

Grantee: Tennessee

Grant: B-11-DN-47-0001

October 1, 2019 thru December 31, 2019 Performance Report

Grant Number:	Obligation Date:	Award Date:
B-11-DN-47-0001	03/10/2011	03/10/2011
Grantee Name:	Contract End Date:	Review by HUD:
Tennessee	03/10/2014	Reviewed and Approved
Grant Award Amount:	Grant Status:	QPR Contact:
\$5,000,000.00	Active	Donald Watt
LOCCS Authorized Amount:	Estimated PI/RL Funds:	
\$5,000,000.00	\$0.00	
Total Budget:		
\$5,000,000.00		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The purpose of NSP 3 is to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned. Eligible activities are to be carried out in census tracts in Memphis, Tennessee and Jackson, Tennessee that have been designated by HUD as areas of greatest need. Such designation is based on the HUD Foreclosure Needs assessment. The needs score of any targeted geography shall not be less than "15" which is the 20th percentile score for the State of Tennessee. These areas of greatest need will include those with the greatest percentage of home foreclosures, with the highest percentage of homes financed with a subprime mortgage related loan, and identified by the RFP application as likely to face a significant rise in the rate of home foreclosures.

The following are the five eligible activities under NSP 3:

A. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate income homebuyers. This includes activity delivery costs as an eligible activity.

B. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties. This also includes relocation costs, direct homeownership assistance and housing counseling.

C. Establish and operate land banks for homes and residential properties that have been foreclosed upon. The land bank may not hold the property for more than 10 years without obligating the property for a specific, eligible redevelopment of that property in accordance with NSP requirements.

D. Demolish blighted structures.

a) No NSP 3 funds may be used to demolish public housing.

b) An NSP grantee may not use more than 10 percent of its grant for demolition, unless the Secretary of HUD determines that such use represents an appropriate response to local market conditions. NSP 3 grantees seeking to use more than 10 percent of their grant amounts for demolition activities must request a waiver from HUD.

c) THDA will discourage the use of NSP 3 funds exclusively for demolition.

E. Redevelop demolished or vacant properties as housing, including the new construction of housing to redevelop demolished or vacant properties. Note: NSP 3 funds under this eligible use must be used for housing. Redevelopment of acquired property for non-residential uses such as public parks, commercial uses, or mixed residential and commercial uses, which was an eligible activity under NSP 1, is disallowed for NSP 3.

How Fund Use Addresses Market Conditions:

Target and reconnect neighborhoods.

Grantees should invest program funds in projects that will revitalize targeted neighborhoods and reconnect those communities to the economy, the housing market and the social networks of the metropolitan area as a whole. These local housing market conditions have all been addressed by each individual housing developer, and are included in the substantial amendment documents. Other site specific conditions and information is also included.

Ensuring Continued Affordability:

A. Period of Affordability. The sales price for a NSP-assisted unit to an eligible homebuyer must be as outlined at Section 2.4 – Acquisition and Sale of Housing. Subrecipients may further discount the sales price by as much as 50% to make the NSP assisted unit more affordable to the purchasing household. This subsidy will be in the form of a soft second mortgage, secured by a Grant Note and Deed of Trust, and will be subject to the following restrictions:

a) The subsidy will be forgiven as long as the household continues to reside in the home as its principal residence

- during the affordability period.
- b) If the property is rented or otherwise does not remain the principal residence of the purchasing household during the period of affordability, the full amount of the NSP subsidy must be repaid.
 - c) If the property is sold during the period of affordability, the amount of the NSP subsidy to be returned will be pro-rated based on the remaining years in the affordability period and the net proceeds are shared. (Note: Net proceeds are the sales price minus closing costs and any non-NSP loan repayments.) All recaptured funds are returned to THDA.
 - d) Refinancing the first mortgage at any time during the NSP affordability period will require repayment of the full NSP grant to THDA. The period of affordability for NSP subsidized homes is consistent with the HOME Program requirement at 24 CFR 92.254(a)(4) as follows:

NSP FUNDS PROVIDED
 AFFORDABILITY PERIOD
 Under \$15,000
 5 Years
 \$15,000 to \$40,000
 10 Years
 Over \$40,000
 15 Years

Definition of Blighted Structure:

BLIGHTED STRUCTURE.
 A structure is blighted when in the context of state and local law, it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Local government certification will be required.

Definition of Affordable Rents:

- A. Affordability Period. NSP-assisted rental units are rent and income controlled for a period of ten years regardless of the amount of NSP funds invested per unit. Prior to drawing down NSP funds, owners of rental projects will be required to sign a grant note, deed of trust and restrictive covenant to enforce the NSP affordability period.
- B. NSP Allowable Rents. The maximum allowable rent for an NSP rental unit will be the applicable high HOME rent. (Note: HOME Program Rents can be found on the HUD website at www.hud.gov. These rents are determined on an annual basis by HUD and include all utilities.)
- C. Applicable Utility Allowance. The cost of utilities paid by tenants must be subtracted (using applicable utility allowances) from the published HOME rents to determine the maximum allowable rents.

Housing Rehabilitation/New Construction Standards:

PROPERTY / REHABILITATION STANDARDS

- A. Local Codes and Zoning. Any housing constructed or rehabilitated with NSP funds must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion. (All situations will be Memphis/Shelby County).
- B. Absence of Local Code. In the absence of a local code:
 - a) new construction of multi-family apartments of 3 or more units must meet the 2006 International Building Code;
 - b) new construction or reconstruction of single-family units or duplexes must meet the 2006 International Residential Code for One- and Two-Family Dwellings;
 - c) rehabilitation of rental units or existing homeowner units must meet the 2006 International Property Maintenance Code; and,
 - d) rental units must, at a minimum, continue to meet Section 8 Housing Quality Standards (HQS) on an annual basis.
 The International Code books are available from:
 International Code Council
 4051 W. Flossmore Road
 Country Club Hills, IL 60478-5795
 Telephone: (800) 786-4452
 Fax: (866) 891-1695
 Website: www.iccsafe.org
- C. Green Building and Energy Efficiency
 - a) All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
 - b) All gut rehabilitation or new construction of mid-or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection and the Department of Energy).
 - c) Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting not water heaters, furnaces, boilers, air conditioning units, refrigerators, close washers and dishwashers) with Energy Star-labeled products.
 - d) Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

Housing Rehabilitation/New Construction Standards:

- e) Where relevant, the housing should be improved to mitigate the impact of disasters such as earthquake, hurricane, flooding, fires, etc .

Vicinity Hiring:

VICINITY. HUD defines vicinity as each neighborhood identified by the NSP 3 grantee as being the area of greatest need. The NSP 3 allocation includes statutory language that requires grantees “to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity (see definition of vicinity above) of projects funded under this section or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects.” The vicinity hiring requirement will be a part of the RFP application response.

Procedures for Preferences for Affordable Rental Dev.:

NSP 3 includes statutory language requiring grantees to “establish procedures to create preferences for the development of affordable rental housing for properties assisted with NSP 3 funds.” Subrecipients may use NSP to develop affordable rental housing for low income households through new construction or conversion, acquisition, or acquisition and rehabilitation. All developers have presented documentation of how each will address and create preferences for the development of rental

housing. Based on THDA's experience with NSP 1, the preference requirement will most likely be met under the 25% set-aside.

Grantee Contact Information:

Jurisdiction: State of Tennessee
By: Tennessee Housing Development Agency
Jurisdiction Web Address: www.thda.org
NSP Contact:
Don Watt, Director of Community Programs
Tennessee Housing Development Agency
Andrew Jackson Building, Third Floor
502 Deaderick Street
Nashville, Tennessee 37243
Telephone: (615) 815-2030
Fax: (615) 532-5069
Email: DWatt@thda.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,000,000.00
Total Budget	\$0.00	\$5,000,000.00
Total Obligated	\$0.00	\$5,000,000.00
Total Funds Drawdown	\$0.00	\$5,000,000.00
Program Funds Drawdown	\$0.00	\$5,000,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$5,000,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$250,000.00
Limit on Admin	\$0.00	\$250,000.00
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$1,250,000.00	\$1,250,000.00

Overall Progress Narrative:

State of Tennessee/THDA staff are working toward NSP 3 grant closeout. This can occur with the completion and occupancy of the remaining units being constructed/rehab by Promise Development in Memphis. It was estimated construction would have been completed by this QPR submittal, but due to winter weather construction delays, that estimate has been pushed forward until late next quarter for completion and occupancy to meet national objective requirements. THDA is working to reconcile any financial and beneficiary issues that are showing in the HUD Clean Ups reports to allow the grant closeout upon the completion and occupancy of the Promise units. Promise is utilizing third party funding for the construction and rehab costs, State of TN NSP 3 only funded the acquisition and any pre-development costs of the properties previously. All NSP 3 program funds have been drawn down.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
TN-11-Frayser CDC 25%, Frayser 25%	\$0.00	\$312,500.00	\$312,500.00
TN-11-Habitat 25%, Habitat 25%	\$0.00	\$312,500.00	\$312,500.00
TN-11-Habitat 120%, Habitat 120%	\$0.00	\$875,000.00	\$875,000.00
TN-11-N Memphis 120%, N Memphis CDC 120%	\$0.00	\$875,000.00	\$875,000.00
TN-11-North Memphis CDC, N Memphis CDC 25%	\$0.00	\$312,500.00	\$312,500.00
TN-11-NSP3 25%-United, United Housing 25%	\$0.00	\$312,500.00	\$312,500.00
TN-11-NSP3-Frayser, Frayser CDC 120%	\$0.00	\$875,000.00	\$875,000.00
TN-11-THDA, THDA admin	\$0.00	\$250,000.00	\$250,000.00
TN-11-United 120%, United Housing 120%	\$0.00	\$875,000.00	\$875,000.00

Activities

Project # / TN-11-Frayser CDC 25% / Frayser 25%

Grantee Activity Number:	TN-11-Frayser 25%
Activity Title:	Frayser CDC 25%

Activitiy Category:	Activity Status:
Rehabilitation/reconstruction of residential structures	Completed
Project Number:	Project Title:
TN-11-Frayser CDC 25%	Frayser 25%
Projected Start Date:	Projected End Date:
08/01/2011	03/10/2014
Benefit Type:	Completed Activity Actual End Date:
Direct (HouseHold)	03/10/2014
National Objective:	Responsible Organization:
NSP Only - LH - 25% Set-Aside	Frayser CDC

Overall	Oct 1 thru Dec 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$312,500.00
Total Budget	\$0.00	\$312,500.00
Total Obligated	\$0.00	\$312,500.00
Total Funds Drawdown	\$0.00	\$312,500.00
Program Funds Drawdown	\$0.00	\$312,500.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$312,500.00
Frayser CDC	\$0.00	\$312,500.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:
Aquisition/rehab/construction of single family units for income eligible households.

Location Description:
Eligible NSP 3 census tracts located in Frayser area of Memphis.

Activity Progress Narrative:
test, do not submit

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# ELI Households (0-30% AMI)	0	5/0
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	10/3
# of Singlefamily Units	0	10/3

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	10/3	0/0	10/3	100.00
# Renter Households	0	0	0	10/3	0/0	10/3	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Project # / TN-11-NSP3 25%-United / United Housing 25%

Grantee Activity Number:	TN-11-United 25%
Activity Title:	United Housing 25%

Activitiy Category:	Activity Status:
Rehabilitation/reconstruction of residential structures	Completed
Project Number:	Project Title:
TN-11-NSP3 25%-United	United Housing 25%
Projected Start Date:	Projected End Date:
08/01/2011	03/10/2014
Benefit Type:	Completed Activity Actual End Date:
Direct (HouseHold)	
National Objective:	Responsible Organization:
NSP Only - LH - 25% Set-Aside	United Housing, Inc.

Overall	Oct 1 thru Dec 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$312,500.00
Total Budget	\$0.00	\$312,500.00
Total Obligated	\$0.00	\$312,500.00
Total Funds Drawdown	\$0.00	\$312,500.00

Program Funds Drawdown	\$0.00	\$312,500.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$312,500.00
United Housing, Inc.	\$0.00	\$312,500.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Acquisition/rehab/construction of rental units for SRVS clients at or below 50% AML.

Location Description:

Eligible NSP3 census tracts located in Memphis.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	4/3
# of Singlefamily Units	0	4/3

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	12/3	0/0	12/3	100.00
# Renter Households	0	0	0	12/3	0/0	12/3	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Project # / TN-11-THDA / THDA admin

Grantee Activity Number:	TN-11-NSP3-THDA
Activity Title:	THDA Admin

Activitiy Category:	Activity Status:
Administration	Completed
Project Number:	Project Title:
TN-11-THDA	THDA admin
Projected Start Date:	Projected End Date:
08/01/2011	03/10/2014

Benefit Type:

()

National Objective:

N/A

Completed Activity Actual End Date:

03/10/2014

Responsible Organization:

TN HOU DEV AGENCY-THDA

Overall	Oct 1 thru Dec 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$250,000.00
Total Budget	\$0.00	\$250,000.00
Total Obligated	\$0.00	\$250,000.00
Total Funds Drawdown	\$0.00	\$250,000.00
Program Funds Drawdown	\$0.00	\$250,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$250,000.00
TN HOU DEV AGENCY-THDA	\$0.00	\$250,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

TN Housing Development Agency Administration funds (5% of grant)

Location Description:

TN Housing Development Agency (Nashville) internal administration funds

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Monitoring, Audit, and Technical Assistance

Event Type	This Report Period	To Date
Monitoring, Audits, and Technical Assistance	1	70
Monitoring Visits	1	46
Audit Visits	0	0
Technical Assistance Visits	0	3
Monitoring/Technical Assistance Visits	0	21
Report/Letter Issued	1	19