may spend up to 10 percent of its allocation for administrative and planning expenses. The state uses three percent of the total funds available for its own administrative expenses and the remaining seven percent is available to pay the administrative costs of the local government and non-

profit grant recipients. Fifteen percent of the total allocation is reserved for eligible Community Housing Development Organizations (CHDOs) and 10 percent of the total allocation is reserved for Special Needs projects.

**Table 3
Proposed Activities
HOME Program**

Eligible Activity	Number of Units/HHs	Program Funds
Homeownership Down Payment Assistance	12 HHs	\$196,427
Homeowner Rehabilitation	412 HHs	\$15,002,651
Homeowner New Construction	4 Units	\$277,170
Homeowner/Rental New Construction	4 Units	\$427,118
Rental Acquisition and Rehabilitation	14 Units	\$1,530,361
Rental New Construction	18 Units	\$1,400,256
Total	464 Units/HHs	\$18,833,983

C. Emergency Solutions Grants (ESG)

During FY 2013-14, \$2,226,946 was made available for the ESG Program; however, no new contracts were awarded. THDA typically awards ESG program funds beginning July 1st of each year. In late 2010; however, HUD announced new regulations as they transformed the Emergency Shelter Grants into the new Emergency Solutions Grants. The new ESG Regulations, published in January 2012, required a Substantial Amendment to the Consolidated Plan. The Substantial Amendment was approved in July 2012 and HUD released the 2011 Second Allocation in August 2012 along with the 2012 ESG funds. The changes to the ESG Program required THDA to deviate from the traditional July 1st award schedule, thus causing a gap in new awards during FY 2013-14. THDA awarded the 2013 ESG funds beginning in July 1, 2014 and will be accepting applications for the 2014 funding in October of 2014. 2014 ESG funds will be awarded to successful applicants January 1, 2015.

**Table 4
Funds Made Available
ESG Program**

Funding Category	Allocation of FY 2013-14 ESG Funding
Small Cities Set-Aside	\$0
TDMHSAS Set-Aside	\$0
ESG Competitive Round	\$0
<i>Program Subtotal</i>	\$0
State Administration	\$0
Total FY 2013-14 ESG Funding Available	\$2,226,946

D. Housing Opportunities for Persons with AIDS (HOPWA)

During FY 2013-14, the Tennessee Department of Health (DOH) awarded \$902,360 to the seven project sponsors across the state, administering the HOPWA Program. Contracts between DOH and the project sponsors are for one-year terms and coincide with the state's fiscal year (July 1 – June 30). DOH retains

three percent of the total allocation for state administrative costs. Grantees that were awarded funding during the reporting period and the state’s administrative costs are shown in the table below.

**Table 5
Distribution of Funds
HOPWA Program**

Project Sponsor	Funding Amount	Percent of Total Funding
Chattanooga CARES	\$193,700	22%
Columbia CARES	\$78,800	9%
East Tennessee Human Resource Agency	\$262,600	30%
Frontier Health	\$63,300	11%
Nashville CARES	\$43,800	5%
Upper Cumberland Human Resource Agency	\$60,100	7%
West Tennessee Legal Services	\$140,000	16%
<i>Program Subtotal</i>	<i>\$875,300</i>	<i>97%</i>
State Administration	\$27,060	3%
Total	\$902,360	100%

Other Resources Made Available

E. HUD Section 8 Tenant Based Housing Choice Voucher Program

The THDA Rental Assistance Division administers the Section 8 Tenant Based Housing Choice Voucher program through nine field offices throughout the state and provides services to the families participating in the program. In FY 2013-14, the Rental Assistance Division had \$33,842,784 available and expended \$31,729,244 for Section 8 Housing Choice Voucher Program.

F. HUD Section 8 Project Based Rental Assistance

The THDA Contract Administration Division administers Project Based units throughout the state. During FY 2013-14, the Housing Assistance Payments (HAP) totaled \$153,970,916.

G. Low Income Housing Tax Credit Program

The State of Tennessee used its 2013 tax credit authority in the amount of \$14,614,996 during the reporting period. Additionally, the state issued \$1,195,225 in non-competitive allocations during the reporting period. The State of Tennessee used its tax credit authority to make available tax credits for non-profit and for-profit developers of affordable housing.

H. Multifamily Bond Authority

THDA allocates a maximum of \$15,000,000 of tax-exempt bond authority to a development involving new construction and \$17,250,000 for developments involving conversion and/or acquisition. Points are awarded to applications demonstrating that developments address certain conditions – meeting housing needs, meeting energy/maintenance standards, serving special populations and increasing housing stock. In Calendar Year 2013, a total of \$20,173,874 was allocated.

I. THDA Homeownership Programs

During the reporting period, there were 1,927 first mortgage loans made through the THDA homeownership programs totaling \$227,421,240. Until October 2013, the basic homeownership program was known as Great Rate, which offered a below market interest rate loan secured by a first mortgage. Great Start offered borrowers an amount equal to four percent of the loan amount for down payment and closing costs, with a higher interest rate applied to the loan. Great Advantage offered a rate set at one half (1/2) of a percentage point above Great Rate and two percent of the mortgage amount to be used for down payment and/or closing costs. The New Start program, delivered through non-profit organizations, promotes construction of new homes for very low-income Tennesseans. Loans are available to first-time homebuyers for primary residences only, and limits on household income and acquisition price varies by county. In October 2013, THDA switched to a new loan program called Great Choice, which offers a 30-year fixed mortgage program to the first-time homebuyers. If the borrowers need assistance for the downpayment and closing costs they can get a second mortgage with a zero interest rate in conjunction with the Great Choice Plus Program.

Table 6
Single Family Loans
THDA Homeownership Programs

Program	Number of Loans	Percent of All Loans	Average Loan	Total Dollars
Great Start	924	48.0%	\$122,066	\$112,789,360
Great Advantage	23	1.2%	\$133,657	\$3,074,120
Great Rate	121	6.3%	\$111,913	\$13,541,476
New Start	86	4.5%	\$81,752	\$7,030,651
Great Choice	57	3.0%	\$105,242	\$5,998,803
Great Choice Plus	716	37.2%	\$118,697	\$84,986,830
Total	1,927	100%	\$118,018	\$227,421,240

J. BUILD Loan Program

In November 2005, THDA initiated the BUILD Loan Program to build the capacity of nonprofit organizations to provide affordable housing to low income Tennesseans. The approximately \$5 million loan program supports the production of affordable housing by providing low interest, short term loans to eligible nonprofit organizations. BUILD loan funds may be used for new construction or rehabilitation of units for homeownership or rental housing, land acquisition, pre-development activities, and site preparation. THDA did not issue any BUILD loans during the reporting period.

K. Community Investment Tax Credit

THDA administers the Community Investment Tax Credit (CITC) in cooperation with the Tennessee Department of Revenue. CITC allows financial institutions to obtain a credit against the sum total of taxes imposed by the Franchise and Excise Tax Laws when qualified loans, investments, grants or contributions are extended to eligible housing entities for engaging in eligible low income housing activities. The amount of the credit is applied one time and is based on the total amount of the loan,

investment, grant or contribution; or the credit may be applied annually for qualified loans and qualified low rate loans and are based on the unpaid principal balance of the loan. During FY 2013-14, THDA and the Tennessee Department of Revenue, awarded credits through CITC for 33 different affordable housing projects with a total investment amount of \$28,986,963.

L. Emergency Repair Program

During the reporting period, the seven Development Districts and one Human Resource Agency that administer the Emergency Repair Program (ERP) spent a total of \$1,427,671 to correct, repair or replace an essential system and/or critical structural problem for low income and elderly homeowners. Of this total, \$763,436 was provided by THDA, including 698,238 for administrative costs. The seven Development Districts and one Human Resource Agency provided \$664,236 in match funds for the program. The table below shows the distribution of eligible activity type across Tennessee’s three Grand Divisions. Units receiving ERP funds are eligible for more than one activity.

Table 7
Repair Activities by Grand Division
Emergency Repair Program

Activity Type	East	Middle	West	Total
Roofing	17	8	36	61
Plumbing	13	4	13	30
Electrical	13	3	8	24
HVAC	3	17	8	28
Other	42	17	23	82

M. Rural Repair

The THDA Rural Repair Program continued its partnership with the Rural Housing Service (RHS) of the U.S. Department of Agriculture. The program provides funds for the repair of homes of low-income people. The THDA grant is restricted to 50 percent of the RHS approved repair costs and cannot exceed \$7,500 per household for elderly or disabled homeowners. The THDA grant is restricted to 30 percent of the RHS approved repair costs and cannot exceed \$5,000 per household for non-elderly, non-disabled homeowners. A grant/loan combination is made if the applicant can repay part of the cost and cannot exceed \$27,500. During the FY 2013-14, THDA provided \$731,321, contributing to 137 grants/loans.

Summary

The State of Tennessee expended a total of \$527,175,948 for community development and affordable housing programs during FY 2013-14. Of this total, \$46,923,498 was federal funds provided by HUD through the consolidated planning process. An additional \$480,252,450 was made available through other affordable housing programs.

Table 8
Summary of Investments, FY 2013-14
All Programs

Program	Funds Awarded/Granted/Loaned
<i>Consolidated Plan Grant Programs:</i>	
Community Development Block Grant (CDBG)	\$27,187,155
HOME Investment Partnership (HOME)	\$18,833,983
Emergency Solutions Grants (ESG)	\$0
Housing Opportunities for Persons with AIDS (HOPWA)	\$902,360
<i>Subtotal of HUD Resources Invested</i>	<i>\$46,923,498</i>
<i>Other Resources Made Available:</i>	
Section 8 Tenant Based Rental Assistance	\$31,729,244
Section 8 Project Based Rental Assistance	\$153,970,916
Low Income Housing Tax Credit ⁵	\$15,811,221
Multifamily Bond Authority	\$20,173,874
THDA Homeownership Programs	\$227,421,240
BUILD Loan Program	\$0
CITC	\$28,986,963
Emergency Repair Program ⁶	\$1,427,671
Rural Repair	\$731,321
<i>Subtotal of Other Resources Made Available</i>	<i>\$480,252,450</i>
Grand Total	\$527,175,948

⁵ Includes \$1,196,255 in 4% non-competitive credits in addition to the \$14,614,996 in 9% competitive credits.

⁶ Includes \$664,236 in match funds in addition to the \$763,436 provided by THDA.

III. GEOGRAPHIC DISTRIBUTION AND LOCATION OF INVESTMENTS

HUD Resources Made Available Under the Consolidated Planning Programs

A. Community Development Block Grant (CDBG) Small Cities Program

Each year, ECD prepares the state’s Performance and Evaluation (PER) for the CDBG Program (Appendix A). The following table, derived from information contained in the PER, summarizes the location of CDBG subrecipients and their funding amounts by Grand Division. Of the total funding awarded, 36.7 percent was awarded in East Tennessee, 30.1 percent in Middle Tennessee and 33.2 percent in West Tennessee. An expanded version of this table is presented in Appendix A.

**Table 9
Funding by Grand Division
CDBG Program**

Grand Division	Number of Grantees	Total Funds	Percent of Total Funds
East	24	\$9,987,903	36.7%
Middle	24	\$8,195,718	30.1%
West	28	\$9,003,534	33.2%
Total	76	\$27,187,155	100%

B. HOME Investment Partnership

During the reporting period, THDA awarded HOME funds to 60 grantees proposing to construct or improve 464 affordable housing units across Tennessee’s three grand divisions. The majority of grantees and funds were made available to Middle Tennessee, followed by East and West Tennessee. Funds were also made available across the three funding categories (CHDO, Supportive Housing and Urban/Rural).

**Table 10
Distribution of Funds by Grand Division
HOME Program**

Grand Division	Funding Category	Number of Grantees	Total Awards
East	CHDO	2	\$704,288
	Supportive Housing	3	\$530,361
	Urban/Rural	13	\$4,259,312
	<i>East Division Total</i>	<i>18</i>	<i>\$5,493,961</i>
Middle	CHDO	1	\$500,000
	Supportive Housing	1	\$500,000
	Urban/Rural	28	\$7,689,766
	<i>Middle Division Total</i>	<i>30</i>	<i>\$8,689,766</i>
West	CHDO	3	\$1,400,256
	Supportive Housing	-	-
	Urban/Rural	9	\$3,250,000
	<i>West Division Total</i>	<i>12</i>	<i>\$4,650,256</i>
Total	All Grand Divisions	60	\$18,833,983

HOME funds were made available across the three funding categories: CHDO, Supportive Housing and Urban/Rural. The Urban/Rural allocation for FY 2013-14 was \$15,199,078. The total award to CHDO's was \$2,604,544 and the total award to Supportive Housing was \$1,030,361. The table below shows the funds made available to each category and the type of eligible activities proposed within the three funding categories.

**Table 11
Funding Categories and Proposed Activities
HOME Program**

Funding Category	Activities Proposed	Total Award
CHDO	Homeowner and Rental New Construction, Rental Acquisition and Rehabilitation	\$2,604,544
Supportive Housing	Rental Acquisition and Rehabilitation	\$1,030,361
Urban/Rural	Down Payment Assistance, Homeowner Rehabilitation	\$15,199,078
Total	464 Units	\$18,833,983

C. Emergency Solutions Grants (ESG)

As previously discussed, no new contracts were awarded during FY 2013-14. THDA typically awards ESG program funds beginning July 1st of each year. In late 2010; however, HUD announced new regulations as they transformed the Emergency Shelter Grants into the new Emergency Solutions Grants. The new ESG Regulations, published in January 2012, required a Substantial Amendment to the Consolidated Plan. The Substantial Amendment was approved in July 2012 and HUD released the 2011 Second Allocation in August 2012 along with the 2012 ESG Funds. The changes to the ESG Program required THDA to deviate from the traditional July 1st award schedule, thus causing a gap in new awards during FY 2013-14. THDA awarded the 2013 ESG funds beginning in July 1, 2014 and will be accepting applications for the 2014 funding in October of 2014. 2014 ESG funds will be awarded to successful applicants January 1, 2015.

**Table 12
Subrecipients and Funds by Grand Division
ESG Program**

Emergency Solutions Grants Grantee	Grand Division	Funding Category	Total Award
NA	NA	NA	\$0

D. Housing Opportunities for Persons with AIDS (HOPWA)

The Tennessee Department of Health provided \$902,360 to seven project sponsors covering 79 of Tennessee's 95 counties. The funds were distributed to each of Tennessee's Grand Divisions in the following way: 63.1 percent went to East Tennessee, 20.9 percent went to Middle Tennessee and 16 percent of the funds went to West Tennessee. The table below shows the distribution of HOPWA program funds across Tennessee's three Grand Divisions.

Table 13
Funds Awarded by Grand Division
HOPWA Program

Project Sponsor	Grand Division	Funds Awarded
Chattanooga CARES	East	\$193,700
East Tennessee Human Resource Agency	East	\$262,600
Frontier Health	East	\$96,300
<i>East Tennessee Total</i>	<i>East</i>	<i>\$552,600</i>
Columbia CARES	Middle	\$78,800
Nashville CARES	Middle	\$43,800
Upper Cumberland Human Resource Agency	Middle	\$60,100
<i>Middle Tennessee Total</i>	<i>Middle</i>	<i>\$182,700</i>
West Tennessee Legal Services	West	\$140,000
<i>West Tennessee Total</i>	<i>West</i>	<i>\$140,000</i>
<i>Total State Funding</i>		<i>\$875,300</i>
<i>Total Admin</i>		<i>\$27,060</i>
PROGRAM TOTAL		\$902,360

Other Resources Made Available

E. HUD Section 8 Tenant Based Housing Choice Voucher Program

During the reporting period, \$31,729,244 was made available for the Section 8 Tenant Based Housing Choice Voucher program. The table below shows the breakdown of Section 8 Tenant Based funds available by Grand Division

Table 14
Funds by Grand Division
Section 8 Tenant Based Housing Choice Voucher Program

Grand Division	Funds Available	Percent of Total Funds Available
East Tennessee	\$4,610,608	14.5%
Middle Tennessee	\$21,422,706	67.5%
West Tennessee	\$5,695,930	18.0%
Total	\$31,729,244	100%

F. HUD Section 8 Project Based Rental Assistance

THDA's Contract Administration Division has responsibility for the administration of Section 8 Project Based contracts throughout the state. At the end of FY 2013-14, the division reported 29,219 units under contract with 37 percent in East Tennessee, 32 percent in Middle Tennessee and 31 percent in West Tennessee. The table below shows how many units are located in each Grand Division.

Table 15
Contract Units by Grand Division
Section 8 Project Based Rental Assistance

East Tennessee	Contract Units
Anderson	551
Bledsoe	119
Blount	255
Bradley	525
Campbell	284
Carter	315
Claiborne	34
Cocke	142
Cumberland	63
Grainger	106
Greene	284
Hamblen	208
Hamilton	1,384
Hancock	50
Hawkins	227
Jefferson	45
Johnson	123
Knox	3,099
Loudon	249
Marion	59
McMinn	306
Meigs	23
Monroe	100
Morgan	34
Polk	24
Roane	299
Scott	101
Sevier	94
Sullivan	876
Unicoi	87
Washington	746
East Total	10,812

Middle Tennessee	Contract Units
Bedford	108
Coffee	411
Davidson	5,086
DeKalb	71
Dickson	123
Franklin	152
Giles	182
Grundy	29
Hickman	75
Humphreys	97
Lewis	36
Lincoln	53
Marshall	203
Maury	135
Montgomery	332
Overton	49
Perry	23
Pickett	22
Putnam	158
Robertson	99
Rutherford	865
Sequatchie	50
Stewart	17
Sumner	420
Van Buren	25
Warren	248
White	48
Williamson	49
Wilson	123
Middle Total	9,289

West Tennessee	Contract Units
Benton	60
Carroll	39
Chester	195
Crockett	24
Decatur	50
Dyer	295
Fayette	213
Gibson	226
Hardeman	47
Hardin	50
Haywood	50
Henderson	110
Henry	243
Lake	177
Lauderdale	145
Madison	513
McNairy	105
Obion	318
Shelby	5,986
Tipton	236
Weakley	36
West Total	9,118

Summary of Units by Grand Division

Division	Units
East TN	10,812
Middle TN	9,289
West TN	9,118
Total	29,219

G. Low Income Housing Tax Credit

Low Income Housing Tax Credits are allocated on a calendar year basis. During the 2013 reporting period, 21 Tennessee counties received tax credits, creating a total of 2,154 units, 2,140 units of affordable housing and 14 market rate units. Geographically, nine allocations in eight different counties were made in East Tennessee. In Middle Tennessee, 11 allocations were made in nine counties, and in West Tennessee, seven allocations were made in four counties. The grand divisions, counties and number of affordable housing units for 2013 are represented in the following table.

Table 16
2013 Allocations
Low Income Housing Tax Credit (LIHTC) Program

Grand Division	County	Units	Allocation
East	Anderson	72	\$660,797
	Bradley	113	\$237,396
	Cumberland	112	\$1,335,397
	Hamblen	77	\$90,024
	Loudon	56	\$599,663
	Rhea	72	\$415,882
	Sullivan	94	\$656,005
	Washington	38	\$495,740
	<i>Eastern Division Subtotal</i>	<i>634</i>	<i>\$4,490,904</i>
Middle	Bedford	64	\$673,833
	Davidson	522	\$1,968,805
	Dickson	64	\$668,760
	Lawrence	56	\$590,957
	Lewis	48	\$320,764
	Marshall	90	\$506,420
	Maury	32	\$213,155
	Robertson	120	\$1,475,027
	Sumner	38	\$322,351
	<i>Middle Division Subtotal</i>	<i>1,034</i>	<i>\$6,740,072</i>
West	Carroll	39	\$200,146
	Gibson	48	\$696,028
	Henry	98	\$951,679
	Shelby	301 ⁷	\$2,732,392
	<i>West Division Subtotal</i>	<i>486</i>	<i>\$4,580,245</i>
Grant Total		2,154	\$15,811,221

H. Multifamily Bond Authority

In CY 2013, tax-exempt bond authority was allocated to provide permanent financing for a total of three developments, which will result in 512 units of affordable housing with a total allocation of \$20,173,874.

⁷ Includes 14 market rate units.

While the actual allocation is not reflected in the previous table (Table 16), the 512 units are represented, as they also received a LIHTC allocation. Table 17 shows the distribution and total allocations by county and grand division. Table 17 shows the distribution and total allocations by county and grand division.

Table 17
2013 Allocations
Multifamily Bond Authority Program

Grand Division	County	Allocation
East	Bradley	\$3,750,000
	Hamblen	\$2,673,874
	<i>Eastern Division Subtotal</i>	<i>\$6,423,874</i>
Middle	Davidson	\$13,750,000
	<i>Middle Division Subtotal</i>	<i>\$13,750,000</i>
West	<i>West Division Subtotal</i>	<i>\$0</i>
Grant Total		\$20,173,874

I. THDA Homeownership Programs

Homeownership loans were made in 71 of Tennessee’s 95 counties. The greatest number of loans was made in Middle Tennessee, followed by East Tennessee and West Tennessee. The breakdown of loans by Grand Division is show in Table 18.

Table 18
Homeownership Loans by Grand Division
THDA Homeownership Programs

Grand Division	Number of Loans	Percent of All Loans	Total Dollar Value of Loans
East	490	25.4%	\$49,849,101
Middle	1,143	59.3%	\$146,956,603
West	294	15.3%	\$30,615,536
Total	1,927	100%	\$227,421,240

J. BUILD Loan Program

The THDA BUILD Loan Program is meant to build the capacity of nonprofit organizations to provide affordable housing to low-income Tennesseans. The loan program supports the production of affordable housing by providing low interest, short term loans to eligible nonprofit organizations. BUILD loan funds may be used for new construction or rehabilitation of units for homeownership or rental housing, land acquisition, pre-development activities, and site preparation. THDA did not engage in any BUILD activities during the reporting period.

K. Community Investment Tax Credit

THDA administers the Community Investment Tax Credit (CITC) in cooperation with the Tennessee Department of Revenue. CITC allows financial institutions to obtain a credit against the sum total of taxes imposed by the Franchise and Excise Tax Laws when qualified loans, investments, grants or contributions are extended to eligible housing entities for engaging in eligible low-income housing activities. During FY 2013-14, THDA and the Tennessee Department of Revenue, awarded credits through CITC for 33 different affordable housing projects with a total investment amount of \$28,986,963. The geographic distribution of the 33 projects was as follows: 15 in East Tennessee, 15 in Middle Tennessee and three in West Tennessee.

Table 19
Program Funds by Grand Division
Community Investment Tax Credit (CITC) Program

Grand Division	Total Investment	Percent of Total Investment
East Tennessee	\$10,539,200	36.3%
Middle Tennessee	\$16,947,763	58.5%
West Tennessee	\$1,500,000	5.2%
Total	\$28,986,963	100%

L. Emergency Repair Program

During the reporting period, the eight Development Districts and one Human Resource Agency that administer the Emergency Repair Program across the state spent a total of \$1,427,671 to correct, repair or replace an essential system and/or critical structural problem for low-income, elderly homeowners. Of this total, \$694,198 was provided by THDA and \$664,236 in match funds was provided by the Development Districts. An additional \$69,238 was provided to the Development Districts by THDA for administration of ERP. East Tennessee received 38.2 percent of the total funds, followed by West Tennessee with 35.4 percent and Middle Tennessee with 26.4 percent.

Table 20
Program Funds by Grand Division
Emergency Repair Program

East Tennessee	Funds Expended
Anderson	\$16,245
Bradley	\$63,111
Campbell	\$14,236
Carter	\$55,156
Claiborne	\$4,671
Cocke	\$23,433
Grainger	\$26,573
Hamblen	\$47,420
Hamilton	\$29,613
Hancock	\$5,742
Hawkins	\$78,736
Jefferson	\$59,222
Johnson	\$26,664
Knox	\$9,588
McMinn	\$10,163
Monroe	\$9,285
Morgan	\$9,624
Scott	\$28,673
Union	\$2,783
Washington	\$23,671
Grand Total	\$544,609

Middle Tennessee	Funds Expended
Davidson	\$18,126
Dickson	\$30,004
Franklin	\$16,162
Giles	\$1,073
Grundy	\$50,103
Hickman	\$23,947
Lawrence	\$30,024
Lewis	\$12,451
Marshall	\$16,100
Maury	\$51,552
Montgomery	\$14,400
Robertson	\$20,468
Sumner	\$35,685
Williamson	\$41,634
Wilson	\$15,295
Grand Total	\$377,024

West Tennessee	Funds Expended
Benton	\$7,414
Carroll	\$56,685
Chester	\$8,938
Decatur	\$11,627
Dyer	\$8,636
Fayette	\$30,112
Gibson	\$75,164
Lake	\$10,980
Madison	\$24,559
Obion	\$16,000
Shelby	\$186,871
Tipton	\$10,267
Weakley	\$58,785
Grand Total	\$506,038

Summary of Units By Grand Division	
Division	Funds
East TN	\$544,609
Middle TN	\$377,024
West TN	\$506,038
Total	\$1,427,671

M. Rural Repair

The THDA Rural Repair Program is a partnership with the Rural Housing Service (RHS) of the US Department of Agriculture (USDA) to provide grants and loans for the repair of homes of low-income persons. The following table presents THDA's contributions by county and Grand Division during FY 2013-14.

Table 21
THDA Contribution by County and Grand Division
Rural Repair Program

East TN	# Loans	Total \$	Middle TN	# Loans	Total \$	West TN	# Loans	Total \$
Bledsoe	1	\$4,775	Cannon	1	\$4,050	Carroll	3	\$13,671
Blount	1	\$7,500	Cheatham	1	\$7,500	Chester	1	\$3,400
Bradley	3	\$17,144	Coffee	1	\$6,882	Crockett	1	\$6,437
Campbell	6	\$38,015	DeKalb	2	\$8,429	Dyer	1	\$5,053
Carter	2	\$8,520	Fentress	1	\$7,500	Fayette	5	\$22,198
Claiborne	3	\$13,714	Franklin	1	\$2,350	Gibson	6	\$22,873
Cumberland	2	\$7,784	Giles	1	\$3,625	Hardeman	1	\$7,500
Greene	3	\$19,570	Grundy	4	\$25,300	Hardin	1	\$6,407
Hamblen	1	\$2,375	Hickman	1	\$2,475	Haywood	4	\$21,424
Hamilton	1	\$7,465	Humphreys	1	\$2,700	Henderson	1	\$3,907
Hawkins	3	\$11,077	Jackson	1	\$3,898	Henry	1	\$2,887
Jefferson	1	\$1,824	Lawrence	3	\$13,437	Madison	1	\$7,500
Johnson	1	\$7,310	Lincoln	1	\$6,000	McNairy	2	\$14,316
Marion	7	\$40,174	Marshall	2	\$10,300	Shelby	1	\$999
McMinn	7	\$48,098	Montgomery	2	\$11,443	Tipton	4	\$26,237
Meigs	1	\$5,731	Moore	1	\$3,981	Weakley	1	\$1,235
Monroe	4	\$16,303	Overton	4	\$29,900	West Total	34	\$166,044
Polk	2	\$15,000	Putnam	1	\$6,900			
Rhea	5	\$29,233	Robertson	1	\$3,246			
Roane	1	\$7,280	Sequatchie	4	\$24,615			
Scott	1	\$4,655	Smith	1	\$7,465			
Sevier	1	\$5,962	Sumner	3	\$8,238			
Sullivan	1	\$7,271	Warren	1	\$4,900			
Unicoi	1	\$6,875	Wayne	2	\$6,724			
Union	2	\$12,314	White	1	\$7,450			
East Total	61	\$345,969	Middle Total	42	\$219,308			

Summary by Grand Division		
East TN	61	\$345,969
Middle TN	42	\$219,308
West TN	34	\$166,044
Total	137	\$731,321

Summary

During FY 2013-14, Middle Tennessee received the largest portion of funds, due in large part to the Section 8 Rental Assistance and THDA Homeownership Programs. In regards to the four Consolidated Plan Grant Programs, East Tennessee received 34 percent of the funds, Middle Tennessee received 36 percent of the funds and West Tennessee received 29 percent of the total funds available. The geographic break-outs of the Housing Assistance Payments for the Section 8 Contract Administration Program were not available at the time of this report.

Table 22
Summary of Geographic Distribution
All Programs

Consolidated Plan Grant Programs:	East	Middle	West	Total
Community Development Block Grant	\$9,987,903	\$8,195,718	\$9,003,534	\$27,187,155
HOME Investment Partnership	\$5,493,961	\$8,689,766	\$4,650,256	\$18,833,983
Emergency Solutions Grants	\$0	\$0	\$0	\$0
HOPWA ⁸	\$552,600	\$182,700	\$140,000	\$875,300
Subtotal of HUD Resources Available	\$16,034,464	\$17,068,184	\$13,793,790	\$46,896,438
Other Resources Made Available:	East	Middle	West	Total
Section 8 Rental Assistance	\$4,610,608	\$21,422,706	\$5,695,930	\$31,729,244
Section 8 Contract Administration	Not available	Not available	Not available	\$153,970,916
Low Income Housing Tax Credit	\$4,490,904	\$6,740,072	\$4,580,245	\$15,811,221
Multifamily Bond Authority	\$6,423,874	\$13,750,000	\$0	\$20,173,874
THDA Homeownership Programs	\$49,849,101	\$146,956,603	\$30,615,536	\$227,421,240
BUILD Loan Program	\$0	\$0	\$0	\$0
CITC	\$10,539,200	\$16,947,763	\$1,500,000	\$28,986,963
Emergency Repair Program	\$544,609	\$377,024	\$506,038	\$1,427,671
Rural Repair	\$345,969	\$219,308	\$166,044	\$731,321
Subtotal of Other Resources Available	\$76,804,265	\$206,413,476	\$43,063,793	\$480,252,450
Grand Total	\$92,838,729	\$223,481,660	\$56,857,583	\$527,148,888

⁸ Total does not reflect the \$27,060 in State Administrative funds.

IV. FAMILIES AND PERSONS ASSISTED

HUD Resources Made Available Under the Consolidated Planning Programs

A. Community Development Block Grant (CDBG) Small Cities Program

The following table summarizes data from the 2013 PER Part III: Civil Rights, which reports the CDBG regular round awardees and beneficiaries by race and gender (Appendix A). For the reporting period, the total beneficiaries for the reporting period are 251,859 persons. Of this total, 33,135 are minorities and 39,882 are female heads of household.

**Table 23
Program Demographics
CDBG Program**

Race	Total Served	Percent of Total Served
White	218,724	86.8%
Black/African American	24,534	9.7%
Asian	419	0.2%
American Indian/Alaskan Native	470	0.2%
Native Hawaiian/Pacific Islander	30	0.01%
American Indian/Alaskan Native and White	443	0.2%
Asian and White	481	0.2%
Black/African American and White	780	0.3%
American Indian/Alaskan Native & Black/African American	47	0.02%
Other Multi-Racial	5,931	2.4%
Total	251,859	100%

Information on the benefit to low- and moderate-income (LMI) persons is also reported in the PER. The following table presents a summary of the information derived from CDBG contract closeouts. An expanded table is presented in Appendix A. Based on the information, 252,859 persons are reported as beneficiaries. Of the total beneficiaries, 188,009 or 74 percent are low- and moderate-income persons.

**Table 24
Benefit to Low and Moderate Income Persons
CDBG Program**

Activities	Total Persons Assisted	Total LMI Persons Assisted	Percent of Persons Assisted who are LMI
CDBG	251,859	188,009	75%

B. HOME Investment Partnership

Beneficiary information is obtained for the HOME Program after a project completion report is entered into IDIS and a beneficiary report is obtained from HUD. This year's beneficiary report shows that 152 units were completed with HOME funds during FY 2013-14. The units completed during FY 2013-14 were assisted with HOME funds allocations ranging from program years 2009-2011. Middle Tennessee assisted 87 units, followed by East Tennessee with 50 units and West Tennessee with 15 units.

Very low-income households are those households whose annual income is below 50 percent or less of the area median income (AMI) for the county in which the household resides. Low-income households are those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides. Out of the 152 households assisted during the reporting period, 79 percent were considered very low-income, 20 percent were considered low-income and one percent of the units were missing beneficiary data at the time of this report. The income of beneficiaries, organized by Grand Division, is shown in the table below.

Table 25
Household Income of Beneficiaries
HOME Program

Percent of AMI	Number of Beneficiaries				Percent of Total
	East Tennessee	Middle Tennessee	West Tennessee	Total	
0 – 50%	39	72	9	120	79%
51 – 80%	9	15	6	30	20%
Not Available	2	-	-	2	1%
Total	50	87	15	152	

A more detailed breakdown of HOME Beneficiaries receiving assistance during the reporting period by income and Grand Division is provided in the following table.

Table 26
Income Characteristics of Beneficiaries
HOME Program

Percent of AMI	Number of Beneficiaries				Percent of Total
	East Tennessee	Middle Tennessee	West Tennessee	Total	
0 – 30 %	13	42	5	60	39%
31 – 50%	26	30	4	60	39%
51 – 60%	5	11	4	20	13%
61 – 80%	4	4	2	10	7%
Not Available	2	-	-	2	1%
Total	50	87	15	152	

Owner occupied units comprised the majority of HOME assisted units during the reporting period, followed by renter occupied units. Of the 152 total HOME assisted units, 125 units were owner occupied

units (82 percent). Twenty-five units (16 percent) were renter occupied and 2 units (one percent) were vacant at the time of this report.

Out of the 152 units assisted during the reporting period, 121 units (80 percent) were rehabilitation projects. New construction followed with 12 units (eight percent), acquisition only with nine units (six percent), acquisition and rehabilitation with 8 units (five percent), and acquisition and new construction with two units (one percent).

During the reporting period, 150 of the 152 units were occupied. 77 percent of HOME beneficiaries were white and 23 percent were minorities. Two of the beneficiaries were Hispanic. The tables below describe race and ethnicity information.

**Table 27
Race/Ethnicity Characteristics of Beneficiaries
HOME Program**

Race	East Tennessee	Middle Tennessee	West Tennessee	Total	Percent of Total
White	46	63	6	115	77%
Black/African American	2	23	9	34	23%
Other/Multi-Racial	0	1	0	1	<1%
Total	48	87	15	150	

Ethnicity	East Tennessee	Middle Tennessee	West Tennessee	Total	Percent of Total
Hispanic	2	0	0	2	1%
Non-Hispanic	46	87	15	148	99%
Total	48	87	15	150	

The size of families assisted with HOME funds during the reporting period ranged from one person to six persons. Elderly heads of household were most frequently served, followed by single, non-elderly heads of household. A detailed table with the size and type of household is provided below.

**Table 28
Size and Type of Household
HOME Program**

Household Size	Single, Non-Elderly	Elderly	Related/Single Parent	Related/Two Parent	Other	Not Available	Total
1	26	37	-	-	5	-	68
2	8	16	4	1	7	-	36
3	3	5	11	5	1	-	25
4	2	1	2	6	1	-	12
5	-	1	-	4	3	-	8
6	-	-	-	1	-	-	1
N/A	-	-	-	-	-	2	2
Total	39	60	17	17	17	2	152

C. Emergency Solutions Grants (ESG)

Demographic information has been summarized in the following tables. More detailed demographic information regarding ESG beneficiaries served may be found in Appendix C of this document. East Tennessee served 75 percent of the total beneficiaries during the reporting period, followed by Middle with 17 percent of total beneficiaries and West Tennessee with the remaining 8 percent. White beneficiaries were served most frequently with ESG funds and comprised approximately 75 percent of the total clients served. Black/African American followed with 20 percent of the beneficiaries. The table below shows the number of individuals served by race for each Grand Division.

**Table 29
Beneficiaries by Race
ESG Funds**

Race	East Tennessee	Middle Tennessee	West Tennessee	Total
White	11,663	1,897	900	14,460
Black/African American	2,409	921	598	3,928
Black/African American & White	71	50	33	154
Native Hawaiian/Pacific Islander	5	23	3	31
Asian	20	24	0	44
Asian/White	3	9	0	12
American Indian/Alaskan Native	5	0	6	11
American Indian/Alaskan Native/White	40	1	0	41
American Indian/Alaskan Native/Black	0	3	0	3
Other/Multi Racial	291	357	12	660
Total	14,507	3,285	1,552	19,344

Of the total beneficiaries served with ESG funds, 55 percent were female and 41 percent were male. For four percent of the total beneficiaries, the gender information was unavailable. The table below shows the gender of beneficiaries by Grand Division.

**Table 30
Beneficiaries by Gender
ESG Funds**

Gender	East Tennessee	Middle Tennessee	West Tennessee	Total
Female	8,290	2,043	723	11,056
Male	6,217	1,242	829	8,288
Unavailable	0	0	0	0
Total	14,507	3,285	1,552	19,344

Seventy percent of the total beneficiaries served with ESG funds earn between zero and 30 percent of the Area Median Income (AMI). Seven percent earned between 30 and 60 percent of the AMI and just one percent earned between 60 and 80 percent of the AMI. For 22 percent of ESG beneficiaries, income

information was unavailable. The table below shows the income category of ESG beneficiaries by Grand Division. It is important to note that domestic violence victims are served regardless of income and are included in the total count of beneficiaries.

Table 31
Income of Beneficiaries
ESG Funds

Income	East Tennessee	Middle Tennessee	West Tennessee	Total
0 – 30% of AMI	10,053	2,274	1,201	13,528
30 – 60% of AMI	802	471	113	1,386
60 – 80% of AMI	201	29	22	252
Unavailable	3,451	511	216	4,178
Total	14,507	3,285	1,552	19,344

D. Housing Opportunities for Persons with AIDS (HOPWA)

During the reporting period, the HOPWA program reported activity for 443 individuals with HIV/AIDS and 358 affected family members as beneficiaries of HOPWA services. A total of 801 beneficiaries were served. Of those beneficiaries, 67.3 percent were male, 32.3 percent were female and 0.3 percent were transgender. The race, ethnicity and income of HOPWA beneficiaries is presented below.

Table 32
Race and Ethnicity of Beneficiaries
HOPWA Program

Race	Number of Beneficiaries	Percent of Beneficiaries
American Indian/Alaskan Native	3	0.4%
Asian	0	0%
Black/African American	245	30.6%
Native Hawaiian/Other Pacific Islander	0	0%
White	550	68.7%
American Indian/Alaskan Native & White	1	0.1%
Asian & White	0	0%
Black/African American & White	0	0%
American Indian/Alaskan Native & Black/African American	1	0.1%
Other Multi-Racial	1	0.1%
Total	801	100%
Hispanic	43	5.4%

**Table 33
Income of Beneficiaries
HOPWA Program**

Income	Number of Households	Percent of Households
0 – 30% of AMI	235	53%
30 – 60% of AMI	169	38%
60 – 80% of AMI	39	9%
Total	443	100%

Other Resources Made Available

E. HUD Section 8 Tenant Based Housing Choice Voucher Program

THDA manages the Section 8 Tenant Based Rental Assistance Program. The following tables represent basic demographic data based on the 6,693 heads of household participating in the program. Out of the 6,693 households, 64 percent were families with dependents and 12 percent were elderly. Ninety percent of the households had a female head of household. Information on income and race/ethnicity is presented below.

**Table 34
Select Demographic Data
Section 8 Tenant Based Housing Choice Voucher Program**

Annual Household Income	Number of Participant Households	Percent of Total Participant Households
\$0	10	0.2%
\$1 – \$5,000	243	3.6%
\$5,001 – \$10,000	1,626	24.3%
\$10,001 – \$15,000	1,936	28.9%
\$15,001 – \$20,000	1,145	17.1%
\$20,001 – \$25,000	811	12.1%
Above \$25,000	922	13.8%
Total	6,693	100%

Sources of Household Income*	Number of Participant Households	Percent of Total Participant Households
Any wages	2,321	34.7%
TANF	835	12.5%
SS/SSI	2,018	30.2%
Child Support	1,791	26.8%
Other Income	6,157	92.0%
*Household may have more than one source of income		

Race	Number of Participant Households	Percent of Total Participant Households
White	2,486	37.14%
Black/African American	4,181	62.47%
Asian	9	0.13%
Native Hawaiian/Other Pacific Islander	8	0.12%
American Indian/Alaska Native	9	0.13%
Total	6,693	100%

Ethnicity	Number of Participant Households	Percent of Total Participant Households
Hispanic	124	1.9%
Non-Hispanic	6,569	98.1%
Total	6,693	100%

F. HUD Section 8 Contract Administration Program

THDA also manages the Section 8 Project Based Rental Assistance program. The table below provides point in time demographic information regarding the tenants who occupy the Section 8 units. There are a total of 49,468 total family and non-family members in the 29,219 units.

Table 35
Tenant Characteristics
Section 8 Project Based Rental Assistance

Section 8 Project Based Participants	East	Middle	West	Total
<i>Race</i>				
White	13,168	8,476	3,578	25,222
Black	3,395	6,611	13,453	23,459
Asian	36	122	32	190
American Indian Or Alaska Native	106	56	22	184
Native Hawaiian Or Other Pacific Islander	8	16	6	30
Unknown	187	191	5	383
Total Residents	16,900	15,472	17,096	49,468
<i>Ethnicity</i>				
Hispanic	334	343	117	794

Table 36
Head of Household Characteristics
Section 8 Project Based Rental Assistance

Section 8 Project Based Participants	East	Middle	West	Total
<i>Income Category</i>				
0% – 30% of AMI	9,813	8,332	8,374	26,519
31% – 50% of AMI	962	922	720	2,604
51% – 80% of AMI	37	35	24	96
Total Head of Households	10,812	9,289	9,118	29,219
<i>Age</i>				
62 and older (as of 6/30/2014)	3,944	3,831	3,317	11,092
<i>Disability</i>				
Mobility, Hearing, or Visually Impaired	226	274	197	697

G. Low Income Housing Tax Credit

During FY 2013-14, 41,402 residents benefitted from Low Income Housing Tax Credits (LIHTC). Of those residents, 36 percent lived in Middle Tennessee, 33 percent in West Tennessee, and 31 percent in East Tennessee. The state’s most populous counties, Shelby and Davidson, had the highest number of residents living in LIHTC properties.

Table 37
Units Assisted by County and Grand Division
LIHTC

East Tennessee	Contract Units
Anderson	446
Bledsoe	33
Blount	93
Bradley	530
Campbell	161
Carter	289
Claiborne	58
Cocke	277
Cumberland	244
Grainger	85
Greene	244
Hamblen	286
Hamilton	1,892
Hancock	46
Hawkins	96
Jefferson	93
Johnson	44
Knox	3,737
Loudon	291
Marion	41
McMinn	316
Monroe	130
Morgan	40
Polk	52
Rhea	86
Roane	179
Scott	23
Sevier	314
Sullivan	1,395
Unicoi	73
Union	99
Washington	1,016
East Total	12,709

Middle Tennessee	Contract Units
Bedford	368
Cannon	50
Cheatham	136
Clay	56
Coffee	460
Davidson	5,438
DeKalb	79
Dickson	597
Fentress	211
Franklin	91
Giles	167
Grundy	107
Hickman	39
Humphreys	20
Jackson	48
Lawrence	111
Lincoln	103
Macon	59
Marshall	114
Maury	542
Montgomery	1,111
Moore	34
Overton	45
Putnam	278
Robertson	367
Rutherford	1,242
Sequatchie	86
Smith	96
Sumner	860
Van Buren	47
Warren	269
Wayne	168
White	127
Williamson	355
Wilson	1,152
Middle Total	15,033

West Tennessee	Contract Units
Benton	107
Carroll	45
Chester	60
Crockett	30
Dyer	131
Fayette	160
Gibson	76
Hardin	120
Haywood	364
Henderson	86
Henry	231
Lake	114
Lauderdale	236
Madison	1,295
McNairy	86
Obion	60
Shelby	9,994
Tipton	348
Weakley	117
West Total	13,660

Summary of Units	
By Grand Division	
Division	Units
East TN	12,709
Middle TN	15,033
West TN	13,660
Total	41,402

Of the total beneficiaries of the LIHTC program, 45 percent identified as Black or African American, while 38 percent identified as White. One percent of the beneficiaries are of Hispanic or Latino origin. The table below details the demographic characteristics of the beneficiaries.

Table 38
Demographics of Participants
Low Income Housing Tax Credit (LIHTC)

Race	Number of Tenants	Percent of Tenants
American Indian/Alaska Native	50	0.1%
Asian	211	0.5%
Black/African American	18,518	44.7%
Native Hawaiian/Other Pacific Islander	58	0.1%
White	15,643	37.8%
Other	135	0.3%
No Response	6,787	16.4%
Ethnicity	Number of Tenants	Percent of Tenants
Hispanic or Latino	413	1.0%
Not Hispanic or Latino	34,201	82.6%
No Response	6,788	16.4%
Gender	Number of Units	Percent of Units
Female	29,710	71.8%
Male	11,683	28.2%

H. Multifamily Bond Authority

Demographic information is not compiled separately for the Multifamily Bond Authority program. Demographic information for this program has been included in LIHTC data and can be found in Table 37 of this report.

I. THDA Homeownership Programs

During FY 2013-14, there were 1,927 first mortgage loans made through the THDA homeownership programs. The largest number of loans was made to married couples, followed by single female and single male households. Detailed information regarding all of THDA's loan programs presented in Table 38.

Table 39
THDA Loans by Household Type
THDA Homeownership Programs

ALL LOANS	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	7	287	211	239	744
Single Male	262	79	15	4	360
Single Female	344	47	9	5	405
Other	11	4	2	6	23
Male with Child	13	27	32	29	101
Female with Child	5	136	90	43	274
Single Parent with Child	10	6	2	2	20
Total	652	586	361	328	1,927

Great Start	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	4	140	114	103	361
Single Male	133	38	8	0	179
Single Female	188	23	2	2	215
Other	3	0	0	0	3
Male with Child	9	12	9	11	41
Female with Child	1	73	25	18	117
Single Parent with Child	4	3	0	1	8
Total	342	289	158	135	924

Great Advantage	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	1	6	2	4	13
Single Male	2	2	1	0	5
Single Female	3	0	0	0	3
Other	0	0	0	0	0
Male with Child					
Female with Child	0	2	0	0	2
Single Parent with Child					
Total	6	10	3	4	23

Great Rate	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	1	20	11	11	43
Single Male	18	6	0	1	25
Single Female	17	5	2	2	26
Other	1	0	0	0	1
Male with Child	1	2	3	4	10
Female with Child	1	8	6	0	15
Single Parent with Child	1	0	0	0	1
Total	40	41	22	18	121

New Start	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	0	3	4	12	19
Single Male	4	1	0	0	5
Single Female	6	2	0	0	8
Other	3	2	2	2	9
Male with Child	2	1	0	1	4
Female with Child	0	12	18	9	39
Single Parent with Child	0	0	1	1	2
Total	15	21	25	25	86

Great Choice	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	0	10	2	9	21
Single Male	12	2	1	1	16
Single Female	9	0	0	0	9
Other	0	0	0	1	1
Male with Child	0	0	2	1	3
Female with Child	0	3	2	2	7
Single Parent with Child					
Total	21	15	7	14	57

Great Choice Plus	1 Person	2 Persons	3 Persons	4+ Persons	Total
Married Couple	1	108	78	100	287
Single Male	93	30	5	2	130
Single Female	121	17	5	1	144
Other	4	2	0	3	9
Male with Child	1	12	18	12	43
Female with Child	3	38	39	14	94
Single Parent with Child	5	3	1	0	9
Total	228	210	146	132	716

The income levels for homeownership loans varied by loan program. For the Great Start program, the average income level was \$51,201, Great Advantage was \$55,201, Great Rate was \$46,151 and New Start was \$27,341. Average income by household type for each of the programs is presented in the below table. The average income levels for THDA's newest loan programs, Great Choice and Great Choice Plus, are \$44,365 and \$53,060 respectively.

Table 40
Average Income by Household Type
THDA Homeownership Programs

Program	ALL LOANS	
	HHs	Average Income
Married Couple	744	\$57,616
Single Male	360	\$48,916
Single Female	405	\$44,216
Other	23	\$38,317
Male with Child	101	\$51,682
Female with Child	274	\$44,841
Single Parent with Child	20	\$41,002
Total	1,927	\$50,647

Program	Great Start		Great Advantage		Great Rate	
Household Type	HHs	Average Income	HHs	Average Income	HHs	Average Income
Married Couple	361	\$59,308	13	\$60,036	43	\$51,501
Single Male	179	\$49,503	5	\$49,361	25	\$44,807
Single Female	215	\$44,024	3	\$45,326	26	\$41,258
Other	3	\$31,778	0	NA	1	\$26,033
Male with Child	41	\$51,161	0	NA	10	\$56,704
Female with Child	117	\$48,002	2	\$53,189	15	\$36,971
Single Parent with Child	8	\$39,290	0	NA	1	\$29,225
Total	924	\$51,810	23	\$55,201	121	\$46,151

Program	New Start		Great Choice		Great Choice Plus	
Household Type	HHs	Average Income	HHs	Average Income	HHs	Average Income
Married Couple	19	\$28,611	21	\$48,192	287	\$58,903
Single Male	5	\$25,840	16	\$43,881	130	\$50,389
Single Female	8	\$21,844	9	\$42,062	144	\$46,392
Other	9	\$26,115	1	\$56,493	9	\$51,318
Male with Child	4	\$25,373	3	\$53,547	43	\$53,327
Female with Child	39	\$28,411	7	\$31,285	94	\$49,810
Single Parent with Child	2	\$29,580	0	NA	9	\$46,370
Total	86	\$27,341	57	\$44,365	716	\$53,060

The following table presents mortgage program data by race/ethnicity and age. During the reporting period, 27.1 percent of all mortgages were made to minorities and 72.9 percent were made to non-minorities. Following White households, Black/African American Households were most frequently served by THDA's Homeownership Programs.

Table 41
Race/Ethnicity of Borrower
THDA Homeownership Programs

Race	Number of Primary Borrowers	Percent of Primary Borrowers
White	1,404	72.9%
Black/African American	469	24.3%
Asian	24	1.2%
American Indian/Alaskan Native	1	0.1%
Native Hawaiian/Pacific Islander	3	0.2%
Multi-Racial	0	0%
Other/Unknown	26	1.3%
Total	1,927	100%
Ethnicity	Number of Primary Borrowers	Percent of Primary Borrowers
Hispanic	90	4.7%
Non-Hispanic	1,837	95.3%
Total	1,927	100%

Households ages 29 and younger accounted for 41.7 percent of all mortgages made during the reporting period. The table below shows mortgages by age of the primary borrower.

Table 42
Age of Borrowers
THDA Homeownership Programs

Age Group	Number of Primary Borrowers	Percent of Total Primary Borrowers
Less than 25	388	20.1%
25 – 29	415	21.5%
30 – 34	382	19.8%
35 – 39	210	10.9%
40 – 44	138	7.2%
45 +	394	20.5%
Total	1,927	100%

J. BUILD Loan Program

There was no activity to report in the BUILD Loan Program for FY 2013-14.

K. Community Investment Tax Credit

During FY 2013-14, THDA and the Tennessee Department of Revenue, awarded credits through CITC for 33 different affordable housing projects with a total investment amount of \$28,986,963. The projects eligible under the CITC program will contribute to the availability of approximately 777 units of

affordable housing for 997 beneficiaries. Demographic data regarding the beneficiaries of CITC projects was not available at the time of this report.

L. Emergency Repair Program

The Emergency Repair Program (ERP) provides grants to low-income homeowners that are age 60 years or older to correct, repair or replace an essential system and/or critical structural problem. During the reporting period, the ERP assisted 151 units and 227 total family members. The majority of beneficiaries were in East Tennessee (37.1 percent), followed by West Tennessee (33.1 percent) and Middle Tennessee (29.8 percent). While all of the beneficiaries of the ERP are elderly and low-income, more detailed beneficiary information can be found below.

Table 43
Beneficiary Characteristics
Emergency Repair Program

Income Category	East	Middle	West	Total
0 – 30% of AMI	20	21	19	60
31 – 50% of AMI	27	19	22	68
51 – 60% of AMI	8	5	8	21
Unknown	1	-	1	2
Total Heads of Household	56	45	50	2

Race	East	Middle	West	Total
White	50	27	13	90
Black/African American	6	17	36	59
Asian	-	1	-	1
Unknown	-	-	1	1
Total Heads of Household	56	45	50	151

Ethnicity	East	Middle	West	Total
Hispanic	-	-	1	1
Not Hispanic	56	45	48	149
Unknown	-	-	1	1
Total Heads of Household	56	45	50	151

M. Rural Repair

All of the beneficiaries of THDA’s Rural Repair Program, which is administered in partnership with USDA, are low-income. During the reporting period, the Rural Repair Program assisted 137 units. The table presents other information regarding the program’s beneficiaries.

Table 44
Demographics and Household Size
Rural Repair Program

Rural Repair Participants	East	Middle	West	Total
<i>Household Type</i>				
Elderly or Disabled	98.4%	100%	94.1%	97.8%
Non-Elderly/Non-Disabled	1.6%	0%	5.9%	2.1%
<i>Race</i>				
White	96.7%	78.6%	20.6%	72.3%
Black	3.3%	19.0%	79.4%	27.0%
Other Race	0%	2.4%	0%	0.7%
<i>Household Size</i>				
1	72.1%	64.3%	67.7%	68.6%
2	23.0%	28.6%	17.7%	23.4%
3	1.6%	7.1%	2.9%	3.7%
4	3.3%	0%	2.9%	2.2%
5	0%	0%	5.9%	1.4%
6	0%	0%	2.9%	0.7%
Total Heads of Household	61	42	34	137

Summary

Overall, the four formula programs assisted 272,004 individuals and an additional 152 households. The CDBG program served 251,859 persons and the majority of the beneficiaries were low- to moderate-income. During the reporting period, the HOME program completed 152 units and 79 percent of the households receiving assistance were very low-income. The remaining households were low-income. The ESG funds assisted 19,344 homeless individuals or individuals who are at risk of homelessness. The HOPWA program assisted 443 individuals with HIV/AIDS and an additional 358 affected family members for a total of 801 beneficiaries. All of the HOPWA beneficiaries were low-income.

Other resources contributing to affordable housing and community development also assisted a large number of Tennesseans. The Section 8 Tenant Based Housing Choice Voucher program assisted 6,693 households and the Section 8 Project Based Rental Assistance program provided assistance to 49,468 individuals. The LIHTC and Multifamily Bond authority assisted 41,402 individuals and the THDA Homeownership Programs helped 1,927 households secure a loan. The CITC program contributed to 777 units of affordable housing that benefitted 997 individuals. The ERP assisted 277 persons and Rural Repair assisted 137 persons.

Together, the four Consolidated Plan Grant Programs and programs providing other affordable housing resources served 372,855 individuals and an additional 152 units of affordable housing.

STATE OF TENNESSEE
FISCAL YEAR 2013-14 CAPER
PART II
ASSESSMENT OF ANNUAL PERFORMANCE

V. REVIEW AND ASSESSMENT OF PRIORITIES AND ACTION STEPS

A. Review of Priorities and Action Steps

The HUD Performance Measurement Outcome System states the following three objectives: to create a suitable living environment, to provide decent housing and to create economic activities. In the five-year Consolidated Plan, the State of Tennessee established four priorities that compliment HUD's three performance measurement objectives and are related to housing and non-housing community development needs. These priority areas were approved by HUD in the State's 2010-15 Consolidated Plan. Each of the four priorities list action steps that coincide with the intent of the four priority areas. The "Assessment of Annual Performance" section of the FY 2013-14 CAPER focuses specifically on the four priority areas and the State's progress in meeting objectives. The four priorities and their corresponding actions steps are as follows:

Housing

1. Preserve the affordable housing stock, increase the amount of affordable housing and increase home ownership opportunities.

Action Steps:

- 1) Preserve the affordable housing stock through housing rehabilitation targeted toward very low-, low- and moderate-income populations in the state.
- 2) Encourage the production of multifamily housing to serve low-income individuals in the state.
- 3) Target funds towards housing for elderly residents in the state with an emphasis on handicapped accessibility.
- 4) Encourage the preservation of 2-3 bedroom affordable housing units for low-income families in the state.
- 5) Increase/maintain the number of housing facilities in the state for homeless individuals.
- 6) Increase the ownership rates, especially among lower income and minority households.

Non-Housing Community Development Needs

2. Provide for the viability of communities through ensuring infrastructure, community livability, health and safety, and economic development.

Action Steps:

- 7) Provide for the safety and well-being of low- and moderate- income families in the state by improving the quality and quantity of water in areas which do not have safe, reliable water sources.
 - 8) Provide safe, reliable wastewater services to low- and moderate-income families in underserved areas of the state.
 - 9) Provide economic development opportunities through financing of infrastructure development, manufacturing facilities and equipment that support job creation for low and moderate income people.
 - 10) General enhancement of quality of life of low and moderate income neighborhoods throughout the state.
3. Provide for the housing and supportive services needs of homeless individuals and other special needs populations.

Action Steps:

- 11) Support the acquisition and rehabilitation of facilities to house homeless persons or those at risk of homelessness.
 - 12) Provide funds to assist persons at risk of homelessness.
 - 13) Increase the amount of services provided to mentally ill homeless.
 - 14) Encourage programs to support children in homeless facilities to receive preventative and emergency medical care, as well as other development or cognitive services.
 - 15) Provide supportive services and housing-related services for persons who are HIV positive or have AIDS.
4. Affirmatively further fair housing and ensure access to business opportunities in the state for women and minority-owned businesses.

Action Steps:

- 16) Conduct an Analysis of Impediments to Fair Housing Choice in the state.
- 17) Convene fair housing and Title VI workshops in the state for local governments, grantees, housing providers, advocates and consumers.
- 18) Provide fair housing information throughout the state, informing citizens of their housing rights.

- 19) Encourage reporting of fair housing violations by making citizens aware of their rights and providing information on access to fair housing advocates and organizations in the state.

B. Assessment of Progress in Meeting Priorities

This section speaks generally about the state's progress in working towards each of the four priority areas discussed above. The following section discusses in greater detail the state's progress in providing affordable housing and the state's performance in terms of the specific action steps associated with each of the four priority areas. While the action steps focus on shorter-term goals that can be accomplished in one to three years, the priority areas represent general and longer-term goals of the four Consolidated Partners.

Housing

1. Preserve the affordable housing stock, increase the amount of affordable housing and increase home ownership opportunities.

The State of Tennessee's first priority area specifically focuses on the provision of affordable housing opportunities throughout the state, whether through preserving the affordable housing stock that already exists, increasing the number of new affordable housing stock or by creating new homeownership opportunities. Each aspect of the first priority area and the state's progress is addressed individually.

In regards to preserving the affordable housing stock, both the CDBG and HOME Programs work towards this goal through homeowner and rental rehabilitation activities. In FY 2013-14, CDBG applicants proposed to rehabilitate 10 homes. In FY 2013-14, the HOME Program completed 113 homeowner rehabilitations, which comprised 74 percent of the total projects completed under the HOME Program during the reporting period. Sixteen rental rehabilitations were also completed during the fiscal year.

Other programs that contribute to preservation of the affordable housing stock through rehabilitation include: THDA's BUILD Loan Program, the Community Investment Tax Credit (CITC) Program, the Low Income Housing Tax Credit (LIHTC) Program and Multifamily Bond Authority Programs, the Emergency Repair Program (ERP) and the Rural Repair Program (RRP). ERP corrected, repaired or replaced an essential system and/or critical structural problem for 151 units during the reporting period and the Rural Repair Program completed an additional 137 rehabilitations. A portion of the 777 units to be created by the CITC Program, which will house up to 997 households, will be rehabilitated units. The LIHTC Program, along with the Multifamily Bond Authority, will provide 1,137 rehabilitated units.

A number of programs work to increase the amount of affordable housing in Tennessee by creating new single family and multifamily units and maintaining existing units. Fourteen new construction units were completed during the fiscal year with funds previously awarded through the HOME

Program. Other programs working to create new units include the CITC program, which will provide 32 new units, along with the LIHTC program and Multifamily Bond Authority program, which will together provide 1,003 new low-income multifamily units⁹. During the fiscal year, these programs will contribute to the creation of 1,035 total units of affordable housing.

New homeownership opportunities are created through the HOME Program and THDA's various Homeownership Programs. THDA's Homeownership programs provided loans to 1,927 households in the amount of \$227,421,240. Starting in October 2013, THDA discontinued offering Great Rate, Great Start and Great Advantage program loans and introduced the Great Choice and Great Choice Plus loan programs.

The above programs and projects contribute to the completion of action steps one through six.

Community Development Needs

2. Provide for the viability of communities through ensuring infrastructure, community livability, health and safety, and economic development.

All four of the Consolidated Plan grant programs contribute to each aspect of the second priority either directly or indirectly through the provision of services that contribute to the enhancement of infrastructure, community livability, health and safety and economic development. Each aspect of the priority area is discussed separately below.

In regards to infrastructure, three of the four Consolidated Plan grant programs contribute to the improvement of infrastructure in Tennessee. The CDBG program contributed 79 percent of its FY 2013-14 awards to public facilities and water and sewer programs. Approximately 12 percent of the funds will go towards clearance and relocation and approximately three percent will go towards residential rehabilitation. Each of these activities seeks to improve existing infrastructure or build new infrastructure. The HOME Program seeks to improve existing housing infrastructure or build new infrastructure through the provision of new affordable housing and the rehabilitation of existing affordable housing. ESG funds may be used towards the rehabilitation or conversion of shelters, which also contributes to existing housing infrastructure.

Other programs included in this report and contributing to the maintenance of housing infrastructure through both single and multi-family housing rehabilitation include: the LIHTC Program, the Multifamily Bond Authority, the BUILD Loan Program, the CITC Program, the ERP and the Rural Repair Program. Programs contributing to housing infrastructure through new construction of single and multi-family housing include: the LIHTC Program, the Multifamily Bond Authority, the BUILD Loan Program and the CITC Program.

⁹ The LIHTC program will also contribute to the creation of 14 market rate multifamily units.

The four Consolidated Partners see the availability of affordable housing and affordable housing opportunities as contributing to community livability. Similarly, the health and safety of neighborhoods and communities contribute to a community's livability. Each of the four formula programs contributes to community livability and the health and safety of communities. The CDBG program contributes to livability through its housing rehabilitation, public facilities and water and sewer projects as well as to projects that are specifically qualified as Community Livability projects and involve the purchase of fire trucks, drainage improvements, building health and community centers and other proposed projects that contribute to the health and safety of the community. For the 2013-14 year, those projects totaled \$2,761,299. New construction and upgrades to public facilities, as well as water and sewer projects directly contribute to the health and safety of neighborhoods. Access to essential services and clean water are important to the health and safety of a community.

The HOME Program also contributes to the livability of communities by improving the availability of affordable housing through rehabilitation and new construction activities. Upgrades to existing housing works to create safe rental units and homeowner occupied units. All of the FY 2013-14 HOME funds, with the exception of administrative costs and homeowner down payment assistance, will be used towards rehabilitation and new construction of affordable housing. Access to the special services provided through the HOPWA and ESG programs also contribute to the livability of communities and the health and safety of those communities. Emergency shelters make communities more livable for homeless persons and those at risk of homelessness. The services provided through homeless prevention and rapid re-housing address the availability of safe and affordable housing. Finally, the HOPWA Program through its Supportive Services and Short-Term Rent, Mortgage, and Utility (STRMU) Assistance program make communities more livable for its beneficiaries. Supportive Services provided through the program also contribute to the health and safety of its participants.

Other programs that contribute to the livability of communities by providing new affordable housing, rehabilitation of existing affordable housing and rental opportunities include: the Section 8 Project Based and Tenant Based Housing Choice Voucher programs, the LIHTC Program, the Multifamily Bond Authority, the BUILD Loan Program, the CITC Program, THDA Homeownership Programs, the ERP and the Rural Repair Program.

Out of the four formula programs, the CDBG program is most involved in economic development activities. Economic development is one of the project categories in which CDBG funds can be used. Of the funds available in FY 2013-14, 82 percent was used towards public facilities and water and sewer projects. These projects contribute to the economic development opportunities in the communities where the CDBG projects take place. Additionally, CDBG has funds available for specific economic development projects that are tied to direct job creation. FY 2013-14 funds were not set aside for these projects because the CDBG Economic Development Loan program has loan repayment funds available that must be drawn down prior to the allocation of regular round funding. In addition to the CDBG Program, the HOME Program contributes to economic

development through the jobs that are created as a result of new construction and affordable housing rehabilitation. The HOME program contributes to the local economy through ongoing construction and rehabilitation.

Each year, THDA estimates the economic impact of THDA activities on the broader economy. In addition to benefiting individuals and families, THDA's affordable housing programs create additional jobs, income and spending in the local economy and add to state and local revenues. In 2013, the total contribution of THDA's affordable housing programs to the local economy was estimated at \$835 million. This estimation is the sum of direct THDA spending, indirect business to business transactions in Tennessee's economy and additional employee spending. Programs contributing to the total economic impact include: the Emergency Solutions Grant (ESG) Program, THDA Homeownership Programs, LIHTC, the Multifamily Bond Authority, the Section 8 Housing Choice Voucher Program, the CITC Program, the Rural Repair Program, the ERP for the Elderly and other THDA programs that are not detailed in this report.

Projects and programs discussed above contribute to the completion of action steps seven through ten.

3. Provide for the housing and supportive services needs of homeless individuals and other special needs populations.

The third priority area focuses on supportive services for homeless individuals and other special needs populations. The two formula programs that are primarily responsible for addressing this priority area are the ESG and HOPWA Programs. ESG specifically provides services for individuals and families who are homeless and persons who are at risk of homelessness. The HOPWA Program provides housing assistance and related supportive services to persons living with HIV/AIDS and their families, which is considered a special needs population.

The 2013 ESG Allocation of funds, \$2,226,946, was not allocated until July 1, 2014. ESG funds were awarded for the operation and maintenance of homeless shelters, essential services, homeless prevention, rapid re-housing, HMIS and program administrative costs.

During the reporting period, the HOPWA program assisted 443 individuals with HIV/AIDS and 358 affected family members. Beneficiaries of the program receive assistance in five areas. The first program area is the housing information services program, which may include counseling, information and referral services to help clients locate, acquire, finance and maintain housing. The second area is Short-Term Rent, Mortgage and Utility (STRMU) assistance, which intends to prevent homelessness of either a tenant or mortgage holder over a specified period of time. The supportive services program is the third program component and includes health, mental health, drug and alcohol abuse treatment and counseling, day care, nutritional services, intensive care and assistance in gaining other local, state and federal government services. The fourth program area is the permanent housing placement program, which provides housing placement services to help clients

establish a new residence. The final program area is the Ongoing Housing Assessment Plan, which provides periodic reviews of housing needs, investigation of homelessness and current health issues to help assist individuals manage resources, track progress and access community care.

The HOME Program also contributes to special needs populations' housing through the Special Needs Set Aside, which may comprise up to 10 percent of the total allocation of HOME funds. During the reporting period, THDA distributed the state's 2012 allocation of \$9,924,071 along with the majority of the 2013 allocation of \$9,474,797, including reallocating \$1,488,312 from 2011 funds and \$330,436 in program income from 2012 and 2013. In total, THDA distributed \$18,833,983 in program funds during FY 2013-14. Of the funds allocated during the reporting period, \$1,030,361 was awarded in the Supportive Housing Development Round.

The programs and activities discussed above work towards action steps 11-15.

4. Affirmatively further fair housing and ensure access to business opportunities in the state for women and minority-owned businesses.

Each of the four formula programs contributed towards this priority area through program administration and in other efforts related to affirmatively furthering fair housing. The development of a statewide Analysis of Impediments to Fair Housing Choice and improvements made to activities that affirmatively further fair housing are explained in detail in Section VIII of this report. This section discusses how each program ensures subrecipients of the four formula programs are also working towards the action steps associated with each priority area.

In regards to the administration of the program, ECD ensures requirements related to fair housing and women and minority-owned businesses are fulfilled through its program requirements. All grantees of CDBG funds are required to comply with Civil Rights requirements and the Fair Housing Act. Grantees must demonstrate: affirmative steps to promote fair and equal access to housing; regardless of the grant or amount of grant; equal opportunities are afforded to all persons and no person shall be excluded or denied program benefits on the basis of race, color, religion, sex, national origin, age or disability; minority and female-owned businesses must be informed of grant funded contracts and affirmative steps must be taken to assure this; and to the greatest extent feasible, Section 3 resident and business concerns should be given preference in employment, training and contracting. The ways in which ECD has completed action steps and contributed to this priority area are described in Section VIII of this report.

The HOME Program, administered by THDA, states that "no person in the United States shall on the grounds of race, color, religion, sex, familiar status, national origin, age or disability be excluded from participation, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds." Subrecipients of HOME funds must comply with all federal requirements that are applicable to HOME projects. THDA also requires local programs to adopt affirmative marking procedures and requirements, which must be approved by THDA prior to any

HOME funds being committed to a project of five or more units. Subrecipients are required to maintain records of their actions for HUD's Office of Fair Housing and Equal Opportunity (FHEO) monitoring purposes, including advertisements for employment and documentation of subsequent applications and individuals hired. HOME subrecipients receive fair housing training when they attend the HOME Workshops, which include a session dedicated to fair housing. Activities in which THDA engaged to fulfill its obligation to further fair housing and work towards this priority area are included in Section VIII of this report.

All ESG subrecipients must perform and document actions in the area of enforcement and promotion of affirmatively furthering fair housing. They must also carry out a minimum of one activity a year to promote fair housing. Non-discrimination and equal opportunity laws are also applicable to ESG projects and subrecipients. Publicity surrounding the availability of shelter facilities reaches all persons regardless of handicap, race, color, religion, sex, age, familial status or national origin. Activities conducted by THDA and related to this priority area are found in Section VIII of this document.

HOPWA project sponsors are required to comply with anti-discrimination legislation including the Americans with Disabilities Act, Title VI and the Fair Housing Act. Title II of the ADA directly influences neighborhoods where minimal public investment has led to poor living standards. HOPWA funds are made available to help upgrade and transform these neighborhoods. All HOPWA funds are used to assist clients regardless of race, color, religion, national origin, disability and familial status. HOPWA's contract with project sponsors contains anti-discrimination conditions and grantees are required to show proof of nondiscrimination and must post notices of nondiscrimination. Actions related to this priority area and completed during the reporting period by DOH are included in Section VII of this report.

The above actions by the Consolidated Partners in reference to the administration of their programs work towards the completion of action steps 18 and 19. Actions taken to conduct an Analysis of Impediments to Fair Housing Choice (action step 16) and efforts to convene fair housing and Title VI workshops (action step 17) are detailed in Section VII of this report.

VI. EVALUATION OF THE JURISDICTION'S PROGRESS IN PROVIDING AFFORDABLE HOUSING

HUD Resources Made Available Under the Consolidated Planning Programs

HUD's Performance Measurement Outcome System and the State of Tennessee's four priority areas emphasize the importance of providing affordable housing throughout the state. The following section provides an evaluation of the jurisdiction's progress in meeting the objective of providing affordable housing and also assesses the State's progress in terms of the action steps associated with each of the four priority areas. Each program, including programs that contribute to affordable housing, outside of the four Consolidated Plan grant programs, is addressed individually and the ways in which it contributes to the priority of providing affordable housing is described below. State Table 3B, included in Appendix E of this document, also shows the State of Tennessee's completion of affordable housing goals.

A. Community Development Block Grant (CDBG) Small Cities Program

During the reporting period, CDBG funds assisted with 1 affordable housing activity. The CDBG program rehabilitated 8 existing units. With FY 2014-15 funds, the CDBG Program proposes rehabilitating or rebuilding 28 housing units in three communities. Rehabilitation activities delivered through the CDBG Program specifically addresses Action Steps 1, 4, and 10.

B. HOME Investment Partnership (HOME)

The HOME Program works to provide affordable housing through homeowner rehabilitation, rental rehabilitation, homeownership and new construction. In FY 2013-14, the HOME Program contributed to the completion of 152 units of affordable housing, utilizing funds from various program years. Subrecipients of FY 2013-14 funds have proposed to provide for or rehabilitate an additional 464 units of affordable housing. All beneficiaries of the HOME program are low- and moderate-income. The activities provided by the HOME Program specifically address Action Steps, 1, 2, 3, 4, 6 and 10.

C. Emergency Solutions Grants (ESG)

ESG works to provide affordable housing through its Homeless Assistance and Homeless Prevention activities, which include Rapid Re-Housing and Homelessness Prevention. During the reporting period, the ESG Program assisted over 19,000 Tennesseans with ESG funds. The ESG program provided 759 bed spaces during the reporting period. Activities and services delivered through the ESG Program, specifically address Action Steps 5, 11, 12, 13 and 14.

D. Housing Opportunities for Persons with AIDS (HOPWA)

During the reporting period, the HOPWA program assisted 443 individuals with HIV/AIDS and 358 family members. The HOPWA Program provides for affordable housing through its Housing Information Services Program, Short-term Rent, Mortgage and Utility Payment Program and its Permanent Housing Placement Program. The programs and services offered through the HOPWA Program specifically address Action Steps 11, 12, 14 and 15.

Other Resources Made Available

E. HUD Section 8 Housing Choice Voucher Program

At the end of the reporting period, the Section 8 Housing Choice Voucher provided rental assistance to 6,693 households and \$33,842,784 was made available for the program. This program specifically addresses Action Steps 1, 2, 3 and 4.

F. HUD Section 8 Contract Administration Program

During FY 2013-14 the HUD Section 8 Contract Administration Program provided 29,219 units of affordable housing and Housing Assistance Payments in the amount of \$153,970,916. This program also addresses Action Steps 1, 2, 3 and 4.

G. Low Income Housing Tax Credit (LIHTC) Program

LIHTC issued \$15,811,221 in 2013 tax credits. The LIHTC Program will contribute to the creation or rehabilitation of 2,154 units of affordable housing. The LIHTC Program addresses Action Steps 1, 2 and 4.

H. Multifamily Bond Authority

The Multifamily Bond Authority made \$20,173,874 available to local issuers during Calendar Year 2013. These funds will contribute to the creation or rehabilitation of 512¹⁰ units of affordable housing. The Multifamily Bond Authority addresses Action Steps 1, 2 and 4.

I. THDA Homeownership Programs

THDA's previous homeownership programs: Great Rate, Great Start, Great Advantage and New Start, along with the two new homeownership programs: Great Choice and Great Choice Plus, provide opportunities for low- and moderate-income persons to purchase their first home. During the reporting period, THDA made 1,927 homeownership loans totaling \$227,421,240. The THDA Homeownership Programs address Action Steps 1 and 6.

J. BUILD Loan Program

The BUILD Loan Program builds the capacity of nonprofit organizations to provide affordable housing to low income Tennesseans. There was no BUILD activity to report during FY 13-14. The BUILD Loan Program addresses Action Steps 1, 2 and 4.

K. Community Investment Tax Credit (CITC)

The CITC Program allows financial institutions to obtain a credit against the sum total of taxes imposed when qualified loans, investments, grants or contributions are extended to eligible housing entities for engaging in low income housing activities. Credits were awarded for 33 affordable housing projects with a total investment amount of \$28,986,963 during the reporting period. The CITC Program addresses Action Steps 1, 2 and 4.

¹⁰ The 512 units from the Multifamily Bond Authority Program are also included in the 2,154 units created by the LIHTC Program.

L. Emergency Repair Program for the Elderly (ERP)

ERP provides grants to low income homeowners who are 60 years or older to correct, repair or replace an essential system and/or critical structural problem. During the reporting period, 151 units and 227 individuals were assisted with ERP funds. The ERP Program specifically addresses Action Steps 1, 3 and 4.

M. Rural Repair Program

The Rural Repair Program provides funds for the repair of homes of low income individuals. During the reporting period, the Rural Repair Program assisted 137 units of housing and 201 individuals. The Rural Repair Program specifically addresses Action Steps 1, 3 and 4.

VII. OTHER ACTIONS INDICATED IN THE CONSOLIDATED PLAN AND ACTION PLAN

A. Section 8 Family Self Sufficiency Program

The Family Self Sufficiency (FSS) Program is a part of the HUD Section 8 Housing Choice Voucher Program, which began in 1990 as an effort to enable Section 8 participants to become self-sufficient or independent of welfare assistance. The program is administered by the Rental Assistance Division of THDA with additional federal funds to support FSS staff.

FSS participants sign a five-year contract in which they agree to find employment and identify goals for achieving financial independence. Staff assists participants in identifying goals and provides referrals for resources in the community. Participants are eligible for the establishment of an escrow account, which is based on increased income as a result of employment. The funds in the escrow account may be accessed by the participant once the contract is fulfilled or the family is paying all of their rent.

In 1998, the FSS program was mandated to have 181 participants. Since 1998, over 181 participants have graduated from the program, making the program voluntary. THDA has opted to have 235 slots available to Housing Choice Voucher participants.

B. Rental Assistance Homeownership Voucher Program

The THDA Homeownership Voucher Program offers a mortgage subsidy to low-income families who are not able to afford to purchase a home through traditional financing. With the Homeownership Voucher Program, families typically pay 30 percent of their monthly-adjusted income (or the family's Total Tenant Payment) towards homeownership expenses and THDA pays the difference between the family Total Tenant Payment and the actual monthly mortgage payment. The mortgage assistance payment is paid directly to the lender or loan servicing company and not to the family. At the end of the reporting period, June 30, 2014, 70 home closings had occurred using this program.

C. Lead Based Paint

Title X of the federal Residential Lead Based Paint Hazard Reduction Act of 1992 became effective on December 6, 1996. On September 26, 2000, the Tennessee Department of Environment and Conservation (TDEC) implemented a certification program and compiled a registry of certified lead inspectors, risk assessors, contractors and training facilitators.

In April 2001, HUD and the Environmental Protection Agency (EPA) issued a joint memorandum to clarify Title X requirements for rehabilitation of housing to clarify the definition of abatement under regulations issued by EPA and HUD. It also asserted in the memorandum that HUD and EPA regulations were complementary. On May 2, 2011, THDA and TDEC issued a joint memorandum that allows for the use of HUD regulations in rehabilitation projects. TDEC certified that lead based paint professionals must be used. These joint efforts have enabled rehabilitation efforts to continue.

Each of the four Consolidated Planning grant programs have lead based paint requirements. In regards to the CDBG and HOME programs, subrecipients must give participants of the program notice of possible lead hazards within the unit when the house is dated pre-1978 and must inform them of possible dangers. The Lead Chapter of the HOME Operations manual, which provides further guidance for compliance with HUD regulations, is made available to all grantees and can be found on THDA's website. THDA monitors for compliance with lead based paint regulations during project monitoring. Housing assisted with ESG funds are also subject to the Lead Based Paint Poisoning Prevention Act and based on the activity, must comply with various subparts of the Act.

VIII. ACTIONS TAKEN TO AFFIRMATIVELY FURTHER FAIR HOUSING

A. Statewide Analysis of Impediments to Fair Housing Choice

In October of 2011, the consolidated partners began a series of meetings to modify the current procedures regarding the Analysis of Impediments (AI) to Fair Housing Choice and the state's obligation to affirmatively further fair housing, as a result of comments made by HUD's Office of Fair Housing and Equal Opportunity (FHEO) in regards to the FY 2011-12 CAPER. These conversations continued throughout 2012 and resulted in a decision by the consolidated partners to hire a third-party consultant to assist in the development of a state-wide AI. In October of 2012, a Request for Proposals (RFP) was issued to secure a consultant. Six responses to the RFP were received and were scored and ranked by ECD and THDA staff according to state procurement policies. Western Economic Services (WES) was selected to complete the AI.

A planning meeting was held with ECD, THDA and WES in January, 2013. It was determined that WES would conduct a survey of the 40 largest non-entitlement municipalities in the state to assess local practices and land uses that may span a number of jurisdictions and might not be in the spirit of affirmatively furthering fair housing. WES would hold three fair-housing forums across the state to present information on the AI based on a review of the data available from sources such as the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, the U.S. Bureau of Economic Analysis, etc. A Fair Housing Survey would also be conducted online to give all partners throughout the state a chance to answer questions about their view of fair housing in the state, the challenges and what is needed.

The Forums were held in Jackson, Nashville and Knoxville during the week of March 18, 2013. Participants included housing advocates, representatives of local service agencies, real estate agents, local elected officials and others. More than 140 people attended the forums and were given the chance to view, ask questions of and comment on the preliminary findings of the AI.

The Fair Housing survey was sent out in February 2013 and available through April 2013. More than 850 people completed the survey weighing in on fair housing issues in the public and private sectors. Data from these sources combined with information on the Fair Housing complaints received in the state and data from the Community Reinvestment Act (CRA) and Home Mortgage Disclosure Act (HMDA) were combined to develop a list of impediments to fair housing choice in the state.

The draft of the AI was on the THDA and ECD websites for public comment in May 2013. Comments received were addressed by WES and incorporated in the final draft that was produced in June 2013 and submitted to ECD in July 2013.

In October 2013, WES presented the AI at the Tennessee Governor's Housing Summit (sponsored by THDA). This was the final piece of outreach for the initial release of the study. At the same session, the Metropolitan Development and Housing Authority for Nashville-Davidson County presented their AI to assist the audience in understanding fair housing issues facing the state as a whole as well as a local urban jurisdiction.

Public and private sector impediments were identified along with suggested actions. Based on the AI, THDA and ECD developed Fair Housing Activities, presented in the Annual Action Plan, which were implemented in FY 2013-14. These activities address the identified impediments and show the Consolidated Partners' commitment to affirmatively furthering fair housing in Tennessee. The Consolidated Partners will use the AI, along with the Fair Housing Plan developed from the AI, for the next several years to continue to address impediments, including the current year's Annual Action Plan. The final AI is available on the THDA and ECD websites.

B. Fair Housing Activities and Training

The activities of each agency administering the four Consolidated Plan grant programs are described below.

1. Tennessee Department of Economic and Community Development (ECD), CDBG Program

ECD assumed the lead role for developing and securing a statewide Analysis of Impediments to Fair Housing Choice (AI) study in 2012-13 which was distributed to each of the grantees this year. ECD worked to ensure each grantee had access to the study and used it to develop their fair housing activity that is required as part of their grant agreement. Completion of a Fair Housing Activity is not a specific budget line-item but it is an eligible expense for the communities. For the 2013-14 year, approximately 75 fair housing activities will be conducted in the local communities between the regular round and disaster applications. The Annual Action Plan addresses other fair housing activities and the expected costs of completion.

The overall programmatic activities funded through the CDBG program work towards furthering fair housing across the state. CDBG projects are targeted at improvements, which benefit low and moderate

income people, as well as minorities, persons with disabilities, elderly persons and female-headed households. ECD collects and analyzes data on those served by CDBG projects and reports findings to HUD annually.

In its CDBG manual, ECD informs all grantees of their roles and responsibilities and program requirements. Each grantee is required to conduct a fair housing activity, those activities have to be approved by the Director of Federal Programs. Based on the impediments in the AI, during the 2013-2014 program year, the grantees focused more on educating elected officials about fair housing laws and responsibilities and on communicating fair housing laws to realtors and bankers in their communities. Other activities included various ways to educate the public about their rights. Each grantee must also document relocation that occurs due to grant activities, must include equal opportunity language in their contracts, must create and post an Equal Opportunity Employer policy, must follow Section 3 requirements, must follow Section 504, must involve minority and female contractors and must complete contractor activity reports that outline contracts.

ECD also sponsored, assisted in the planning for, and attended the Tennessee Fair Housing Matters Conference during fair housing month. Together with the consolidated partners, ECD will assist in creating and implementing a strategy to address impediments found in the AI. Throughout the year, ECD will continue to disseminate findings of the AI to subrecipients and will provide educational opportunities for subrecipients on identifying fair housing issues and working to improve existing impediments. A guide for grantees is in development to help them plan for the Fair Housing Activity and assure that it addresses impediments identified in the AI.

Additional fair housing related activities completed by ECD during FY 2013-14 are included in the following table.

**Table 45
FY 2013-14 Fair Housing Activities Completed by ECD**

Action	Cost
Fair Housing Matters Conference sponsorship	\$1,700
Continue to give "Fair Housing Equal Opportunity for All" brochure to program beneficiaries and monitor subrecipients to ensure compliance.	\$250
Make improvements to fair housing webpage, make AI available for review, and add fair housing brochures and educational pieces provided by HUD.	\$200
Continue to monitor subrecipients for compliance with Fair Housing and Equal Opportunity, utilizing Fair Housing and Equal Opportunity checklists.	\$250
Contract with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, ramifications of failure to make reasonable accommodation, codes, zoning and other priority areas.	\$500
Explore opportunities to work with fair housing partners and local/county government associations, including West Tennessee Legal Services and the Fair Housing Council, to develop sample ordinances, resolutions and policies to provide to local governments and subrecipients.	\$800

Present AI findings and fair housing activities at Governor’s Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	\$500
Continue to educate local government staff and subrecipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental housing, failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.	\$500
Total FY 2013-14	\$4,700

2. Tennessee Housing Development Agency (THDA), HOME and ESG Programs

THDA has participated in the planning for a statewide AI with the Consolidated Partners over the last two years and assisted with the development of a timeline to complete the AI and a statewide Fair Housing Plan. THDA is also responsible for providing updates on the state’s progress through Consolidated Planning documents, such as the Annual Action Plan and CAPER, and has provided periodic updates on progress as requested by FHEO. Aside from participating in the development of the AI and the state-wide Fair Housing Plan, THDA engages in a number of fair housing activities through the HOME and ESG programs, as well as other programs administered by THDA that are included in this report.

HOME Program Requirements detailed in the HOME Program Description state that “no person in the United States shall on the grounds of race, color, religion, sex, familiar status, national origin, age or disability be excluded from participation, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds.” The Program Description also details federal requirements as set forth in 24 CFR 5.105(a) that are applicable to HOME projects and include: 24 CFR Part 100, 24 CFR Part 107, 24 CFR Part 1, 24 CFR Part 146, 24 CFR Part 8, 24 CFR Part 6, 42 USC §12101 *et seq.*, 24 CFR Parts 5, 200, 203, 236, 400, 570, 574, 882, 891 and 982, and 24 CFR Part 135. The HOME Operations Manual further discusses applicable federal laws, executive orders and regulations that pertain to fair housing and equal opportunity. THDA HOME grantees must comply with each of the federal laws, executive orders and regulations detailed in Chapter 6, Section 2.1 of the HOME Operations Manual.

Local programs are also required to adopt affirmative marketing procedures and requirements, which must be approved by THDA prior to any HOME funds being committed to a rental or homebuyer project of five or more units. One requirement of affirmative marketing is detailing the methods for informing the public, owners and potential tenants about fair housing laws and the local program’s policies.

In addition to meeting all requirements of the HOME Program Description and HOME Operations Manual, grantees have certain responsibilities to ensure protected persons or groups are not denied benefits. Responsibilities of grantees, which are undertaken throughout the progress of the projects, are outlined in Chapter 6, Section 3 of the HOME Operations Manual. In addition, the HOME Operations Manual requires certain activities of grantees and include: a minimum of one fair housing activity, which includes distribution of the *Fair Housing Equal Opportunity for All* pamphlet to each program applicant, Section 3 activities and documentation, creation and distribution of a policy of nondiscrimination, Equal

Opportunity requirements in construction-generated employment, minority and female solicitation, Section 504 requirements, site and neighborhood standards and consideration of fair housing and local zoning ordinances.

Grantees are required to maintain records of their actions for FHEO monitoring purposes, including advertisements for employment and documentation of subsequent applications and individuals hired. An extensive list of recordkeeping requirements are found in Chapter 6, Section 5 of the HOME Operations Manual. Grantees are monitored during the duration of a project and an Equal Opportunity/Fair Housing/Title VI checklist is used by program monitors to determine compliance with requirements, responsibilities, activities and recordkeeping. This checklist also contains questions regarding complaints filed and any indications of Equal Opportunity and Fair Housing policy violations.

HOME Recipients attend the HOME Workshop, which includes a session dedicated to fair housing, each year at THDA's headquarters. Training for HOME grantees included fair housing basics, fair housing law, how to identify fair housing issues and ways to make the public and clients aware of fair housing and ways to affirmatively further fair housing. The training is attended by HOME administrators located throughout the state. Supplemental fair housing information is provided in the HOME Operations Manual, which is available to the public on THDA's website.

As detailed in the ESG Program Description, all ESG recipients must perform and document action in the area of enforcement and promotion to affirmatively further fair housing. During the grant year, recipients must carry out a minimum of one activity to promote fair housing. Nondiscrimination and equal opportunity laws are also applicable to ESG programs and recipients. The ESG Program Manual requires all grantees to make facilities and services available to all persons and families on a nondiscriminatory basis. Publicity surrounding the availability of shelter facilities should reach all persons regardless of handicap, race, color, religion, sex, age, familial status or national origin. Grantees must also establish additional procedures to disseminate information to those interested in handicap accessible services and facilities. Additionally, grantees are required to give each participant a "Fair Housing for All" brochure. Information regarding fair housing requirements and activities can be found in the ESG Program Guidelines and the ESG Program manual, which is available to the public on THDA's website.

Other THDA programs also engage in fair housing activities similar to those of the ESG and HOME Program. Tennessee's AI and our Action Plan both discuss a significant need of education around Fair Housing. Through multiple efforts, THDA supports the availability and accessibility of fair housing education across the state. Each year, THDA hosts the annual "Peer Session" for education providers of THDA's Homebuyer Education Initiative (HBEI). HBEI agencies providing education to potential homebuyers use the *Realizing the American Dream* manual and deliver training on the Fair Housing Act through multiple curriculum components. The manual used by HBEI agencies covers the rights of potential borrowers or homeowners and helps them identify fair housing issues through examples. Information is provided regarding the Equal Credit Opportunity Act, Truth in Lending Act, Fair Credit Billing Act, Fair Credit Reporting and the Fair Debt Collection Practices Act. Homebuyer education is required for THDA loan programs that provide down payment assistance (Great Choice and New Start) and is voluntary for THDA's other loan programs. The cost of homebuyer education used in conjunction with a THDA loan is paid by THDA. During the reporting period, THDA expended \$83,300 on providing training materials, such as *Realizing the American Dream's* pre-purchase customer's manual and *Keeping the American Dream's* post-purchase customer's manual, in support of HBEI.

During FY 2012-13, THDA contracted with the TN Fair Housing Council to complete a comprehensive Fair Housing training. During FY 2013-14, THDA completed the comprehensive training, which includes Fair Housing, Title VI and LEP training, with divisions not covered in FY 2012-2013. The Fair Housing component lasts approximately three to four hours and covers general and program information facilitated by Tracey McCartney of the TN Fair Housing Council. The Title VI component lasts approximately 30 minutes and is presented by THDA’s Assistant Chief Legal Counsel, Bruce Balcom. The Limited English Proficiency component lasts approximately 30 minutes and is presented by Donna Duarte, Director of Civil Rights Compliance. For the divisions that completed comprehensive Fair Housing & Title VI training in FY 2012-13, refresher Title VI training focused on LEP was conducted by the THDA Director of Civil Rights Compliance & Title VI.

**Table 46
FY 2013-14 Comprehensive Fair Housing, Title VI & LEP Training**

Training Date	Divisions Trained	Number of Staff Trained	Hours	Total Payroll Cost
July 2013	Multiple Divisions – THDA	54	4	\$5,884
October 2013	Multiple Divisions – THDA	21	4	\$2,288
Total FY 2013-14		75	8	\$8,172

**Table 47
FY 2013-14 Refresher Title VI (LEP) Training**

Training Date	Divisions Trained	Number of Staff Trained	Hours	Total Payroll Cost
April 2014	Multifamily Development, Public Affairs, Section 8 Rental Assistance	54	1.5	\$2,206
May 2014	Accounting and Finance, Community Programs, Internal Audit, Legal, Operations, Research and Planning	44	1.5	\$1,798
June 2014	Connect Team, Human Resources, Information Technology, Program Compliance	34	1.5	\$1,389
Total FY 2013-14		132	4.5	\$5,394

THDA implemented a language line provided by AVAZA Language Services. AVAZA training was held with all administrative assistants and call center personnel during FY 2013-14. The LEP and AVAZA training covers how to use AVAZA in interactions with LEP clients and lasts one hour.

Table 48
FY 2013-14 Limited English Proficiency and AVAZA Training

Training Date	Divisions Trained	Number of Staff Trained	Hours	Total Payroll Cost
October 2013	Administrative Assistants and Call Center Personnel	11	1	\$300
February 2013	East Tennessee Rental Assistance Field Office	6	1	\$163
Total FY 2013-14 AVAZA Training		17	2	\$463
AVAZA Services Payments				
		Date	Cost	
Payment 1		July 2013	\$94.60	
Payment 2		November 2013	\$17.05	
Total AVAZA Services Payment				\$111.63
Total FY 2013-14 AVAZA Expenses				\$574.65

Additionally, THDA staff members attend various statewide and national training events that include fair housing components. During the reporting period, more than 46 employees attended one or more of the following fair housing related training events:

Table 49
FY 2013-14 Nondiscrimination Training

Event/Host, Location and Date	Number of THDA Participants	Hours	Payroll Cost	Fees	Sponsorship Costs	Total
East Tennessee Accessibility Symposium, Knoxville, TN, October 2013	1	8	\$218	\$0	\$1,000	\$1,218
Governor's Housing Summit – Presentation of AI Findings, Nashville, TN, October 2013	Unknown	2	\$0	\$0	\$1,500	\$1,500
National Council of State Housing Finance Agencies, HFA Institute, Washington, DC, Fair Housing Update, January 2014	2	2	\$0	*Part of larger conference	\$0	\$0
TN Fair Housing Council and West TN Legal Services: "Mock Fair Housing Trial" Nashville, TN, February 2014	5	8	\$1,090	\$0	\$100	\$1,190
"Fair Housing Update" – TN Day on the Hill, Nashville, TN, February 2014	3	4	\$0	\$0	\$500	\$500

2014 Tennessee Fair Housing Matters Conference, Nashville, TN, April 2014	22	8	\$4,794	\$1,650 (\$75/pp)	\$0	\$6,444
West TN Fair Housing Council CELEBRATION, Memphis, TN, April 2014	1	4	\$109	\$226 (incl. travel)	\$100	\$435
ECHO Spring Fair Housing Conference, Knoxville, TN, April 2014	1	4	\$109	\$0	\$700	\$809
"Fair Housing Attaining the Goal for All" – One House at a Time, Jackson, TN, April 2014	10	8	\$2,179	\$0	\$1,150	\$3,329
Tennessee Council of Development Disabilities Council, Nashville, TN, (various dates)	1	25	\$681	\$0	\$0	\$681
Tennessee Department of Mental Health and Substance Abuse Services, Mental Health Policy and Planning Council, Nashville, TN, (various dates)	1	25	\$681	\$0	\$0	\$681
Total FY 2013-14	46	98	\$9,861	\$1,876	\$5,050	\$16,787

Each year, THDA hosts the Tennessee Governor’s Housing Summit, a two-day event that provides informational sessions to affordable housing professionals on topics related to providing safe, sound and affordable housing opportunities for Tennesseans. In 2013, specific sessions included: Affirmatively Furthering Fair Housing and Renter’s Rights and Fair Housing. The Affirmatively Furthering Fair Housing session focused on Tennessee and Metro Nashville’s results of the Analysis of Impediments to Fair Housing Choice. Nearly 100 attendees attended the session and to hear Rob Gaudin, Western Economic Services, and Angie Hubbard, Metropolitan Development and Housing Agency, educate the general public and local officials about how to recognize and report Fair Housing Violations. The TN Fair Housing Matters Conference, taking place in April and hosted by the Tennessee Fair Housing Council, included sessions on Fair Housing, Identifying and Addressing Obstacles to Fair Housing, and Fair Housing and Mental Disabilities.

In addition to the above sponsorships, the Southwest Tennessee Development District committed \$13,750 and the Northwest Tennessee Development District \$3,000 to the Fair Housing Attaining the Goal for All conference, along with the Housing Coalition meeting preceding it in April 2014. These funds came from the THDA technical assistance grant awarded to the development districts for services directed toward assisting local government and non-profit entities in the development, application, implementation, and/or furthering of affordable housing for very low-income households in Tennessee. The areas covered by the Northwest and Southwest Tennessee Development Districts represent parts of Tennessee with the greatest need for affordable housing and a relatively high percentage of African Americans.

THDA continues to update and refine the Fair Housing and Title VI Compliance sections of THDA's website. The webpages include a general overview of Title VI and the Fair Housing Act, fair housing legislation, examples of housing discrimination, fair housing resources and procedures for filing a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity or the Tennessee Human Rights Commission (THRC). THDA also continues to examine and improve the Limited English Proficiency policies and procedures. The LEP policies and procedures provide guidelines for THDA staff who encounter individuals whom may have difficulty understanding or speaking English. The procedures help to ensure that resources or services are effectively provided to individuals with limited English proficiency. THDA staff also has a system to track LEP encounters and continues to utilize the telephone-based AVAZA language interpreting service.

THDA's Executive Director serves on the Tennessee Council on Developmental Disabilities and THDA's Director of Research and Planning serves on the Tennessee Department of Mental Health and Substance Abuse Services, Mental Health Policy and Planning Council. These meetings are regularly attended by the Director of Research and Planning (the Executive Director's designee for the former) and help ensure that THDA's efforts are known by the disability and mental health communities. Additionally, the agency's role on these councils keeps our program directors informed of emerging and persistent issues around housing for the populations served.

During FY 2013-14, THDA collaborated with the TennCare Bureau and the Department of Mental Health and Substance Abuse Services to apply for special housing funds under HUD's Section 811 Project Rental Assistance Demonstration program. The program is designed to help extremely low-income persons with disabilities, who require long term services and supports, with affording housing costs. Tennessee's program is designed to help disabled and elderly disabled persons avoid being placed in nursing home care if the person is able to live independently with home based care. THDA is the lead applicant. The application requests the maximum amount of funds (\$12,000,000). As of this date, the application is pending with HUD.

In February, THDA staff from Community Programs, Research and Planning and Civil Rights Compliance met via phone with Stephen Moore from HUD's Fair Housing and Equal Opportunity (FHEO) Office to discuss ways to improve outreach to the public during public comment periods, with attention to our outreach to protected classes. This Technical Assistance call was offered to the state by HUD to improve the reach of our request for public comments on the work that we do. The Technical Assistance call included a range of suggestions to improve the agency's outreach to members of protected classes under the Fair Housing Act. Many of the suggestions from this call were employed, most notably a directed outreach effort to groups statewide that serve members of a protected class.

Each year, THDA, in accordance with the state's Citizen Participation Plan, posts public notices regarding the Consolidated Plan and other THDA administered programs in newspapers serving the largest population centers in the State and by making the notices available in electronic format. The following tables shows the public notices during FY 2013-14 and the associated costs.

Table 50
FY 2013-14 Public Notice Expenditures

Substantial Amendment Hearing Notice	
Paper Name	Cost
Chattanooga Times Free Press	\$372.30
Clarksville- Leaf Chronicle	\$584.80
The Jackson Sun	\$616.00
Johnson City Press	\$180.56
Knoxville News Sentinel	\$623.33
Memphis-Commercial Appeal	\$1994.67
The Tennessean	\$2132.80
Chattanooga's Noticias Libres	\$346.67
Franklin's La Campana	\$250.00
Mundo Hispano Bilingual	\$193.08
Memphis' La Prensa Latina	\$295.00
Nashville's El Crucero de Tennessee	\$320.00
Tennessee Foreign Language Institute-Spanish Translation	\$60.00
Subtotal	\$7,969.21
FY 2014-15 Action Plan	
TFLI-Executive Summary Action Plan –Spanish Translation	\$258.48
TFLI- Public Notice –Somali, Arabic, Bosnian, Kurdish(Sorani) Kurdish (Badini)	\$400.00
TFLI- Public Notice- Spanish Translation	\$60.00
The Tennessean	\$1,064.93
Chattanooga Times Free Press	\$96.92
The Leaf Chronicle	\$339.78
The Jackson Sun	\$293.33
Johnson City Press	\$101.38
Knoxville News Sentinel	\$341.89
The Commercial Appeal	\$1002.67
Chattanooga's Noticias Libres	\$25.66
Memphis' La Prensa Latina	\$294.44
Nashville's El Crucero de Tennessee	\$280.00
Franklin's La Campana	\$166.11
Subtotal	\$4,725.59
FY 2012-13 CAPER	
Memphis Commercial Appeal	\$750.00
The Tennessean	\$900.00
The Knoxville News Sentinel	\$229.00
Chattanooga Times Free Press	\$183.00
Johnson City Press	\$271.00
The Jackson Sun	\$251.00
Clarksville Leaf Chronicle	\$318.00
TFLI-Summary Translation-Spanish	\$187.60
Subtotal	\$3,089.60
Total Expenditures	\$15,784.40

3. Tennessee Department of Health

HOPWA is involved in a number of fair housing initiatives that positively impact HOPWA grantees and beneficiaries both directly and indirectly. Title II of the ADA prohibits discrimination against persons with disabilities in all services, programs and activities made available by state and local governments. HOPWA project sponsors are required to comply with anti-discrimination legislation including The Americans with Disabilities Act, Title VI and the Fair Housing Act. Title II of the ADA directly influences neighborhoods where minimal public investment has led to poor living standards. HOPWA funds are made available to help upgrade and transform these neighborhoods. Upgrades are often made to make public housing safer and to make more units available for homeless and disabled populations. The majority of HOPWA funds are used for Supportive Services in Tennessee, which include: health and mental health assessment; drug and alcohol abuse treatment; counseling; day care; nutritional services; intensive care when required; and assistance in gaining access to local, state and federal government benefits and services. Although the Supportive Services category does not emphasize housing assistance (which is covered in other service categories including Housing Information Services, the Short-Term Rent, Mortgage and Utility Payment Program and the Permanent Housing Placement Program) all funds in the Supportive Services category are used to assist HOPWA beneficiaries regardless of race, color, religion, national origin, disability and familial status. In regards to the delivery of services through the Housing Information Services, Short-Term Rent, Mortgage and Utility Payment Program and the Permanent Housing Placement Program, both HOPWA and Service Providers comply with all fair housing and anti-discrimination laws. Additionally, HOPWA is involved with job fairs, which promote fair housing practices and training, including issues regarding lead paint and other safety factors that may impede the health of residents.

Section D.8. of HOPWA's contract with providers contains anti-discrimination conditions. It states that no person will be excluded from participation, denied benefits or subjected to discrimination in the performance of the grant contract or in the employment practices of the grantee on the grounds of handicap or disability, age, race, color, religion, national origin or any other classification protected by Federal or Tennessee State constitutional or statutory law. Grantees are required to show proof of nondiscrimination upon request and must post notices of nondiscrimination.

HOPWA is continuing to review its contracts with project sponsors and program materials to strengthen language surround fair housing. HOPWA staff is also interested in learning more about furthering fair housing through HOPWA activities and becoming more involved in fair housing activities taking place throughout Tennessee, including the Tennessee Fair Housing Matters conference being held each year.

4. Collaborative Activities Conducted by the Consolidated Partners

Although each agency conducts activities tailored to the programs it administers throughout the year, the Consolidated Partners came together throughout the reporting period to plan and develop ways to improve fair housing activities and fulfill the State's obligation to affirmatively further fair housing. As previously mentioned, the Consolidated Partners met periodically to develop and complete the AI. Additionally, the Consolidated Partners have continued to collaborate not only with one another but also with other state agencies.

The Consolidated Partners will continue to work together in FY 2014-15 to complete some of the activities that were started in FY 2013-14. During the reporting period, the Consolidated Partners

continued developing a statewide Fair Housing Plan, which was first presented in the FY 2013-14 Annual Action Plan and was based off of the draft AI. An updated Fair Housing Plan, based on the final AI, was included in the FY 2014-15 Annual Action Plan. The Fair Housing Plan will continue to be used by the Consolidated Partners to adjust both agency and collaborative fair housing activities to overcome the barriers and impediments to fair housing choice that are identified in the AI. The Consolidated Partners anticipate meeting regularly to discuss and address the recommendations of the AI and track the progress of the statewide Fair Housing Plan that covers the delivery of services through the four formula programs. The Consolidated Partners realize the process will take time and are committed to improving their processes and procedures in regards to fair housing. The Fair Housing Plan, as presented in the FY 2013-14 Annual Action Plan, can be found in Appendix F and highlights actions accomplished during the reporting period.

IX. ADDITIONAL INFORMATION AND FUTURE ACTIONS

A. Public Participation and Public Comments

Each year, the State of Tennessee provides a summary of the CAPER on THDA, Tennessee Department of Economic and Community Development, and the Tennessee Department of Health's websites and at each of the nine Development District offices for citizen review. Social media is also used to engage public participation. Citizens may access the summary and a public comment forum on THDA's website. Instructions for viewing and commenting on the summary are included in the summary and in a public notice that is published in both English and Spanish in newspapers throughout the state. This year, the notice was published in seven newspapers in both English and/or Spanish. The names of the publications in which the notices appear are:

- Memphis Commercial Appeal
- The Tennessean
- Knoxville News Sentinel
- Chattanooga Times Free Press
- Johnson City Press
- Jackson Sun
- Clarksville Leaf Chronicle
- La Prensa Latina (Memphis)
- El Crucero de Tennessee (Nashville)
- La Campana (Franklin)
- Mundo Hispano Bilingual

The notice was published on Wednesday, September 10, 2014. The summary and the public comment forum were made available on THDA's website until September 25, 2014, which meets the requirements set forth in the State of Tennessee's Citizen Participation Plan.

During the public comment period, one public comment was received and can be found in Appendix G. In addition to the comment, the state also received positive feedback for posting the notice in Bosnian. Appendix G additionally shows the state's public participation and public comments efforts.

B. Future Actions

The State of Tennessee will continue to administer the four formula programs covered in the Five-Year Consolidated Plan and work towards the goals set forth in the four priority areas. While the priority areas represent longer term goals, the Action Steps represent actions the four formula programs seek to carry out annually, in order to reach longer term goals. The State of Tennessee will also continue to work with local public housing authorities, as they work to adopt their long-term plans to determine their plan's consistency with the State's Consolidated Plan.

The State will begin working on the FY 2015 Five-Year Consolidated Plan in the upcoming months and will be entering the information into IDIS. The Consolidated Partners will continue to collaborate on addressing housing related issues, including fair housing, while meeting specific housing and community needs. The four agencies will also continue to complete the Annual Action Plan, which states the intentions and goals of each program for the following fiscal year.

In regards to reporting, the administering agencies will continue to report on the activities of the CDBG, HOME, ESG and HOPWA programs. The Consolidated Partners have already participated in a number of webinars hosted through HUD's E-Con Planning Suite and will continue to participate throughout the year. The Consolidated Partners will continue to follow the progress and educate themselves on the new Consolidated Planning tools.

The Consolidated Partners intend to make significant progress in fair housing. Each agency recognizes their obligations to further fair housing in Tennessee. The completion of the AI and the subsequent statewide Fair Housing Plan are the first steps in working to identify and overcome impediments and barriers to fair housing in the state. The Consolidated Partners will continue to make efforts in the area of fair housing over the coming year and will update HUD and FHEO as goals are met.

Although the State is not involved in providing direct services through the four formula programs, the State is responsible for ensuring funds are made available to local government and non-profit agencies throughout Tennessee that are capable of delivering services to local communities and individuals in need. While the State of Tennessee has identified specific target areas and community development and affordable housing goals, communities have the flexibility to use funds to reach their populations most efficiently and effectively. The State will continue to ensure funds from the four formula programs are used in a manner that is consistent with the Consolidated Plan, targets those who need assistance the most, and provides for the completion of community development and affordable housing goals.

STATE OF TENNESSEE
FY 2013-14 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
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