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Tennessee Housing Trust Fund

Purpose: Establish a pool of funds that would be allocated to local entities to meet the housing needs for very low-income, elderly, and special needs (see definition below) citizens.

In September, 2006 the THDA Board of Directors voted to allocate \$12 million of THDA funds (over a two-year period) to establish the Tennessee Housing Trust Fund. In 2007, the THDA Board of Directors voted to allocate an additional \$6 million to the Fund for FY 08-09.

The four-level model for funding includes state appropriation, THDA funds, private sector investment, and matching funds from local grantees. The purpose of the Housing Trust Fund is to serve the needs of very low income, elderly and special needs Tennesseans. Initial amounts available in the Housing Trust Fund are as follows:

	Initial Total			
	FY 06-08	FY 09-10	FY 10-11	Total
THDA	\$18,000,000	\$6,000,000	\$6,000,000	\$30,000,000
State App. (recurring)	\$ 700,000	\$ -	\$ -	\$ 700,000
State App. (non-recurring)	<u>\$ 3,650,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,650,000</u>
Totals	\$ 22,350,000	\$6,000,000	\$6,000,000	\$ 34,350,000

In addition, THDA is seeking private sector funding for the Housing Trust Fund. The fund's corpus is designed to be spent. Combined with THDA funds, local match and additional leveraging, the \$4 million state appropriation investment in affordable housing served as a magnet to create a \$33.75 million direct economic impact in Tennessee.

Program Uses:

The HTF targets assistance to persons of very low income, those earning 50% or less of the area median income. The 2007 round of Competitive HTF grants in the amount of \$10 million are supporting the chronically homeless, persons with mental retardation or mental illness, citizens with developmental disabilities, single mothers recovering from substance addiction or physical abuse, veterans with multiple needs and ex-offenders re-entering society.

A set-aside within the trust fund is the Emergency Repair Fund. In FY 2007 and FY 2008 a total of \$4 million dollars was allocated between the state's nine development districts specifically to repair a home to keep it livable for its elderly homeowner. [USDA / Rural Development](#) has an established home repair fund, and the \$1.4 million grant from the HTF in FY 2007 and FY 2008 will make those funds reach more homeowners. Basic home repair was the constantly repeated request when THDA and other housing funders visited with community leaders in all nine of Tennessee's development districts in the spring of 2007. City and County officials, especially in rural areas of the state, continue to express that need as our THDA's legislative liaison travels to meet with them to discuss affordable housing. United Cerebral Palsy (www.ucpnashville.org) has been working

in partnership with THDA to construct ramps for persons with disabilities to allow access to their homes. In FY 2007 and FY 2008, \$300,000 was made available from the HTF to continue this program.

Project Requirements:

To be eligible, proposed projects have to:

- 1) Serve the targeted populations: very low income, very low income and elderly, or very low income with special needs;
- 2) Match grant funds with new local funds
- 3) Extra consideration would be given for projects that use the funds as loans as opposed to grants (to create a local revolving fund for future use).