

Tennessee Housing Development Agency (“THDA”) HOME-ARP Allocation Plan

Guidance

- *To receive its HOME-ARP allocation, a PJ must:*
 - *Engage in consultation with at least the required organizations;*
 - *Provide for public participation including a 15-day public comment period and one public hearing, at a minimum; and,*
 - *Develop a plan that meets the requirements in the HOME-ARP Notice.*
- *To submit: a PJ must upload a Microsoft Word or PDF version of the plan in IDIS as an attachment next to the “HOME-ARP allocation plan” option on either the AD-26 screen (for PJs whose FY 2021 annual action plan is a Year 2-5 annual action plan) or the AD-25 screen (for PJs whose FY 2021 annual action plan is a Year 1 annual action plan that is part of the 2021 consolidated plan).*
- *PJs must also submit an SF-424, SF-424B, and SF-424D, and the following certifications as an attachment on either the AD-26 or AD-25 screen, as applicable:*
 - *Affirmatively Further Fair Housing;*
 - *Uniform Relocation Assistance and Real Property Acquisition Policies Act and Anti-displacement and Relocation Assistance Plan;*
 - *Anti-Lobbying;*
 - *Authority of Jurisdiction;*
 - *Section 3; and,*
 - *HOME-ARP specific certification.*

Participating Jurisdiction: Tennessee Housing Development Agency (THDA) on behalf of the State of Tennessee

Date: September 9, 2022

Consultation

Before developing its plan, a PJ must consult with the CoC(s) serving the jurisdiction’s geographic area, homeless and domestic violence service providers, veterans’ groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum. State PJs are not required to consult with every PHA or CoC within the state’s boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

Summarize the consultation process:

THDA’s Response:

THDA’s consultation process was conducted in two separate manners. Between the two methods of consultation, THDA reached approximately 100 different agencies.

#1 - Survey:

THDA created and distributed a needs assessment survey to the Continuum of Care Agencies, Emergency Solutions Grants (ESG) Grantees, and other affordable housing partners to collect data and other feedback to better understand the needs of the service providers working alongside residents of the State of Tennessee. Please see Appendix A for a table of organizations that gave feedback.

#2 – Public Hearing:

THDA also conducted a remote Public Hearing session via WebEx with stakeholders from each of the recommended entities. The organizations consulted at the Public Hearing are included in the table below. Please see Appendix B for comments received, THDA’s responses, and the Notice of Public Hearing.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Holladay Ventures	Community- based, affordable Housing	Remote Meeting	See Appendix B
Crossville Housing Development Corp	PHA	Remote Meeting	See Appendix B
I Am Recovery	Community- based, transitional housing	Remote Meeting	See Appendix B
Aim Center	Supportive Services	Remote Meeting	See Appendix B
WRAP	Supportive Services	Remote Meeting	See Appendix B
Dismas House	Community- based, housing Provider	Remote Meeting	See Appendix B
End Slavery Tennessee	Community- based, human trafficking housing Provider	Private remote meeting	No feedback provided.
Sparta Housing	PHA	Remote Meeting	No feedback provided.

Public Participation

*PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of **no less than 15 calendar days**. The PJ must follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan. In addition, PJs must hold **at least one public hearing** during the development of the HOME-ARP allocation plan and prior to submission.*

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

- *The amount of HOME-ARP the PJ will receive,*
- *The range of activities the PJ may undertake.*

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

THDA’s Response:

- HOME-ARP Needs Assessment Survey: start date 5/26/2022 - end date 6/9/2022
- Public comment period: start date 7/12/2022 - end date 7/31/2022
- Public hearing: 7/12/2022

Over one hundred organizations across Tennessee were sent the HOME-ARP Needs Assessment survey via email and the interest generated was positive. THDA received fifty-nine (59) survey responses and comments.

Seventy-three (73) organizations throughout Tennessee participated in the public hearing on July 12, 2022. During the public comment period, THDA received six comments.

Describe any efforts to broaden public participation:

THDA’s Response:

THDA staff followed up on incomplete survey responses and sent out reminders to the agencies that were sent the survey. Additionally, numerous emails were sent to our Grantees to make them aware of the Public Comment period and WebEx public hearing date. THDA also placed the Public Comment information on our webpage and sent out mass communications to numerous nonprofit agencies across the state.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

Summarize the comments and recommendations received through the public participation process:

THDA's Response:

See Appendix B for summarized comments and recommendations received through the public consultation process.

Summarize any comments or recommendations not accepted and state the reasons why:

THDA's Response:

All comments and recommendations were taken into consideration. Please see Appendix B for responses.

Needs Assessment and Gaps Analysis

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. The PJ may use the optional tables provided below and/or attach additional data tables to this template.

OPTIONAL Homeless Needs Inventory and Gap Analysis Table

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	983	294	2425	NA	11								
Transitional Housing	501	151	1131	NA	346								
Permanent Supportive Housing	1939	589	2504	NA	1247								
Other Permanent Housing						NA	NA	NA	NA				
Sheltered Homeless						1112p 337u	3328 3299	424	541				
Unsheltered Homeless						471p 173u	2313 2149	146	323				
Current Gap										-99	-65	-2085	NA

Suggested Data Sources: 1. Point in Time Count (PIT); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation
OPTIONAL Housing Needs Inventory and Gap Analysis Table

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	#		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	#		
Rental Units Affordable to HH at 50% AMI (Other Populations)	#		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		#	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		#	
Current Gaps			#

Suggested Data Sources: 1. American Community Survey (ACS); 2. Comprehensive Housing Affordability Strategy (CHAS)

THDA’s Response:

THDA elected not to collect or report data in optional Housing Needs Inventory and Gap Analysis Table. However, a detailed description of housing needs in Tennessee can be found below.

Describe the size and demographic composition of qualifying populations within the PJ’s boundaries:

THDA’s Response:

The following section describes the size and demographic composition of HOME-ARP qualifying populations in the State of Tennessee. The most complete state-wide information is available for Qualifying Population 1, those experiencing homelessness. State-wide data regarding size is available for Qualifying Population 2, those at-risk of homelessness, although demographic data is not. State-wide information regarding size is also available for Qualifying Population 3, those fleeing, and Qualifying Population 5, veterans, as related to experiencing homelessness. Finally, state-wide data is incomplete for Qualifying Population 4, otherwise vulnerable populations, although the State has made an attempt through consultation to gain some useful data on this population.

Qualifying Population 1 (QP 1):

HOME-ARP’s Qualifying Population 1 is households who are homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”).

QP 1: State-wide Size and Need in 2020*

The Homeless Needs Inventory and Gaps Analysis table above reports Tennessee’s gap in available beds/units for people experiencing homelessness in Tennessee, according to the State’s 2020 Housing Inventory Count (HIC), as well as the number of people known to be experiencing sheltered or unsheltered homelessness, according to the State’s 2020 Point in Time (PIT) Count. The table enumerates the number of beds/units for family households and individual adult households in emergency shelter, transitional housing, and permanent supportive housing. The table then compares the capacities of these resources with the number of people known to be in need. Since the State’s PIT Count data does not include people sheltered in permanent supportive housing units, the table’s “gap analysis” represents the gap between HIC inventory and PIT Count need related to emergency shelter and transitional housing only. The analysis shows shelter inventory in 2020 was inadequate to meet the needs of people known to be experiencing homelessness at that time.

QP 1: Regional Size and Need in 2020*

A regional gap analysis, similar to the state-wide analysis above, revealed differences in need across Tennessee’s Continuum of Care (CoC) regions. Emergency shelter and transitional housing inventory was inadequate to meet the needs of families known to be experiencing homelessness in the following CoC regions:

CoC:	Gap in Family Beds:	Gap in Family Units:
TN-500: Chattanooga/SE TN	-71	-25
TN-503: Central TN	-35	-28
TN-507: Jackson/West TN	-345	-130

The regional gap analysis revealed emergency shelter and transitional housing inventory was inadequate to meet the needs of adult individuals known to be experiencing homelessness in all of the State’s CoC regions. Need was most acute in the following CoC regions:

<u>CoC:</u>	<u>Gap in Individual Adult Beds:</u>
TN-500: Chattanooga/SE TN	-333
TN-504: Nashville/Davidson County	-583
TN-507: Jackson/West TN	-478
TN-510: Murfreesboro/Rutherford Co.	-184
TN-512: Morristown/Blount, Sevier...	-246

QP 1: State-wide Emergency Shelter & Transitional Housing Inventory in 2021

The State’s 2021 HIC data reported an overall increase of 369 emergency shelter/safe haven/transitional housing beds from 2020’s HIC data. Beds allocated to individual adults were increased most, perhaps to address the need of the individual adult population in the

2020 data. Beds allocated for families decreased slightly across the state. The shift of resources toward adults from families may reflect changes service providers made to meet fluctuating needs during the COVID-19 pandemic. Despite the overall increase in shelter beds in 2021, however, service providers across Tennessee still report unmet needs via THDA’s 2022 HOME-ARP Needs Assessment Survey. Service providers note current need for non-congregate shelter in some regions, especially rural areas, as well as supportive services and access to affordable housing in all regions. Please see the next section for more detailed descriptions of needs.

QP 1: Demographic Composition in 2020*

Here are the demographic compositions of people known to be experiencing homelessness, according to the State’s 2020 PIT Count Data. The composition of Tennessee’s general population, according to the 2020 Census, is provided for comparison to gauge which populations are overrepresented in Tennessee’s homeless population.

Compared to Tennessee’s general population, males were overrepresented in the homeless population in 2020.

	<u>Sheltered</u>		<u>Unsheltered</u>		<u>Gen Pop %</u>
Female:	1647	36.8%	955	34.3%	51.3%
Male:	2127	62.9%	1824	65.5%	48.7%
Transgender/Nonconforming:	8	0.2%	5	0.2%	not measured
Total:	4472	100.0%	2784	100.0%	100.0%

Compared to Tennessee’s general population, people of Non-Hispanic / Non-Latino ethnicities were overrepresented in the homeless population in 2020.

	<u>Sheltered</u>		<u>Unsheltered</u>		<u>Gen Pop %</u>
Hispanic / Latino:	108	2.4%	80	2.9%	6.9%
Non-Hispanic / Non-Latino:	4364	97.6%	2704	97.1%	93.1%
Total:	4472	100.0%	2784	100.0%	100.0%

Compared to Tennessee’s general population, people who are Black and/or African American were overrepresented in the homeless population. People who are white may be overrepresented in the unsheltered homeless population; however, the PIT Count data and the Census use different methodologies for representing racial demographics, specifically how people of Hispanic / Latino ethnicities are categorized racially, so these percentages may not be directly comparable.

	<u>Sheltered</u>		<u>Unsheltered</u>		<u>Gen Pop %</u>
Black / African American:	2050	45.8%	799	28.7%	12.4%
White:	2223	49.7%	1868	67.1%	61.6%
Asian:	19	0.4%	10	3.6%	6.0%
American Indian / Alaska Native:	36	0.8%	30	1.1%	1.1%
Native Hawaiian / Pacific Islander:	22	0.4%	8	0.3%	0.2%
Multiple Races:	122	2.7%	69	2.5%	10.2%

Some other race (Census only):					8.4%
Total:	4472	100.0%	2784	100.0%	100.0%

Qualifying Population 2 (QP 2):

HOME-ARP’s Qualifying Population 2 is those who are at risk of homelessness, as defined in section 401 of McKinney-Vento.

QP 2: State-wide size in 2022

According to the National Low-Income Housing Coalition 2022 “The Gaps” Report, Tennessee has 233,311 Extremely Low Income (ELI) households, who have an income of less than 30% of Area Median Income. Nearly half of these households live in the Memphis or Nashville metro areas. Tennessee has a supply of 106,209 affordable and available rental homes, which means Tennessee needs an additional 127,102 affordable housing units to meet the need of ELI renters. 84% of ELI renters experience a housing cost burden, meaning they spend greater than 30% of their household incomes on rent. In addition, 67% of ELI renters experience a severe housing cost burden, meaning they spend greater than 50% of their household incomes on rent. Unfortunately, the State does not have exact information regarding the demographic characteristics of the Tennesseans included in these groups. However, NLIHC notes ELI renters nationally are more likely than those in the general rental population to be at least 62 years old and/or to have a disability. In addition, 15% of ELI renters nationally are single adults who are caregivers to a young child or a household member with a disability; most of these ELI renters work part-time to balance caregiving responsibilities, which does not generate enough income to afford market rents without assistance. Finally, 20% of Black households, 18% of American Indian / Alaskan Native households, 15% of Latino households, and 10% of Asian households are ELI renters nationally, compared with only 6% of white, non-Latino households.

Qualifying Population 3 (QP 3):

HOME-ARP’s Qualifying Population 3 is those who are fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.

QP 3: State-wide size in 2020*

The number of people fleeing or attempting to flee in Tennessee is only partially quantifiable with available data. Amongst Tennessee’s known homeless population, 541 people in emergency shelter or transitional housing and 232 people experiencing unsheltered homelessness reported fleeing domestic violence, according to the State’s 2020 PIT Count. The demographics of the people included in the PIT Count were unavailable. However, service providers consulted via the 2022 HOME-ARP Needs Assessment Survey report the population fleeing violence is mainly composed of women and their children.

Qualifying Population 4 (QP 4):

HOME-ARP’s Qualifying Population 4 is those who are part of other populations where providing support services or assistance would prevent a family’s homelessness or would serve those with greatest risk of housing instability.

QP 4: State-wide size and demographic characteristics in 2020

The definition of this population is broad and, therefore, difficult to quantify or describe demographically. Service providers, however, note a need for affordable and accessible housing for Tennesseans who are elderly, via THDA's 2022 HOME-ARP Needs Assessment Survey.

Fixed incomes, as well as deteriorating health and increasing experiences of disability, make elderly people at greater risk of homelessness than younger populations. Approximately one out of six Tennesseans are 65 years old, according to the 2020 Census.

Qualifying Population 5 (QP 5):

HOME-ARP's Qualifying Population 5 is those who are veterans and families that include a veteran family member that meet the criteria in (1)-(4) above.

QP 5: State-wide size in 2020*

Amongst Tennessee's known homeless population, 424 people in emergency shelter and transitional housing and 146 people experiencing unsheltered homelessness reported being a veteran, according to the State's 2020 PIT Count. The demographics of the veterans included in the PIT Count were unavailable.

*Note: The State strategically choose to report data from 2020's PIT Count because not all of the State's CoCs conducted a full count of unsheltered people experiencing homelessness in 2021 due to the COVID-19 pandemic. As a result, the 2021 data set is incomplete and provides a less consistent snapshot of homelessness compared to 2020.

Describe the unmet housing and service needs of qualifying populations, including but not limited to:

- ***Sheltered and unsheltered homeless populations;***
- ***Those currently housed populations at risk of homelessness;***
- ***Other families requiring services or housing assistance or to prevent homelessness; and,***
- ***Those at greatest risk of housing instability or in unstable housing situations:***

THDA's Response:

To gain a better understanding of the unmet housing and service needs of the HOME-ARP qualifying populations, THDA administered the 2022 HOME-ARP Needs Assessment Survey and held a public hearing on the Allocation Plan draft, inviting participants to submit comments via email regarding unmet needs and proposed allocation of funds. This section will first describe the insights gained from the survey, then the insights gained from the public hearing and emailed feedback.

The survey asked service providers and PHAs across Tennessee, as required in HOME-

ARP's consultation process, for data about the HOME-ARP qualifying populations and descriptions of these populations' unmet needs. The survey also notified the entities of HOME-ARP's eligible activities and asked them to rank these activities in terms of importance to meeting the needs of the qualifying populations. This allowed THDA to appropriately allocate funds.

Here is a count of the entities invited to participate:

- PHAs: 84 invited
- Homelessness Service Providers: 24 invited
- Domestic Violence Service Providers: 6 invited
- Vulnerable Population Service Providers: 9 invited
- Veteran-specific Service Providers: 3 invited
- CoCs (regional): 2 invited
- Public agencies: 2 invited
- Public advocacy groups: 1 invited
- TOTAL: 131 entities invited

Here is the composition of complete or partially complete survey responses received:

- PHAs: 27 responses, 46% of respondents
- Homelessness Service Providers: 18 responses, 29% of respondents
- Domestic Violence Service Providers: 5 responses, 8% of respondents
- Vulnerable Population Service Providers: 4 responses, 7% of respondents
- Veteran-specific Service Providers: 1 response, 2% of respondents
- CoCs (regional): 2 responses, 3% of respondents
- Public agencies: 2 responses, 3% of respondents
- Public advocacy groups: 1 response, 2% of respondents
- TOTAL: 59 responses

Entities self-reported on the survey which HOME-ARP qualifying populations they served and provided data about these populations and descriptions of current resources available and unmet needs. For each qualifying population, THDA synthesized these responses into themes to describe the unmet needs for each qualifying population. Numbers in parentheses indicate the number of entities that mentioned the need in a response.

Qualifying Population 1 (QP 1):

HOME-ARP's Qualifying Population 1 is households who are homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) ("McKinney-Vento"). 45 of 59 entities reporting serving QP 1.

QP 1 Theme: **Desperate need for affordable housing**

Both service providers and PHAs report a desperate need for **affordable housing (15)** in their areas, especially housing with **income-based and/or subsidized rents (4)**. They report **increases in rent (3)** are driving up the number of people experiencing

homelessness in their areas.

QP 1 Theme: Need for support services

Service providers mention a need for landlords who will accept homeless applicants, especially those experiencing **mental health issues (3)**, **chronic health issues (2)**, **struggles with substance use (3)**, or **re-entry from incarceration (3)**. Service providers express need for more services geared toward assisting people with these person-specific struggles.

Finally, both service providers and PHAs report additional needs for **transportation (3)**, **employment opportunities (2)**, and **child care (1)** to help their clients maintain housing.

QP 1 Theme: PIT count concerns

Service providers rely on their CoCs **PIT count data (9)** to quantify homelessness and make decisions about services. Several mentioned concerns about **increases in unsheltered homelessness (5)** in their areas, the PIT count being an **underrepresentation of level of need (3)**, and **area services being overcapacity and/or with waitlists (3)**.

QP 1 Theme: Need for non-congregate shelter

An **increase in non-congregate shelter (5)** is important to several service providers. Service providers in more rural areas are concerned there are **no local emergency shelter or transitional housing options (3)** available.

Qualifying Population 2 (QP 2):

HOME-ARP's Qualifying Population 2 is those who are at risk of homelessness, as defined in section 401 of McKinney-Vento. 43 out of 59 entities reported serving QP 2.

QP 2 Theme: Inadequate supply of affordable housing

Both service providers and PHAs identify **housing affordability (19)** as the main driver for homelessness risk. The main component is an **inadequate supply of affordable housing (9)**. PHAs mention **long wait lists (5)** for affordable units, especially **one-bedroom units (3)**. In the long-term, increases in the supply of affordable housing are needed to decrease homelessness.

QP 2 Theme: Concerning increases in rent and inflation

Both service providers and PHAs identify **housing affordability (19)** as the main driver for homelessness risk.

In addition to inadequate affordable housing supply, the other component mentioned is **increases in rent (6)** are making housing unaffordable. In addition, **inflation (7)** in food, gas, or child care are making previously affordable rent more difficult to pay. In the short term, **TBRA (6)** is needed to keep renters in their homes along with **support services (8)** to address any underlying reasons for instability (employment changes, emergency funds, utility bills).

Qualifying Population 3 (QP 3):

HOME-ARP's Qualifying Population 3 is those who are fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking. 31 out of 59 entities reported serving QP 3.

QP 3 Theme: **Need for affordable housing for those fleeing**

Service providers identify a need for **affordable housing (6)** as the main priority, as safe, long-term housing enabled those fleeing to live independently. **Rental assistance (3)** and **deposit assistance (1)** are also needs.

QP 3 Theme: **Need for local emergency shelters**

Some rural service providers mention a need for **local emergency shelters (3)**. Funded **hotel vouchers (1)** may be an alternative to emergency shelter, if coupled with support services.

QP 3 Theme: **Need for support services**

Aside from affordable housing or rental assistance, other **support services (11)** are needed to help those fleeing transition to living independently, including education/employment opportunities (3), budgeting assistance (2), child care options (2), and counseling (1).

Qualifying Population 4 (QP 4):

HOME-ARP's Qualifying Population 4 is those who are part of other populations where providing support services or assistance would prevent a family's homelessness or would serve those with greatest risk of housing instability. 47 out of 59 entities reported serving QP 4.

QP 4 Theme: **Need for affordable housing**

Entities emphasize many people are vulnerable because of poverty, and once again emphasize a need for **affordable housing (9)**.

QP 4 Theme: **Variety of vulnerable populations**

Service providers and PHAs mention several categories for vulnerable populations, including the **elderly (8)**, especially those on **fixed incomes (3)**, those **using substances (5)**, those with **mental health concerns (4)**, those with **disabilities (4)**, those with **criminal histories (3)**, **youth (3)**, **parenting youth (1)**, and **veterans (1)**.

Qualifying Population 5 (QP 5):

HOME-ARP's Qualifying Population 5 is those who are veterans and families that include a veteran family member that meet the criteria in (1)-(4) above. 34 out of 59 entities reported serving QP 5.

QP 5 Theme: **Need for affordable housing**

Entities emphasize a need for **affordable housing (9)** for veterans.

QP 5 Theme: **Veterans have more support than other populations**

Several service providers mention **veterans have better supports (4)** than other vulnerable populations. Specifically, the **VA hospitals (4)** provide many support services to veterans. In addition, housing specific support, like **VASH vouchers (4)**, are available. However, there is a need to increase the **number of landlords (2)** who accept VASH vouchers. PHAs emphasized **veterans do not receive priority (4)** for housing.

To request an appendix showing the specific survey responses related to themes, please contact research@thda.org.

THDA held a virtual public hearing on Tuesday, July 12, 2022 from 11 AM – 1 PM CDT via WebEx. 73 organizations were invited to attend the virtual public hearing, and approximately 50 organizations did. At this hearing, THDA presented the findings of the HOME-ARP Needs Assessment survey and its proposed Allocation Plan. Participants were invited to give feedback both verbally during the meeting and/or via email afterward about unmet needs and proposed allocations.

Two participants shared feedback verbally about unmet needs for HOME-ARP qualifying populations during the public hearing.

The first person was a developer of affordable housing, who suggested using HOME-ARP funds to mitigate cost inflation for developers who already had projects in progress throughout the state, noting this would assist with the overarching goal of providing affordable housing for any of the HOME-ARP qualifying populations (QP 1 – 5). He suggested some specific dollar amounts for grants to cover gaps in funding that would be useful to developers. He also suggested using HOME-ARP money to incentivize developers to build multifamily structures with units for a mix of income levels to allow low-income and/or previously homeless residents to escape poverty but not have to move properties if their incomes eventually exceeded the thresholds to qualify for subsidized housing. Finally, he suggested giving preference to developers who included plans for addition recovery services within their developments, since HOME-ARP is especially focused on alleviating and preventing homelessness (QP1), and many homeless people could use addition recovery supports. This person also summarized the feedback he shared in the meeting in a comment via email.

The second person was from an organization providing supportive services to people who are re- entering society after incarceration. She noted having housing and supportive services for this population would prevent this group with special housing considerations from becoming homeless (QP4). She specifically noted difficulty in locating housing for people convicted of arson or sex offender crimes. She also noted people re-entering society often have significant physical and mental health concerns, and suggested the affordable housing resources geared toward this group could include additional supportive services, like transportation to healthcare facilities, mental health screening and treatment, group therapy, and support in obtaining useful resources, like government IDs and resumes, giving this group a better chance of remaining housed. This person also summarized the

feedback shared in the meeting in a comment via email.

In addition to the verbal/emailed feedback detailed above, four other organizations also submitted emailed feedback from the public hearing regarding unmet needs and the proposed allocation plan. Their feedback was oriented around barriers to affordable housing, as well as needs for supportive services. One person representing a PHA noted many people have vouchers for subsidized rent but encounter a shortage of landlords willing to accept the vouchers, which puts these people at greater risk of experiencing homelessness (QP2). This person also noted her area had a need for low-barrier, non-congregate shelter to serve homeless individuals (QP1), explaining health concerns and conflicts over gender and religious beliefs were preventing some people from utilizing shelter resources. She also noted a low-barrier affordable housing development was recently condemned, and 65 households were displaced within 12 hours, causing a huge increase in people experiencing homelessness in her area (QP1). Another person representing a supportive service provider reiterated concerns about increasing costs for developers, and suggested using HOME-ARP funds to close gaps in funding. This person also suggested allowing HOME-ARP to be “layered” with other funding sources to allow for more ambitious housing and supportive service projects to be accomplished. Another person representing a supportive service organization for victims of domestic violence noted a severe lack of funding (\$30,000 total yearly) to meet the housing and supportive service needs of those fleeing (2000+ persons per year) and said allocations of HOME-ARP funds for this purpose are needed across Tennessee.

THDA responded to all of the comments received via email after the public hearing. For a record of comments received and THDA’s responses, please see Appendix B.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

THDA’s Response:

Please see the sections above detailing Tennessee’s shelter inventory in 2021, including emergency shelter and transitional housing.

Although supportive services for each of qualifying populations exist in the State of Tennessee, these services may not be available to the same extent in all regions of the state. Some regions, especially more rural areas, note a lack of emergency shelter and transitional housing in their areas.

THDA currently oversees a HOME funded TBRA program focused on youth aging out of foster care. In addition, several programs with grantees across the state provide some form of rental assistance or financial stabilization for housing, including Housing Opportunities for Persons with HIV/AIDS (HOPWA), Emergency Solutions Grants (ESG), the Housing

Choice Voucher (HCV) and the Emergency Housing Voucher (EHV) programs. Affordable housing is a need across the entire state. The need is especially acute in the Memphis and Nashville metro areas, where nearly half of Tennessee's households of Extremely Low Incomes (ELIs) reside. Please see the section above detailing the National Low Income Housing Coalition's analysis of affordable housing supply in Tennessee. THDA is currently working on updating its database of affordable housing to better quantify and categorize available affordable housing resources.

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

THDA's Response:

As previously mentioned, emergency shelter and transitional housing inventory in 2020 was inadequate to meet the needs of people known to be experiencing homelessness. Several CoCs had inadequate shelter resources for families. All CoCs had inadequate resources for adult individuals. Despite some increases in overall shelter beds in 2021, service providers report current unmet needs for people experiencing homelessness on THDA's 2022 HOME-ARP Needs Assessment Survey.

Tennessee has a severe shortage of affordable housing for ELI households, meaning those with an income of less than 30% of Area Median Income. In keeping with this shortage, the need for affordable housing was a recurring theme for all HOME-ARP qualifying populations on THDA's 2022 Needs Assessment Survey. Because of a lack of supply of affordable housing, service providers in Tennessee report struggling to find housing for people experiencing homelessness or people fleeing domestic violence. In addition, more affordable housing is needed to serve specific sub-populations, like one-bedroom apartments that are accessible to tenants who are elderly and/or have a disability. Finally, housing that was once affordable is becoming unaffordable due to increases in rent and overall inflation of living expenses. As a result, people are increasingly at-risk of becoming homeless. Service providers and PHAs report increased TBRA would help in the short-term, but unless more affordable housing becomes available, homelessness is likely to increase.

Please see the sections above for a more detailed analysis of the gaps in shelter, housing inventory, and the service delivery system.

Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of "other populations" as established in the HOME-ARP Notice:

THDA's Response:

Not Applicable

Identify priority needs for qualifying populations:

THDA's Response:

THDA's 2022 HOME-ARP Needs Assessment Survey consulted required entities about HOME- ARP's eligible activities and asked them to rank these activities in terms of importance to meeting the needs of the HOME-ARP qualifying populations. Rank 1 is the highest importance and 4 is the lowest. Entities were also able to select an activity as being not applicable (N/A). A few survey respondents left this question blank.

HOME-ARP allowable activities include:

1. Development and support of affordable housing
2. Tenant-based rental assistance (TBRA)
3. Provision of supportive services
4. Acquisition and development of non-congregate shelter units.

Survey results are shown in the charts on next page.

Overall survey results from all respondents:

	Rank 1	Rank 2	Rank 3	Rank 4	N/A	Blank
Activity 1	41/59 70%	10/59 15%	3/59 5%	1/59 2%	2/59 3%	2/59 3%
Activity 2	7/59 12%	17/59 29%	19/59 32%	12/59 20%	2/59 3%	2/59 3%
Activity 3	2/59 3%	17/59 29%	20/59 34%	16/59 27%	2/59 3%	2/59 3%
Activity 4	6/59 10%	11/59 19%	13/59 22%	18/59 31%	9/59 15%	2/59 2%

Survey results for service providers only:

	Rank 1	Rank 2	Rank 3	Rank 4	N/A	Blank
Activity 1	17/32 53%	9/32 28%	3/32 9%	0/32 0%	1/32 3%	2/32 6%
Activity 2	7/32 22%	5/32 16%	9/32 28%	8/32 25%	1/32 3%	2/32 6%
Activity 3	1/32 3%	11/32 34%	9/32 28%	8/32 25%	1/32 3%	2/32 3%
Activity 4	5/32 16%	4/32 13%	8/32 25%	8/32 25%	5/32 16%	2/32 6%

Survey results for PHAs only:

	Rank 1	Rank 2	Rank 3	Rank 4	N/A
Activity 1	24/27 89%	1/27 4%	0/27 0%	1/27 4%	1/27 4%
Activity 2	0/27 0%	12/27 44%	10/27 37%	4/27 15%	1/27 4%
Activity 3	1/27 4%	6/27 22%	11/27 41%	8/27 30%	1/27 4%
Activity 4	1/27 4%	7/27 26%	5/27 19%	10/27 37%	4/27 15%

Finally, as detailed in the summary above of comments received from THDA's public hearing, several organizations voiced a desire to use HOME-ARP funds to close funding gaps for developers of affordable housing with projects underway and to provide increased supportive services for people recovering from substance use disorders (QP4), for people re-entering society after incarceration (QP4), and for people fleeing violence (QP3).

The survey data above, as well as additional feedback from the public hearing, has enabled THDA to allocate HOME-ARP funds to meet the needs of the qualifying populations and entities serving them. Please see the sections below regarding THDA's proposed allocations of HOME- ARP funds.

Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:

THDA's Response:

As previously mentioned, THDA administered the 2022 HOME-ARP Needs Assessment Survey to required entities across the state. 131 entities were invited to participate. 59 responses were complete or partially complete and, therefore, included in the survey analysis. The entities self-reported which HOME-ARP qualifying populations they served and provided data about these populations and descriptions of current resources available and unmet needs. For each qualifying population, THDA synthesized these responses into themes to describe the unmet needs. The survey also notified the entities of HOME-ARP's eligible activities and asked them to rank these activities in terms of importance to meeting the needs of the qualifying populations they served.

In addition, THDA presented the findings of the HOME-ARP Needs Assessment survey in the public hearing for the proposed HOME-ARP Allocation Plan. During this meeting, two attendees gave additional feedback regarding housing needs and supportive services during the meeting, and six comments were received afterward via email.

All of this feedback allowed THDA to allocate funds according to the expressed needs of these entities.

HOME-ARP Activities

Describe the method for soliciting applications for funding and/or selecting developers, service providers, sub-recipients and/or contractors and whether the PJ will administer eligible activities directly:

THDA's Response:

THDA will not directly administer the eligible activities.

THDA will solicit applications for funding in the manner in which it currently circulates its NOFA via the following methods of communication:

- Mass emails to its network of grantees across the state
- Mass emails through our Communications Division
- Posting the NOFA on our website
- Social Media
- In-person networking through our Industry and Government Affairs Division

THDA plans to hold three (3) rounds of HOME-ARP grant applications.

- The First Round will make an immediate round of funding available for rental housing only in late 2022, recognizing that existing projects targeting eligible populations are proposed with existing funding gaps.
- The Second Round will make a portion of the Support Service funding available to providers of services to people experiencing homelessness and to those at-risk of homelessness for rapid rehousing, homelessness prevention, and other eligible support services.
- The Third Round will be made available in 2023 for the development of rental housing and non-congregate shelters, as well as support services. This timetable will provide sufficient time for applicants to identify sites and thoughtfully plan their projects. Subsequent funding rounds may be made available based on demand and funding availability.

Nonprofit Operating and Capacity Funding will be made available to nonprofits that access rental-housing awards in the first and third rounds of HOME-ARP Funds.

If any portion of the PJ's HOME-ARP administrative funds were provided to a sub-recipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the sub-recipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the sub-recipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:

THDA's Response:

THDA has not, and will, not release any administrative funds to a sub-recipient or contractor prior to HUD’s acceptance of the HOME-ARP Allocation Plan.

PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME- ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits. The following table may be used to meet this requirement.

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 5,659,525.00		
Acquisition and Development of Non-Congregate Shelters	\$ 4,370,994.00		
Tenant Based Rental Assistance (TBRA)	\$ 0.00		
Development of Affordable Rental Housing	\$ 33,000,000.00		
Non-Profit Operating	\$ 1,132,119.00	2.5%	5%
Non-Profit Capacity Building	\$ 1,132,119.00	2.5%	5%
Administration and Planning	\$ 7,991,427.00	15 %	15%
Total HOME ARP Allocation	\$ 53,286,184.00		

Additional narrative, if applicable:

THDA’s Response:

The final distribution of ARP funding will be determined based on the applications received. THDA may move funding between these allocation pools if sufficient applications are not received to use all resources designated for an activity.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

THDA’s Response:

The outlook and development of THDA’s allocation plan is based on historical figures, while also being sensitive to likely housing trajectories. The Development of Affordable Rental Housing and Acquisition and Development of Non-Congregate Shelters housing is seen to be vital and imperative in combating homelessness. Additional activities will aid the success of projects and assist those organizations currently serving the homeless and those at-risk of homelessness through THDA’s ESG program, e.g. Supportive Services, Non-

Profit Capacity Building and Administration and Planning.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

THDA's Response:

275 total affordable rental housing units are anticipated to be produced. Of the 275 units, we estimate 70% (193) will be one (1) BR with 25% (69) being two (2) BR and the remainder (13) being three (3) or more bedroom units.

50 non-congregate shelter units are anticipated to be produced.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

THDA's Response:

THDA has set a goal of 275 affordable rental units based on the rental housing production set-aside and 2022 subsidy limits for two (2) bedroom units. This goal seeks to address the monumental need for affordable housing in Tennessee. The need for available beds and housing is reflected in the Homeless Needs Inventory Gap noted in our research.

Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

- *Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).*
- *PJs are not required to describe specific projects to which the preferences will apply.*

THDA's Response:

THDA will not apply preferences among subpopulations within the qualifying populations for any of the eligible housing units.

If a preference was identified, explain how the use of a preference or method of prioritization

will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or category of qualifying population, consistent with the PJ's needs assessment and gap analysis:

THDA's Response:

Not Applicable

If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:

THDA's Response:

Not Applicable

HOME-ARP Refinancing Guidelines

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME- ARP refinancing guidelines in accordance with [24 CFR 92.206\(b\)](#). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:

- *Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity*
- *Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.*
- *State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.*
- *Specify the required compliance period, whether it is the minimum 15 years or longer.*
- *State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.*
- *Other requirements in the PJ's guidelines, if applicable:*

THDA's Response:

THDA will not permit the refinancing of existing debt with HOME-ARP funds.



Appendix A
Organizations Consulted via HOME-ARP Needs Assessment Survey

Name	Type of Organization	Qualifying Populations Served
Bolivar Housing Authority	PHA	1, 2, 4, 5
Dyersburg Housing Authority	PHA	1, 2, 3, 4, 5
Elizabethton Housing and Development Agency	PHA	1, 2, 3, 4, 5
Erwin Housing Authority	PHA	1, 2, 3, 4, 5
Etowah Housing Authority	PHA	1, 2, 3, 4, 5
Fayetteville Housing Authority	PHA	1, 2, 3, 4, 5
Highlands Residential Services	PHA	1, 2, 3, 4, 5
Jackson Housing Authority	PHA	1, 2, 3, 4, 5
Kingsport Housing and Redevelopment Authority	PHA	1, 2, 3, 4, 5
Lafayette Housing Authority	PHA	1, 2, 5
LaFollette Housing Authority	PHA	1, 2, 3, 4, 5
Lenoir City Housing Authority	PHA	2
Livingston Housing Authority	PHA	1, 2, 3, 4, 5
Manchester Housing Authority	PHA	1, 2, 4
Maryville Housing Authority	PHA	1, 2, 4
McMinnville Housing Authority	PHA	2, 3, 4, 5
Memphis Housing Authority	PHA	4
Metropolitan Development and Housing Agency (MDHA)	PHA	1, 2, 3, 4, 5
Morristown Housing Authority	PHA	1, 2, 3, 4, 5
Murfreesboro Housing Authority	PHA	1, 2, 3, 4, 5
Newbern Housing Authority	PHA	1, 2, 3, 4, 5
Newport Housing Authority	PHA	1, 2, 4
Ripley Housing	PHA	1, 2, 3, 4, 5
Savannah Housing Authority	PHA	1
Shelbyville Housing Authority	PHA	1, 2, 3, 4, 5
South Pittsburg Housing Authority	PHA	4
Sparta Housing Authority	PHA	2
Area Relief Ministries	Homelessness Service Provider	1, 2, 4
Bethesda Community Mission, Inc.	Homelessness Service Provider	1

