

THDA Steps Up for the Most Fragile

The word partnership has been defined as follows: a relationship between individuals or groups that is characterized by mutual cooperation and responsibility for the achievement of a specified goal. Through a partnership between Tennessee Housing Development Agency (THDA), the State Division of Intellectual Disabilities Services (DIDS), the Division of Real Property Administration (DRPA), the Office of the Comptroller of the Treasury, Division of Bond Finance, and local non-profit developers, the housing needs of some of the State's most fragile citizens are being met.

The provision of community based housing for those least able to care for themselves is the focus of the DIDS/THDA Housing Initiative. DIDS is charged with providing mainstream housing for persons who have severe physical and mental disabilities. DIDS is under a court order to move these citizens from the State's residential developmental centers to housing within local communities. This need for housing has remained unresolved during more than 10 years of legal challenges. We are proud to say Tennessee has succeeded in developing a functioning program, ready to be replicated.

THDA/DIDS Housing Initiative

Planning for the program began in 2006 and the first dirt was turned in 2007. Three homes were purchased in 2008. THDA is providing funding for short term low interest construction loans to be used for the development of community-based housing for citizens currently residing in DIDS Developmental Centers all across the State.

To assist the State in meeting this housing need, THDA established a revolving short-term low-interest construction loan pool, currently funded in the amount of \$5 million. THDA is lending these funds to approved non-profit entities that have the capacity to act as developers to construct houses in each region of the State. Each house is designed to accommodate four DIDS clients and is built on a "turn-key" basis. DIDS and DRPA provide oversight and design guideline compliance during the construction phase. THDA serves as the construction lender, monitors the progress of the construction, helps to resolve issues as they arise, and serves as a dedicated liaison between the various State departments and the non-profit developers.

Upon completion of construction, the State of Tennessee acquires title to each house using proceeds from general obligation bonds provided through the Office of the Comptroller of the Treasury, Division of Bond Finance or funds appropriated by the State General Assembly. The THDA loan is paid in full from the sale proceeds and the non-profit developer earns a fee for their crucial responsibilities.

To this end, THDA issued a Request for Proposals in 2006 to non-profit entities in Memphis/Shelby County that had previously received HOME grant funding. Interested entities submitted expressions of interest that were evaluated to determine the capability to produce one or more houses under this program. Entities determined to be qualified were invited to participate in a pre-bid conference call and were given a deadline for submitting a comprehensive bid.

Constant Teamwork

A review committee made up of representatives from THDA, DIDS, DRPA, the Office of the Comptroller of the Treasury, the Division of Bond Finance and representatives of private non-profit entities selected non-profit applicants based upon their submitted cost estimates and bid documentation.

Following selection, the non-profits worked with THDA, DMRS, and DRPA to select the sites, and develop timetables, final plans, working drawings, contracts, and other necessary documentation. At the time of the construction loan closing, the non-profit, the State of Tennessee and THDA enter into a Tri-Party Agreement that details the terms of the construction loan, construction requirements, and the purchase of the house(s) by the State upon completion.

The funds repaid to THDA are reinvested in this initiative resulting in the creation of a revolving construction loan pool used to assist DIDS in attaining their housing goals throughout the State.

Through this model, not only are homes being constructed to the exact design specifications required by DIDS, but significant cost savings to the State are being realized. Because the State will be the owner of these homes, costs associated with the leasing of homes from various private providers and making accessibility accommodations when necessary will be reduced.

Conclusion

The program has been successfully executed in West Tennessee in the City of Memphis. To date five open plan homes, of approximately 3,400 square feet, located in residential neighborhoods throughout the city, have been constructed. Twenty clients already are being served. The plan is to replicate this model to construct additional housing units in each of the three grand divisions of the State.

Through the partnership between the various State departments and the non-profit developers, the housing needs of some of the State's most vulnerable citizens are being met and THDA's vision of every Tennessean living in a safe sound affordable home in a viable community is being realized.

Supporting Documentation: attached photographs