



THDA HOME Investment Partnerships Program Beneficiary Report

July 1, 2019 – June 30, 2020

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Access this report electronically via the following link:

<https://thda.org/research-reports/consolidated-planning>

2019 - 2020 HOME Beneficiary Report

Executive Summary

The 2019 - 2020 HOME Beneficiary Report provides information regarding HOME allocations received by the State of Tennessee, the activities completed with HOME funding and the households served by the HOME Program from July 1, 2019 through June 30, 2020.

Funding Summary:

- Tennessee received an allocation of \$12,960,298 in 2019-20, which was approximately a ten percent decrease from the 2018-19 allocation of \$14,391,943.
- In total, THDA awarded \$8,934,548 in program funds during 2019-20. This included \$2,119,548 of Community Housing Development Organization (CHDO) program funds.

Housing Unit Summary:

- During FY 2019-20, 134 affordable housing units were completed with HOME allocations ranging from program years 2014-2019¹. Eighty-three percent of those projects (111 units) were rehabilitation-only projects. New construction followed with 11 percent (15 units). Acquisition only and acquisition with rehabilitation comprised two percent and four percent, respectively, of the total units completed.
- Forty-six percent of the completed units were in East Tennessee, 44 percent in Middle Tennessee, and 10 percent in West Tennessee.

Beneficiary Summary:

- During FY 2019-20, 45 percent of the households reporting beneficiary data were categorized as elderly and 30 percent as single (non-elderly). The remaining 25 percent of households were a combination of other types of household configurations.
- HOME serves only low-income households. Of the households served in 2019-20, 70 percent were very low-income. More than half of the very low-income households (51 of 94 households) were considered extremely low-income, with incomes at 0-30% AMI.
- All of the housing units completed were owner-occupied.
- Seventy-five percent of the households reported as White, and 25 percent were reported as Black/African American. One beneficiary was reported as Hispanic.

¹ A program year refers to the year in which the program was funded by HUD and follows the federal fiscal year cycle, which is October 1 through September 30. THDA reports HOME activities and beneficiary data based on the state's fiscal year cycle, which is July 1 through June 30. Throughout this report, FY 2019-20 will refer to the state's fiscal cycle, July 1, 2019 – June 30, 2020, but will often be referred to by the first year in the cycle (i.e. 2019, or FY 2019).

Introduction

The U.S. Department of Housing and Urban Development's (HUD) HOME program is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. The HOME program is implemented through state and local governments called participating jurisdictions or "PJs", which may be states or units of general local government, including consortia and urban counties. The Tennessee Housing Development Agency (THDA) administers the HOME program for the State of Tennessee to promote the production, preservation, and rehabilitation of housing for low-income households. During this reporting period, the State of Tennessee's HOME funds were awarded for homeowner projects through a competitive application process for cities, counties, and non-profit organizations outside of local PJs, which receive their own HOME allocations directly from HUD. THDA also competitively awarded funds to nonprofit housing developers qualified as Community Housing Development Organizations (CHDOs). Unlike the other funding competition, CHDOs may implement homeownership development projects anywhere in Tennessee.

This report provides information regarding HOME allocations received by the State of Tennessee, the households served by the HOME program, and the activities completed during FY 2019-2020 with funding from previous program years. HOME activities are required to be completed within four years of the date the State of Tennessee enters into a grant agreement with HUD; however, THDA limits its contracts with its sub-recipients to a three-year term. Therefore, projects are shown both as outcomes tied to the funding year and reported for all completed units in the active funding years, the latter of which may include projects funded prior to the current active grant years. The number of completed units and the beneficiary data available for program years 2014 – 2019 are reported as of June 30, 2020 but may not represent the final number of units or total beneficiary data from projects resulting from those program years.

State of Tennessee HOME Program

The State of Tennessee's HOME funds are made available to cities, counties and non-profit organizations outside of local Participating Jurisdictions (PJs) on a competitive basis. Current PJs, which receive their own HOME funds directly from HUD include: the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Johnson City, Bluff City, Kingsport, as well as Sullivan County and Washington County, excluding the town of Jonesborough), Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County, and Shelby County. Beginning in 2016, awards made to CHDOs may be used in any county in the state, without regard to PJ status. Map 1 below shows the State of Tennessee by jurisdiction type.

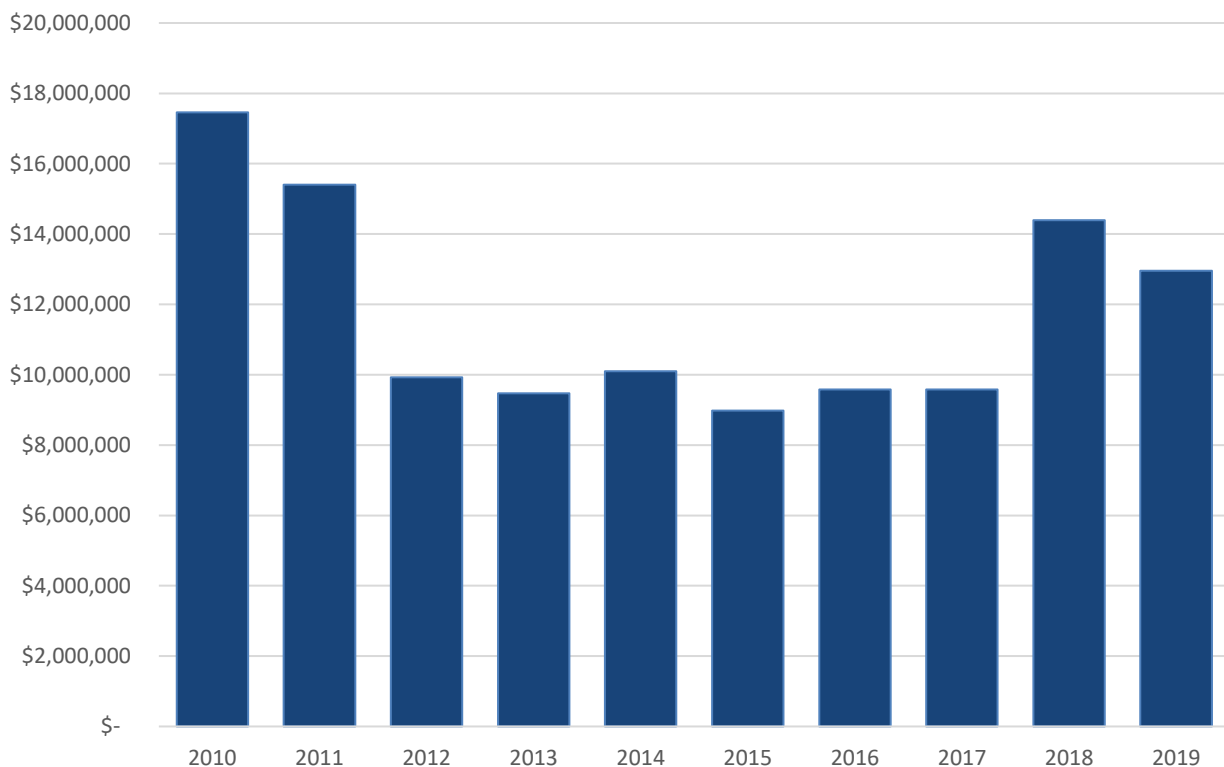
Map 1 State of Tennessee HOME Program



HOME Allocations and Awards

Figure 1 shows Tennessee’s federal HOME allocations for the past 10 years. Table 1 on the next page shows the federal HOME allocations and project cost awards for program years 2014 – 2019, the initial funding years with active projects reported in this document. The Federal Allocation column is the official allocation from the Department of Housing and Urban Development (HUD) for that year, and includes funds for project costs, the State’s administrative costs (10% of the allocation), and project administrative costs. The “Funds Awarded” column represents the amount of funds awarded for HOME projects across the state, which may include program income² and recaptured funds³ from previous rounds, but does not include any administrative funds. Completed units are shown for the reporting period, as well as cumulatively for each active grant year.

Figure 1 Annual Federal Allocations for the State of Tennessee’s HOME Program, 2010-2019



² The HOME program makes a small amount of program income from repayments made by homeowners who do not comply with the established terms of the period of affordability or compliance period.

³ Recaptured funds are funds from previous HOME rounds that have been unspent and reallocated to future HOME awards.

Table 1 Annual Allocations for the State of Tennessee’s HOME Program, 2014-2019

| Program Year | Federal Allocation | Funds Awarded | Units Completed in FY 2019-20 | Cumulative Units |
|----------------|---------------------|--------------------|-------------------------------|------------------|
| 2014-15 | \$10,096,577 | \$9,255,466 | 23 | 165 |
| 2015-16 | \$8,984,790 | \$8,600,740 | 48 | 117 |
| 2016-17 | \$9,582,308 | \$6,937,943 | 15 | 69 |
| 2017-18 | \$9,582,153 | \$10,252,250 | 28 | 34 |
| 2018-19 | \$14,391,943 | \$13,977,500 | 20 | 20 |
| 2019-20 | \$12,960,298 | \$8,934,548 | - | - |

The distribution of HOME funds across Tennessee’s three grand divisions is represented in Table 2. HOME funds are distributed to rural and urban areas based on a set of criteria found in the [HOME Program Description \(located on the THDA website here\)](#). The allocation amounts do not include funds retained for the state’s administrative costs or funds that were not committed at the time of this report. During the reporting period, East Tennessee received the largest portion of HOME funds with 53 percent, followed by West Tennessee with 26 percent.

Table 2 HOME Program Funds Awarded by Grand Division

| Grand Division | East | | Middle | | West | | Total |
|-------------------------|--------------|-----|--------------|-----|--------------|-----|--------------|
| 2014 | \$3,490,220 | 38% | \$4,120,246 | 45% | \$1,645,000 | 18% | \$9,255,466 |
| 2015 | \$5,865,000 | 68% | \$1,635,000 | 19% | \$1,100,740 | 13% | \$8,600,740 |
| 2016⁴ | \$4,264,993 | 61% | \$2,672,950 | 39% | - | 0% | \$6,937,943 |
| 2017 | \$4,545,000 | 44% | \$2,820,000 | 28% | \$2,887,250 | 28% | \$10,252,250 |
| 2018 | \$6,222,500 | 45% | \$5,170,000 | 37% | \$2,585,000 | 18% | \$13,977,500 |
| 2019 | \$4,704,548 | 53% | \$1,880,000 | 21% | \$2,350,000 | 26% | \$8,934,548 |
| Total | \$29,092,261 | 50% | \$18,298,196 | 32% | \$10,567,990 | 18% | \$57,958,447 |

Distribution of HOME Funds by Funding Category

The Urban/Rural designation has been in place since 2012, when it replaced regional allocations based on Development District regions. At the time of this report, the Urban/Rural competition comprises the majority of the total HOME funds available, with the balance reserved for CHDOs (18 percent of funds) and administrative expenses (10 percent of funds). Of the Urban/Rural funds, 45 percent are allocated to Urban

⁴ 2015 and 2016 Program year funds were awarded together in 2016, which is why the totals may look different from other years.

counties and 55 percent are allocated to Rural counties.⁵ Full details of how HOME funds are awarded can be found in the program description located at <https://thda.org/government-nonprofit-partners/home-program> and may change year to year.

Table 3 represents the distribution of HOME funds across each of the program categories (Urban/Rural, and CHDO) for program years 2014 – 2019. The funding amounts in the table below do not include funds retained for the state’s administrative costs, project administrative costs, or funds that were uncommitted at the time of this report.

Table 3 HOME Program Funds Awarded by Category, 2014 – 2019

| Program | CHDO | Urban | Rural | Total |
|-------------------------|--------------|--------------|--------------|--------------|
| 2014 | \$1,292,500 | \$3,503,705 | \$4,459,261 | \$9,255,466 |
| 2015 | \$1,860,000 | \$352,500 | \$6,388,240 | \$8,600,740 |
| 2016⁶ | \$1,662,950 | \$3,982,493 | \$1,292,500 | \$6,937,943 |
| 2017 | \$1,087,250 | \$2,350,000 | \$6,815,000 | \$10,252,250 |
| 2018 | \$3,167,500 | \$3,290,000 | \$7,520,000 | \$13,977,500 |
| 2019 | \$2,119,548 | \$1,175,000 | \$5,640,000 | \$8,934,548 |
| Total | \$11,189,748 | \$14,653,698 | \$32,115,001 | \$57,958,447 |

Units Completed with HOME Funds

The HOME program funds have previously funded various activities ranging from rehabilitating single-family homes and manufactured housing, to homeownership activities, to creating or improving supportive rental housing. Recipients of HOME funds are able to tailor the program to support the unique needs of each county they serve. For reporting purposes, HOME activities are grouped under one of five broad categories: rehabilitation, new construction, acquisition only, acquisition and rehabilitation, and acquisition and new construction. Table 4 shows the distribution of completed units during FY 2019-20 and the program years from which they were originally funded. In FY 2019-20, all completed projects were homeowner projects.

⁵ Urban counties include: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen, Haywood, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties, excluding the PJs that receive their own HOME funds directly from HUD, are considered rural counties.

⁶ 2015 and 2016 Program year funds were awarded together in 2016, which is why the totals may look different from other years.

Table 4 HOME Units Completed during FY 2019-20 by Activity Type and Program Year

| Program Year | Rehabilitation Only | New Construction Only | Acquisition Only | Acquisition and Rehabilitation | Acquisition and New Construction | Total Units |
|---------------------|----------------------------|------------------------------|-------------------------|---------------------------------------|---|--------------------|
| 2014 | 17 | 5 | 1 | - | - | 23 |
| 2015 | 46 | 2 | - | - | - | 48 |
| 2016 | 8 | 5 | 2 | - | - | 15 |
| 2017 | 26 | 1 | - | 1 | - | 28 |
| 2018 | 14 | 2 | - | 4 | - | 20 |
| 2019 | - | - | - | - | - | - |
| Total | 111 | 15 | 3 | 5 | - | 134 |

Rehabilitation

A total of 111 rehabilitation only projects were completed during FY 2019-20. These units account for 83 percent of all projects completed during the reporting period.

New Construction

A total of 15 new construction only projects were completed during FY 2019-20. These units accounted for 11 percent of all projects.

Acquisition Only

There were three acquisition only projects completed during FY 2019-20 (two percent of all projects).

Acquisition and Rehabilitation

Five acquisition and rehabilitation projects were completed during FY 2019-20. These units accounted for four percent of all projects.

Acquisition and New Construction

There were no acquisition and new construction projects completed during FY 2019-20.

Table 5 below shows the cumulative number of units completed with funding from each specified program year as of June 30, 2020.

Table 5 Cumulative HOME Units Completed by Activity Type and Program Year

| Program Year | Rehabilitation Only | New Construction Only | Acquisition Only | Acquisition and Rehabilitation | Acquisition and New Construction | Total Units |
|---------------------|----------------------------|------------------------------|-------------------------|---------------------------------------|---|--------------------|
| 2014 | 130 | 18 | 7 | 10 | - | 165 |
| 2015 | 94 | 12 | 2 | 8 | 1 | 117 |
| 2016 | 56 | 7 | 5 | 1 | - | 69 |
| 2017 | 27 | 4 | 2 | 1 | - | 34 |
| 2018 | 14 | 2 | - | 4 | - | 20 |
| 2019 | - | - | - | - | - | - |
| Total | 321 | 43 | 16 | 24 | 1 | 405 |

HOME Units by Grand Division

During FY 2019-20, of the 134 completed HOME units, 46 percent occurred in East Tennessee, 44 percent occurred in Middle Tennessee and 10 percent took place in West Tennessee. Table 6 shows the completed units in FY 2019-20 by Grand Division and program year.

Table 6 HOME Units Completed in FY 2019-20 by Grand Division and Program Year

| Grand Division | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total Units |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| East | 2 | 31 | 9 | 8 | 12 | - | 62 |
| Middle | 17 | 12 | 6 | 16 | 8 | - | 59 |
| West | 4 | 5 | - | 4 | - | - | 13 |
| Total | 23 | 48 | 15 | 28 | 20 | - | 134 |

Table 7 shows the cumulative total units completed from each program year that remained active during the reporting period and in each of the Grand Divisions, as of June 30, 2020.

Table 7 Cumulative HOME Units Completed by Grand Division and Program Year

| Grand Division | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total Units |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| East | 66 | 71 | 47 | 13 | 12 | - | 209 |
| Middle | 71 | 26 | 21 | 16 | 8 | - | 142 |
| West | 28 | 20 | 1 | 5 | - | - | 54 |
| Total | 165 | 117 | 69 | 34 | 20 | - | 405 |

Details of HOME Beneficiaries

During FY 2019-20, 134 households were assisted with the State of Tennessee's HOME funds. Beneficiaries, or recipients of the HOME funds, must be low- or very low-income households.⁷ The demographics of HOME recipients in the sections below are detailed based on the head of household.

Household Characteristics

Elderly households were served more frequently with HOME assistance than any other type of household during the reporting period at 45 percent of all beneficiaries. Table 8 shows the beneficiary household sizes and types of activities completed during FY 2019-20. Table 9 shows the cumulative beneficiary characteristics for households served during program years 2014 through 2019⁸.

Table 8 Household Size of HOME Beneficiaries in FY 2019-20 by Household Type

| Household Size | Single, Non-Elderly | Elderly | Single Parent HH | Two Parent HH | Other | Total |
|-----------------------|----------------------------|----------------|-------------------------|----------------------|--------------|--------------|
| 1 | 21 | 38 | 1 | - | - | 60 |
| 2 | 11 | 21 | 3 | 1 | 4 | 40 |
| 3 | 1 | - | 6 | 2 | 2 | 11 |
| 4 | 6 | - | 3 | 5 | 1 | 15 |
| 5 | - | 1 | 1 | 1 | 1 | 4 |
| 6 | - | - | - | 1 | 2 | 3 |
| 7 | - | - | - | - | - | - |
| 8 | 1 | - | - | - | - | 1 |
| Total | 40 | 60 | 14 | 10 | 10 | 134 |

⁷ Very low-income households are defined as those households whose annual income is 50 percent or less of the area median income (AMI) for the county in which the household resides. Low-income households are defined as those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides. Extremely low-income households earn 30 percent or less of AMI.

⁸ These cumulative totals derive from all households served during the active program years, regardless of when the funding was awarded, which may include households assisted with funding awarded before 2012.

Table 9 Cumulative Data on Household Size of HOME Beneficiaries Served During 2014-2019 by Household Type

| Household Size | Single, Non-Elderly | Elderly | Single Parent HH | Two Parent HH | Other | Total |
|-----------------------|----------------------------|----------------|-------------------------|----------------------|--------------|--------------|
| 1 | 164 | 227 | 1 | 1 | - | 393 |
| 2 | 37 | 117 | 34 | 3 | 18 | 209 |
| 3 | 8 | 20 | 49 | 12 | 6 | 95 |
| 4 | 12 | 5 | 13 | 26 | 6 | 62 |
| 5 | 4 | 3 | 7 | 10 | 1 | 25 |
| 6 | - | 1 | 2 | 3 | 2 | 8 |
| 7 | 1 | - | 1 | - | - | 2 |
| 8 | 2 | - | - | 1 | - | 3 |
| Total | 228 | 373 | 107 | 56 | 33 | 797 |

Note: The one N/A unit was vacant.

Income, Occupancy Type and Other Forms of Assistance Received

Out of the 134 households that received HOME assistance during FY 2019-20, 38 percent were extremely low-income, 32 percent were very low-income, and 30 percent were low-income households. Table 10 shows the number of households different income levels served during FY 2019-20. Table 11 shows the cumulative total of beneficiaries served from program years 2014 through 2019, regardless of funding year.

Table 10 Distribution of HOME Program Beneficiaries in FY 2019-20 by Income

| Beneficiary Income | Number of Households | Percentage of Households |
|---------------------------|-----------------------------|---------------------------------|
| Extremely Low-Income | 51 | 38% |
| Very Low-Income | 43 | 32% |
| Low-Income | 40 | 30% |
| <i>Total</i> | 134 | 100% |

Table 11 Cumulative Distribution of HOME Program Beneficiaries Served During 2014-2019 by Income

| Beneficiary Income | Number of Households | Percentage of Households |
|---------------------------|-----------------------------|---------------------------------|
| Extremely Low-Income | 196 | 25% |
| Very Low-Income | 288 | 36% |
| Low-Income | 313 | 39% |
| <i>Total</i> | 797 | 100% |

During FY 2019-20, all of the units were owner occupied. Seventy percent of units were occupied by very low-income households (including extremely low-income households). Table 12 shows the distribution of tenant type by income level during FY 2019-20. Table 13 shows the cumulative data for beneficiaries served during program years 2014 through 2019.

Table 12 Distribution of HOME Program Beneficiaries in FY 2019-20 by Tenant Type & Income

| Tenant Type | Extremely Low-Income HHS | Very Low-Income HHs | Low-Income HHs | Total |
|--------------------|---------------------------------|----------------------------|-----------------------|--------------|
| Renter | - | - | - | - |
| Owner | 51 | 43 | 40 | 134 |
| Total | 51 | 43 | 40 | 134 |

Table 13 Cumulative Distribution of HOME Program Beneficiaries Served During 2014-2019 by Tenant Type & Income

| Tenant Type | Extremely Low-Income HHs | Very Low-Income HHs | Low-Income HHs | Total |
|--------------------|---------------------------------|----------------------------|-----------------------|--------------|
| Renter | 5 | 39 | 29 | 73 |
| Owner | 191 | 249 | 284 | 724 |
| Total | 196 | 288 | 313 | 797 |

Note that not all years offered funding for rental projects.

Race and Ethnicity

Race and ethnicity data for the HOME program is based on the race and ethnicity of the head of household. The majority of the HOME beneficiaries were Non-Hispanic White, followed by Black/African American. The breakdown of HOME beneficiaries by race and ethnicity is provided in the tables below. Table 14 shows the race and ethnicity for HOME beneficiaries during FY 2019-20. Table 15 shows the cumulative race and ethnicity data for all HOME beneficiaries with units completed in program years 2014 through 2019.

Table 14 HOME Beneficiaries in FY 2019-20 by Race and Ethnicity, Determined by Head of Household

| Race | | Number | Percentage |
|------------------|--------------------------------------|---------------|-------------------|
| | White | 100 | 75% |
| | Black/African American | 34 | 25% |
| | Asian | - | - |
| | American Indian/Alaska Native | - | - |
| | Other Multi-Racial | - | - |
| | Total | 134 | 100% |
| Ethnicity | | Number | Percentage |
| | Hispanic | 1 | <1% |

Table 15 Cumulative HOME Beneficiaries Served During 2014-2019 by Race and Ethnicity, Determined by Head of Household

| Race | | Number | Percentage |
|------------------|--------------------------------------|---------------|-------------------|
| | White | 569 | 71% |
| | Black/African American | 217 | 27% |
| | Asian | 2 | <1% |
| | American Indian/Alaska Native | - | - |
| | Other Multi-Racial | 9 | 1% |
| | Total | 797 | 100% |
| Ethnicity | | Number | Percentage |
| | Hispanic | 6 | 1% |

Data from FY 2019-20 and the cumulative data show that a majority of HOME beneficiaries are Non-Hispanic White. This percentage is generally consistent with the proportion of low-income White households with housing problems⁹ in the Tennessee HOME service area. According to 2012 – 2016 Comprehensive Housing Affordability Strategy (CHAS) data, approximately 65 percent of the households who are low-income and have housing problems in areas covered by the state’s HOME program are White, 26 percent are Black/African American, one percent identified as Asian, six percent identified as Hispanic (of any race), and two percent are other races. The allocation of HOME funds are fairly proportional, based on race and ethnicity, to the low-income households with housing problems in Tennessee, except White households are slightly overserved and Hispanic households are slightly underserved compared to CHAS data.

⁹ Housing problems are defined as spending more than 30 percent of household income on housing, lacking kitchen/plumbing facilities, or overcrowding.



Tennessee Housing Development Agency (THDA)

As the State's housing finance agency, the Tennessee Housing Development Agency (THDA) is a self-sufficient, independently funded, publicly accountable entity of the State of Tennessee. THDA's mission is to meaningfully expand safe, sound, affordable housing opportunities for low and moderate income Tennesseans as the state's leading resource. More information about THDA programs can be found online at www.thda.org.

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