



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Leading from Strength: THDA builds Habitats; Habitats build housing

HFA Tennessee Housing Development Agency

Submission Contact Patricia M. Smith

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013.**

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input checked="" type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Leading from Strength: THDA builds Habitats; Habitats build housing

Background

What does an energized non-profit need from a housing finance agency? Money!

Developing partnerships to stimulate and increase production to meet the housing needs of Tennesseans with low incomes has been a key focus of the Tennessee Housing Development Agency (THDA). THDA is committed to working with local communities and non-profit agencies to make decent, safe and affordable housing available to all Tennesseans. Providing a ready stream of affordable mortgage funds helps non-profits' customers who are working on the front line of housing need. The next step is supporting those producers.

In 2000, THDA decided to use its balance sheet strength to create the New Start program through which qualifying loans could be sold to THDA by participating non-profit housing providers, providing an immediate replacement of cash in lieu of owners' monthly mortgage payments. This enables the non-profit provider to build houses sooner rather than later, fulfilling housing needs and building their capacity.

Community spirit is high and engaged at every new home dedication. Announcing or starting the next house keeps the volunteer builders and community supporters engaged. How could THDA assist that momentum?

Creation of a Symbiotic Self-perpetuating Revenue Stream

A second source of funding for non-profit providers is the Tennessee Housing Trust Fund. THDA's Board of Directors established the Tennessee Housing Trust Fund (HTF) in 2006 with a \$12 million allocation of mortgage revenue bond proceeds to leverage a state appropriation of \$1 million, the first state appropriation for housing in six years. The Board of Directors has allocated an additional \$6 million of agency bond proceeds to the fund each year since.

HTF has provided \$3.96 million to Habitat for Humanity of Tennessee and its affiliates since its inception. HTF awards have been used to purchase building materials for 225 volunteer-built Habitat homes for an estimated 787 children and adults.

THDA requires at least a 50% match for its Housing Trust Fund grants. THDA's funds have been presented effectively by the Habitat affiliates during fundraising events as a "challenge grant" to spur matching donations from individuals, churches and businesses. Their efforts have generated \$12.4 million in matching funds, much above the required \$ 2 million.

First, the state organization applies for the grant from THDA and makes assignments among local affiliates. In time, the state organization gathers and submits the documentation for the request for payment and THDA provides reimbursement for building materials (maximum of \$20,031 per build). A payment of \$1,507 is also made to the State Habitat office for

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administrative services. At closing the grant becomes part of the value and is included in the first mortgage on the house. The Habitat affiliate retains the \$20,031 to invest in the next home or affiliate activity. (It is a requirement that any proceeds generated by the HTF grant are invested by the grantee to benefit the housing needs of low income, elderly or special needs populations.)



Rutherford County
Habitat
for Humanity®

INCOME SOURCES

Homeowner Name
450 E. State Street
Murfreesboro, TN 37130

RC Home Builder's Contribution	\$40,000.00
Federal Home Loan Bank of Cincinnati	\$25,000.00
HFHT "Building Tennessee" Grant	\$20,031.00
TOTAL FUNDING	\$85,031.00

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Each household using Trust Fund dollars participates in a THDA-sponsored eight-hour home ownership training for each adult in the household.

THDA funds the Housing Trust Fund and the 0% mortgages from the revenues in the mortgage bond program.



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“Our collaboration with THDA through the Housing Trust Fund has allowed our affiliate to increase our capacity and to build more homes that strongly impact the lives of families,” said Matt Carlson, Executive Director of Habitat for Humanity of Cleveland Tennessee. “It gives us the ability to better leverage local funding and the HTF money comes back to us again over a long period of time. This has opened up a number of doors for us on the local level to substantially increase our house production.”



Becket Moore, Executive Director of Habitat for Humanity of Williamson County, explains: *“The monies from the THDA Housing Trust Fund are used as leverage for our affiliate to receive other grant funding, such as Federal Home Loan Bank of Cincinnati’s Affordable Housing Program grants as well as encouraging local foundations to participate in sponsoring the costs of a home. When the total cost of a home is only partially funded by local businesses, churches and individuals, the housing funds help in land purchases, overhead and other development costs we incur. This grant, coupled with the immediate payout from a THDA New Start Loan, has enabled the affiliate to enhance our fundraising and outreach, which in turn results in an increase in the number of families we are able to serve each year.”*

“The Housing Trust Fund provided by THDA helps us serve more families. One family with an incredible story is Ms. Peoples, a single mother with four children. Her youngest daughter is confined to a wheelchair. The house they rented was small and crowded, making it very difficult for Ms. Peoples to adequately care for her daughter. With the HTF funding we were able to build an ADA-compliant home with the proper equipment to care for her daughter. Their lives are richer and fuller now with a new, more spacious home,” adds Lisa McIntyre, Family Services Director.



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“My counterpart at another state financing agency phoned to ask about what we were doing with Habitat for Humanity because his local Habitat for Humanity chapters kept asking ‘Why can’t you be more like the State of Tennessee?’ said Craig Stevens, Housing Coordinator for THDA. “This is what we’re doing. I hope an outline of this model might be helpful to others.”

