

STATE OF TENNESSEE
FISCAL YEAR 2016 - 2017 ACTION PLAN
EXECUTIVE SUMMARY

The Annual Action Plan serves as the State of Tennessee's annual application to the U.S. Department of Housing and Urban Development (HUD) for the funding of HUD's four formula grant programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons Living with AIDS (HOPWA) Program. The Fiscal Year (FY) 2016-17 Action Plan describes actions on behalf of the State of Tennessee to administer and implement the Consolidated Plan grant programs during the State Fiscal Year beginning July 1, 2016 through June 30, 2017.

The names of the grant programs, the administering state agencies, and the allocations for FY 2016-17 are as follows:

- Community Development Block Grant (CDBG) administered by the Tennessee Department of Economic and Community Development (ECD), allocation: \$25,265,266
- HOME Investment Partnerships Program (HOME) administered by Tennessee Housing Development Agency (THDA), allocation: \$9,599,859
- Emergency Solutions Grant (ESG) administered by Tennessee Housing Development Agency (THDA), allocation: \$2,932,401
- Housing Opportunities for Persons with AIDS (HOPWA) Program administered by the Tennessee Department of Health (DOH), allocation: \$963,180

The Annual Action Plan (AAP) describes the amounts and source of the four formula grant funds expected to be made available during FY 2016-17 and discusses the methods by which funds will be distributed to eligible applicants by the administering agencies. Funds are made available either through a competitive grant process, through a formula basis, or in some cases, both. Also discussed are other federal and non-federal resources administered by THDA and include: Section 8 Housing Choice Voucher Program, Section 8 Contract Administration, the Low Income Housing Tax Credit Program (LIHTC), the Tennessee Housing Trust Fund, the Community Investment Tax Credit (CITC) Program, and the Homeownership Programs.

Goals and Objectives

Also contained in the FY 2016-17 Annual Action Plan are the specific goals the administering agencies, known collectively as the Consolidated Planning Partners, hope to address in the coming year, as they relate to the five-year Consolidated Plan, and the goal outcome indicators by which the administering agencies will measure performance. The specific goals of the 2015-19 Consolidated Plan are:

1. Create and maintain affordable rental and homeownership stock with the construction of new affordable housing, rehabilitate existing affordable housing, provide down-payment assistance, and provide tenant-based rental assistance to eligible populations.
2. Preserve homeless facilities to ensure they can continue to meet the needs of Tennessee's homeless population and provide resources to support those who are homeless or at risk of homelessness.
3. Provide resources to preserve affordable housing options for those persons with HIV/AIDS.

4. Provide resources to cities and communities to update and repair water and sewer systems. Also, create the base of infrastructure that will provide for a high quality of life for individuals, productive capacity for communities, and that will support economic development.
5. Provide communities with resources to revitalize public and community infrastructure and assets to improve the livability of communities.
6. Provide resources to cities and communities to support job creation, job training, and other job related opportunities.
7. Deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged or low-to moderate-income areas of the state.
8. Affirmatively further fair housing by providing training and technical assistance to communities, organizations, realtors, lenders, and other stakeholders. Also provide fair housing counseling, outreach, and education to households, organizations, realtors, lenders, and other stakeholders.

For each of the eight goals, action steps were developed in the five-year Consolidated Plan, designed to address these goals. The action steps and the ways in which each of the programs propose to address the goals are also discussed. The Consolidated Planning Partners have developed planning documents, included in Appendices C and D of the Annual Action Plan, to better link HUD's grant objectives to the State of Tennessee's objectives, action steps, activities, and performance measures.

Past Performance

The state is currently implementing the FY 2015-16 Annual Action Plan. Accomplishments for FY 2016 will be reported in the FY 2015-16 *Consolidated Annual Performance and Evaluation Report (CAPER)* in September 2016. The FY 2014-15 CAPER reflects the performance and accomplishments with FY 2015 program funding. The CDBG, HOME, ESG, and HOPWA programs received a combined allocation of \$38,930,585. Accomplishments during FY 2014-15 include:

- CDBG – A total of 82 contracts were awarded to new subrecipients or city and county governments totaling \$29,369,086 through the CDBG program. This amount included the FY 2014-15 award amount plus additional funds that were recaptured, unspent funds from completed projects from previous years. A total of 181,245 low- and moderate-income (LMI) persons were assisted.
- HOME – In total, THDA distributed \$16,683,138 in program funds during FY 2014-15. This included \$14,282,052 in funds from Program Years 2012 and 2013 in the Urban and Rural rounds. THDA also distributed \$969,914 of 2012 Supportive Housing program funds and \$1,431,172 of 2013 Community Housing Development Organization (CHDO) program funds. A total of 452 housing units were assisted with HOME dollars, funded by previous allocations but completed during the FY15. Of those 452 housing units, 57 households considered very low-income.
- ESG – A total of \$3,362,892 was made available for the ESG program through a combination of FY 2013 and FY 2014 funding. A total of 47 contracts were awarded during this reporting period. The 2013 ESG funding round awarded the first \$100,000 of ESG funds to seven Mental Health Regional Housing Coordinators who provide homeless assistance programs for the mentally disabled. During this reporting period, 52 percent of the remaining 2013 funds were awarded to 11 entitlement cities in a formula-based allocation. The remaining 48 percent was awarded on a competitive basis to non-profits throughout the state. During this reporting period, \$2,226,946

was awarded for street outreach, the operation and maintenance of homeless shelters, essential services, homeless prevention, rapid re-housing, data collection, and administrative costs. The 2014 ESG funding round awarded the first \$100,000 of ESG funding to two non-profit agencies who provide services to homeless youth. The City of Knoxville was ineligible to continue as a participating jurisdiction under ESG and therefore received a special set-aside allocation of \$130,308. The remaining funds were placed in a special competitive application round in the fall of 2014. Eleven applicants were funded for a total of \$823,591. The remaining 2014 ESG funding was awarded during the 2015 ESG funding round. Total ESG funding during the reporting period assisted 15,354 low-, very low-, and extremely low-income persons. Nearly 80 percent of the total beneficiaries served with ESG funds were extremely low-income persons.

- HOPWA – The Tennessee Department of Health (DOH) awarded \$910,900 to the 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. The HOPWA program reported activity for 441 individuals with HIV/AIDS and 306 affected family members as beneficiaries of HOPWA services.

The Analysis of Impediments (AI) to Fair Housing Choice for the non-entitlement jurisdictions of the state identifies public and private sector impediments along with suggested actions. The state developed a comprehensive Fair Housing Plan to overcome impediments, which was first published in the FY 2014-15 Annual Action Plan and an updated version is included in this FY 2016-17 Annual Action Plan. These activities address these impediments and show the Consolidated Planning Partners' commitment to affirmatively furthering fair housing in Tennessee. The AI is available on the THDA and ECD websites.

While Tennessee Housing Development Agency has been designated as the lead agency for Tennessee's Consolidated Planning requirements, all of the administering agencies of the four grant programs participate in the development of the Annual Action Plan and the implementation of their respective programs. The FY 2016-17 Action Plan represents the cooperation of these agencies in working together 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 in the five-year Consolidated Plan and our Citizen Participation Plan.