



Tennessee Caucus Agenda

Thursday, February 15, 2024 ~11am–3pm ET (10-2 Central)

Hosted by Foothills CDC at:

United Way of Blount Co.: 1615 E. Broadway Ave., Maryville, TN 37803

- 1) Welcome; Special Guest Introductions; Meeting Call to Order** – Maria Catron
Bill Forrester - 1st TN Dev. Distr., Katie Moore, Bill Lord(tentative) – THDA; Marisol Torres,
Don Harris (tentative)-USDA-RD; Eric Haralson, Triage Assoc.; Eddie Latimer - AHR;
Amy MacKown -TN Dept. of Environment & Conservation; Kent Archer -TN DECD

2) Membership Business – Maria **30-40 minutes**

- a. Approval of Previous Meeting Minutes **pp. 3-8**
- b. Caucus Discussion – Around the Horn: *Anyone with a burning question?*
- c. Fahe Executive Report **pp. 9-11**
- d. 4 Corner Working Group share-outs **Capacity – Narrative – People – Money**
- e. Housing Needs Assessment - Katy Stigers, Jackie Strager **pp.12-22**
Final Report: <https://www.fahemembers.com/fahe-final-report-wvu-june-2023/>

3) Partner Updates **30-45 minutes**

- a. **TN DEC – Brownfields** – Amy MacKown **pp. 23**
- b. **THDA** – Katie Moore, Bill Lord
 - i. Status of GMS
 - ii. Other program opportunities
- c. **USDA-RD** – Marisol Torres
 - i. Production
 - ii. Disaster Grants
 - iii. SF Handbook Updates
- d. **FHLB Updates pp. 24-25**
 - i. 2024 Implementation Plan for housing programs released Dec. 2023 – increased resources to apply for, increased per project caps, an opportunity
 - ii. CMPHF – window opened Feb. 1st
 - iii. AHP Trainings
- e. **TN CED** – Kent Archer

4) Strength in Numbers - Member Interest/Focus Updates – Traviss Witt **15 minutes**

- a. Organizational Strategies – Drafts for review **pp. 26-30**
- b. Workforce Development
- c. Department of Energy Overview – GGRF – announcements in March
- d. Opioid Settlement Funds

5) Advocacy **20-30 minutes**

- a. State – Maggie **pp. 31-40**
 - i. ARPA Funding from TN ARP/THDA
 - ii. State Advocacy Coalition Activities
 - FSAG – Next Steps with THDA
 - Consideration of timeline (Fahe Advisory Group / proposal design)

iii. February 28th - TN Hill Visits – Planning Legislative Outreach –

[TN List of Key Legislators](#) [TN Legislation Bill Report](#)

- Confirm appointments with legislators
- Discuss logistics
- Quick overview of talking points and collateral
- Q&A

b. Federal Updates – Josh Stewart

6) Fahe Updates –

30 minutes

- a. Fahe Board Report: Board Members Jackie Mayo, Lindy Turner
 - i. New Board Member, Donna Gambrell
- b. Membership Committee –Julie Keel (*tentative*) Affiliated Partners **p. 41**
- c. Membership Updates **p. 42**
 - i. Reporting – QE 9-30-23 status- Vonda
 - ii. Membership Training Opportunities – Jackie Weiss
 - iii. Business Continuity Plans- still available – Diedre Kendall, Fahe AmeriCorps VISTA
 - iv. Member Disaster Risk Assessment – Jeremy Cornett, Fahe VISTA
 - v. Health and Housing – Nicholas Bormes
- d. Communication Round up – Lina Page
- e. REED, Research Evaluation Evidence & Data Cmte - Katy Stigers, Camila Moreno
Mapping Feedback Requested (building better data)
- f. Lending – Community f. Lending and JustChoice Lending **p. 43**
- g. Partners for Rural Transformation Update – Sara Ball

Host for Next Meeting June 5th ?

Upcoming Events

- **Feb. 22, 11:30 am ET** - Fahe Advocacy Webinar– **Primer on the Federal Budget w/Josh Stewart**
- **Feb. 26-Mar 1** - NeighborWorks Training Institute (NTI) returns to San Francisco, CA
- **Feb. 28-Mar 1** – TN Housing Conference, Nashville
- **March 6, 11 am ET** - Fahe Advocacy Webinar: **Figuring Out What Electeds Care About**
- **April 17-18** – Fahe Spring Retreat/Exec. Director Symposium, Berea, KY
- **May 6-10**: NeighborWorks America Virtual Training Institute (VTI)
- **June 5** – TN Caucus Meeting, location **TBD**
- **Aug. 26-30**: NTI Pittsburgh, PA
- **Sept. 9-11** – Fahe Annual Meeting, Roanoke, VA
- **Nov. 6** - TN Caucus Meeting - location **TBD**

Sign up for Fahe's Member Newsletter here: www.fahemembers.com/signup

Sign up for Fahe's Blog here: www.fahe.org/signup

TN Caucus Page: <https://www.fahemembers.com/state-caucuses/tn-al-member-information/>



Tennessee Caucus Minutes
Wed., Nov. 1, 2023 11am–3 pm ET (10-2 Central)
 Host: Knoxville Leadership Foundation; Regas Building
 318 N. Gay Street, Knoxville, TN 37917

Name	Organization	Name	Organization
	Appalachia HFH	Bill Lord	Guest-THDA
Annie Cacheiro	ADFAC-Virtual	Don Watt	Guest-THDA -Virtual
Ashley Hillis	ADFAC	Eric Haralson	Guest-Triage Assoc.
Joey Collins	ADFAC	Don Harris	Guest-USDA RD
Kristina Rowles	Appalachian Service Proj.	Marisol Torres	Guest-USDA RD
Rikki Eason	Blount Co. HFH	Angela Hawkins	Guest-USDA RD
Mark Baldwin	Creative Compassion, Inc.	Amanda Scalph	Fahe-Virtual
Victoria Ray	Crossville HA	Amaya Sizer	Fahe-Virtual
Lindy Turner	Clinch-Powell RC&D	Courtney King	Fahe-Virtual
Rebecca Dillow	Clinch-Powell RC&D	Dee Parker	Fahe-Virtual
Sabrina Seamon	Clinch-Powell RC&D	Diedre Kendall	Fahe
Stace Karge	Clinch-Powell RC&D	Jackie Weiss	Fahe-Virtual
Kip Parks	Eastern 8	John Niederman	Fahe-Virtual
Sherry Trent	Eastern 8-Virtual	Jon Brooks	Fahe-Virtual
Bobby Eason	Foothills CDC	Josh Stewart	Fahe-Virtual
Chris Osborn	HomeSource etn	Katy Stigers	Fahe-Virtual
Jackie Mayo	HomeSource etn	Maggie Riden	Fahe
Emily Chase	Kingsport Housing RA-Virtual	Nicholaus Bormes	Fahe
Adam Montgomery	Knoxville Leadership Fndtn	Tanzi Merritt	Fahe-Virtual
Chris Martin	Knoxville Leadership Fndtn	Traviss Witt	Fahe
Chris Callahan	Loudon Co. HFH	Vonda Poynter	Fahe
Julie Keel	Mountain T.O.P.	Emily Burleson	Fahe-Virtual
Maria Catron	Oak Ridge HA	Essence Smith	PRT-Virtual
Krystal Keller	TN Comm. Asst. Corp.	Theresa Mantipty	PRT-Virtual
Bill Forrester	Guest-1st TN Dev. Dist.	Sara Ball	PRT-Virtual
Rene' Mann	Guest-1st TN Dev. Dist.	Savannah Smith	PRT Intern-Virtual

15 f 16 Members represented = 94% Attendance

1) Welcome; Special Guest Introductions; Meeting Called to Order – Maria CatronBill

Forrester & René Mann, 1st TN Dev. Distr., Bill Lord - THDA; Don Harris, MarisolTorres, Mary Hickman, USDA RD

2) Membership Business – Maria

- a. Approval of Previous Meeting Minutes and Action Items – Motion from Adam, second from Jackie. Motion passed unanimously.

- b. Caucus Discussion – Around the Horn:

***Are you experiencing difficulty recruiting, or retaining, skilled employees?
 Can you share about your recruitment practices, where you find and how
 you retain skilled employees that find purpose in affordable housing
 work/career?***

Please feel free to share your success/best practices or challenges/obstacles...

Eric Haralson - (Consultant, formerly Fahe Staff) - Most turnover in entry level or maintenance positions, now inflation so people will move for even a little higher salary so may be worth paying a higher salary if possible. Really strong onboarding – show why work is important, how they can advance. Offer remote if possible.

Find out why they left their last job, what they are passionate about and tap into that.

Are people honest in their exit interviews? Is there value in the exit interview?

Internships from AmeriCorps program have been great. Benefits are very important, one of the biggest benefits of nonprofits is that we are flexible – use all the tools in the toolbox. Location is also a struggle.

School that has nonprofit courses/program – good to look at graduates from that school. There is a NeighborWorks course that introduces housing – have suggested that new hires take the course.

Selection is important – not just fill an empty seat. Better to have a vacancy than to put time, money, energy into the wrong person.

- c. Annual Meeting Reflections – Overwhelming positive reviews of the annual meeting. Only request was possibly some more mingle time to talk to more people.
- d. Four Corner Work Group Updates
- e. Fahe Executive Report – Jim / Sara – not able to attend

3) Partner Updates

- a. **THDA – Bill Lord**
 - i. Status of GMS –
 - ii. HOME – Home rehabilitation grant changes are all are going to board November 14th, pending board approval. HOME – 750k limit for the grant, adjusted scoring some, took out leverage piece. Same for energy efficiency, not using for rehabs. Asked for more real-world calculation for rehabs. Did a slide recalculation of how a county is determined to be urban or rural. Using Census but also applying 65% or more of residents in that county have a rural zip code. Increasing admin from 6 to 8%, admin not included in award amount. Still have about 15M for development. HUD came out with notice 30 days ago that they made error in funding calculations, TN is one of the states they believe they overfunded but they haven't said what they are going to do about it. If so, will have to make a substantial amendment. Imagine it will be between March and June for that round.
 - iii. CHDO – home development and sale – front and back-end ratios changing from 29-41 to 33-43. Will be worth a million dollars, and same calculation as urban/rural. Will get entire million for program and then can apply for 75% operating above the million. Ratios will be retro-dated that does not have a working agreement yet. November 15th –on. Kept waiver put in place last year for folks with high-cost areas.
 - iv. Emergency Repair program – Cap from 15k to 24,999k, increase in admin for each contract, going to be doing annual contracts, will be based on 300k per year, admin is built into 300k. Adding 5k fee for service per year that you can charge any unrealized cost into.
 - v. Home rental – November 16th – will be sending out notifications this week. Pending board approval – staying with units for now. A million and a half on a project, 11 units. Will be available until January 11th. 2024 round will be a month later, mid-February. 2024 Grant schedule will be out before the end of the year.
 - vi. Don Watt - Putting together an agreement with the state for THDA to be intermediate

for ARPA funds to Fahe. For projects to be categorically eligible, need to meet four key factors of a federally funded program. Needs to be resident income restrictions, an affordability period, related covenant requirements, tenant protections if rental, and meet housing quality standards. FNA was flexible in some requirements. Rehab and repair with property standards – program does require that the entirety of the unit be addressed to meet local codes. More limited repairs of properties was part of the proposal to FNA but it was rejected, unsure why. Developer fees are not included in soft costs, administration fees can be included. HFH is a direct grantee of FNA, state contractor with local affiliates. Not sure if obligation is by 2024 or 2025, trying to move things as quickly as possible. Percentage of admin fees, think with HFH it was overall 15% and they kept a large portion of it.

- b. **USDA-RD** – Don Harris, Marisol Torres, Mary Hickman
 - i. Production – had a phenomenal year last year. 2 mutual health grantees. Almost at last of funds for the year. 18M budget year for 502 direct loans this year. Have enough to fund 15 applications, there are cuts to the program. 504 loans – 40k, about half their allocation, still working with that program. ARPA -4.5 million, have been doing their own refinancing. That money is gone now. Have almost a brand-new staff. 8 grantees for HTP right now. Lead based paint, healthy homes initiative funding available, had a webinar, if interested, let Don know.
 - ii. Disaster Grants – Info sheet – homeowners 18 and over affected by weather event and their area was presidentially declared disaster area. Some caveats. If you want to be a packager, get \$1k. Two different programs, for very low income. Contact Don if want to be a packager. Increasing amount have to set aside for CHDO to 20%.
 - iii. SF Handbook Updates
- c. **FHLB Updates** (*Vonda updating*)
 - i. CMPHF – All projects must be complete/disbursement requests entered– they put out almost 6 million dollars. May have more money next year.
 - ii. AHP Awards will be announced the Tues. before Thanksgiving for 2024
 - iii. 2024 Implementation Plan will be reviewed by board in November for housing programs will be released end of Dec.
- d. **TN CED** – Maggie is working on conversation with Kent Arthur, building a relationship.

4) **Strength in Numbers - Member Interest/Focus Updates**

- a. Workforce Development – Traviss Witt – unsuccessful in application for energy award – will open them up again next year.
- b. Department of Energy Overview - GGRF - EPA put out 27M for energy funds in Greenhouse Reduction Fund – threw in partnership letters, can apply for as many as you want. 3 different pots. No one applied for Greenhouse Reduction Fund. Fahe is not the primary applicant on any of them.
- c. Opioid Settlement Funds – closed Oct 16 – no one applied.
- d. Broadband – no contract with state – State received 113M dollars for broadband through BEAB fund. Would like a group to go to broadband office, not sure what projects may fit. Next year can do project by project broadband application. Conference with HUD last week, a group called PCs for People. They are trying to expand their operations, they can do affordable connectivity program for clients. They are revamping old technology, can take old computers off hands, and use credit to get devices for clients. For \$60 investment, pretty good computer, free Wifi for a year, and a warranty. Have a call with them in two weeks.

Break for Lunch - – check out the “nonprofit math” giggles at:

https://www.instagram.com/reel/CyjjY_UvX2b/?igshid=MTc4MmM1Yml2Ng==

5) Advocacy

a. State - Maggie

i. TN Caucus Advocacy Elevator Pitch

We are a collective of small businesses serving Tennessee, providing housing opportunities for upward economic mobility. Housing: it is more than a foundation!

- ii. Treasury expansion of ARPA local funding activities (natural disasters, additional transportation project, housing, etc. Increased activities – if you have something to pitch, now is the time to do that at the local level.
- iii. State Advocacy Coalition Activities – FSAG – Next Steps with THDA (Fahe Advisory Group / proposal design)- worth talking with folks in the next year about needing land at affordable rates.
- iv. March 1st TN Hill Visits – Planning Legislative Outreach – [TN List of Key Legislators](#) – start setting up visits close to the end of the year/January.
- v. Once have contract and money starts to move, will be leaning on members to host events to thank Governor Lee and more to thank them for money. Have paper copies of everything if needed.
- vi. Gotten a lot of interest in TN Advocacy, with NeighborWorks, want to train up their members and affiliates.

b. Federal Updates – Josh Stewart

Heard from USDA about funding process, 502 direct front, the 1% to 2% interest rate change is dead, that should fall out of any final deal out of Congress this year. In Continuing resolution until November, believe it will be extended until after Christmas break. Mid-January or February for any permanent funding levels for this fiscal year and what the numbers are going to be. House numbers lower than Senate numbers.

CRA – The proposed rule came out in August of last year, last week entered final rule stage. New rules are not what we hoped. One bit of good news, comments ended up being included in final rule however they were not addressed. Initial review looks like if you are not already being served by banks by CRA investment, you are likely to continue to not be served. If you have historically been served by CRA, you may need to anticipate having less CRA investment than before or need to shop around more.

There is discussion continuing to try to get HUD to look at income eligibility. Got pushback from HUD, trying to get Senate to ignore what HUD said.

6) Fahe Updates –

a. Fahe Board Report: Board Members Jackie Mayo, Lindy Turner

New Board Member, Donna Gambrell – with Appalachian Community Cap, have another board opening. Jim has someone in mind, will be bringing back to the board. Budget was passed, have great CFO at Fahe. 111 staff at Fahe now. Are looking at Four Corners in Strategic Plan, Money, Capacity, People, Narrative. Did CEO evaluation. CEO and President are two different positions now, Sara Morgan is President of Fahe, Jim King remains CEO. Finance committee has had a couple of meetings; the fiscal year ended June 30, met with auditors presenting final audit two weeks. Clean audit. Jessie Hunt is now VP under Brittney, taking on a lot of work. Fahe is looking at developing an indirect cost rate. If have any questions for board, let Jackie May or Lindy Turner know.

b. Membership Committee – Julie Keel–

Did some work at annual meeting, talked about Four Corners, third part of a four-part plan taking Four Corners from document to something active for member feedback. All

that work will be reported on before the end of the year. Worked on membership requirements and affiliated partners, how to create good requirements around that, what its purpose is to have members adjacent to the work. Not finalized yet. Affiliated partners are not members, they don't get the same benefits like voting. Have one pager of info about committees and what they do.

c. Membership Updates

i. Reporting – QE 9-30-23 status- Vonda

- New Federal Fiscal year for QE December 30 – watch for updates –
- Had first quarter reporting – 70% for TN that got submitted, a bit low for TN. If you didn't turn them in for Sept, can report those numbers with the December reporting. If you don't have anything that closed, let Vonda/Jackie know and that counts as reporting.

ii. Membership Training Opportunities; Renewal update – Jackie Weiss

Registration has opened for NTI in San Francisco in February. Will have virtual NTI in May. Will be having one in Pittsburgh in August. When the system changed, it changed to May, do have a small amount of money budgeted in general budget to support attendance at training events. Let Jackie know if you want to go to San Francisco so you get reduced rate.

iii. Business Continuity Plans – Status Update – Diedre Kendall, Fahe AmeriCorps VISTA working with AL and WV; still available for updates. Didn't have capacity to work on them before; if have the capacity now, please reach out to Diedre and let her know.

iv. Ballad Collaborative 3rd Funding Round – Nicholas Bormes

- Reporting, What Ballad wants: higher numbers in referrals, more involvement in meetings. Next Ballad Collaborative meeting is **Nov. 15th at 2pm**
- Have received grant funding from Ballad Health the last two years, they give money, we give reporting, attendance at meetings and are involved. 200k for the next year approved. Is on rotating fiscal year basis, don't believe funding will stop any time soon, impressed by project diversity and fantastic reporting. But heard concerns of the 200k as it filters down to members, is about 22,500 for members. Want to be able to use for project management and project effects. Formal ask in the future for increased funds based on how things look in the future.
- Trauma Informed Care Training coming up again this year, at the end of January until end of June or beginning of July. Will be same training course on repeat with different speakers; will have more information coming soon.
- Monthly meetings
- Friday at 7:30 am is Miles for Smiles Health Fair, provides free health care services: Blood pressure readings, mammograms, etc. Have sites dedicated for partners including Fahe, so Fahe will be there. Appalachian Fairgrounds in TN.

b. Communication Round up – Lina Page

Members need more resources, visibility and reputation are key to bringing more support. We want to expand circle of influence. Plan to share your stories and press releases with Lina. Please consider joining the Narrative Working Group in the current

landscape. Working Group is working on lifting up our story and getting more resources.

c. REED, Research Evaluation Evidence & Data Cmte - Katy Stigers

- Office hours: 1st Tues. 9:30-11:30am & 3rd Thurs. 1-3 pm
- Standing Committee (REED): 2nd Mon. of each month, 1:00- 2:15 pm
- Contacts: kstigers@fahe.org cmoreno@fahe.org

d. Lending – Community Lending and JustChoice Lending

e. Partners for Rural Transformation Update – Sara Ball

Had several questions come through – memo at the end of packet about what PRT means to Fahe. If you have any questions, feel free to contact Sara. PRT is built on the Fahe model, members who own inform the strategy and operations. Have six founding member organizations, Fahe is a founding member and financial funnel – money goes to Fahe and then right out to members. The 10-20-30 language that has increased funding, got in via advocacy from PRT. Have very key Congress people that they use. Able to get language that directly came from advocacy work with PRT and Fahe into executive order for President Biden, directs that have great relationships with Torres-Small and more. Go to Ruraltransformation.org then go to Telling Stories, some of your stories are on there. Storytelling site: <https://storiesofruralamerica.com/>

Long time Fahe Advocacy member Retha Patton is retiring, Maria thanked her for her years of service. Presented with certificate.

Meeting Adjourned at 3:17 pm

Next Meeting: Winter Caucus Meeting (February date TBD) – hosted by Foothills CDC, Maryville, TN

Upcoming Events

- **Nov. 21** – 12:30 pm ET (11:30 am Central) – Fahe TN Advocacy Coalition Meeting (ZOOM)
- **Dec. 19**– 12:30 pm ET (11:30 am Central) – Fahe TN Advocacy Coalition Meeting (ZOOM)
- **Feb.** date TBD – TN Caucus Meeting hosted at Foothills CDC, Maryville
- **Feb. 22** – 10 am ET -**Fahe Advocacy Webinar**
- **Feb. 26-Mar 1** - NeighborWorks Training Institute (NTI) returns to San Francisco, CA
- **Feb. 28-Mar 1** – TN Housing Conference, Nashville
- **April** date TBD – Fahe Spring Retreat/Exec. Director Symposium, KY
- **May 6-10**: NeighborWorks America Virtual Training Institute (VTI)
- **Aug. 26-30**: NTI Pittsburgh, PA
- **Sept.** date TBD – Fahe Annual Meeting

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Memo

To: Fahe Members

From: Jim King, CEO

Sara Morgan, President

Re: Executive report

Date: January 30, 2024

This is the first six months for FY2024 report on the organization from President Sara Morgan and CEO Jim King. Our vision is for Appalachia to be a place of growth, opportunity, and hope so that all people fulfill their potential and have a high quality of life. A vision that will take a generation of work. Our job over the next 10 years is to build the foundation capable of meeting that vision. All foundations have corners, necessary to building structures that will last. Our corners of Money, Capacity, Narrative and People also serve as the frame to our next strategic plan. We are organizing working groups of the Members around each of the corners to give greater clarity and direction to the strategic plan so that Members and their communities are at the center.

Money. Engage funders to bring significant new and increased investments to the region while also analyzing and advocating for policy reform to support the flow of more, place-sensitive resources to benefit Appalachia.

- Fahe joined several applications as part of the Inflation Reduction Act's Greenhouse Gas Reduction Fund.
- Fahe was selected via RFP from Kentucky Housing Corporation to serve as the Regional Implementation Agency for the Community Development Block Grant Disaster Recovery FY2022 Funding of \$298 million coming from HUD to the state in response to the East KY Flooding of 2022. We are working with the KY Governor's office on an administrative contract to manage both the High Ground Communities and the Team KY dollars for the Commonwealth.
- Under the leadership of Fahe's SVP of Advocacy, Maggie Ridden and SVP of Membership Vonda Poynter, Fahe's TN coalition is being awarded \$10M in ARPA funding to support the development of workforce housing which is much needed in the state. Building on these successes, staff will expand their efforts in the future to the states of Virginia, West Virginia and Alabama.
- With PRT we have been making progress with the Heron Foundation to create a plan to get significant philanthropic resources in the tens of millions to Appalachia and other persistently poor regions over the next several years.

Expanding Capacity. Expand capacity to meet the growing needs in our communities.

- Fahe's 2023 Annual Meeting was held with great attendance from members, USDA, State Housing Finance Agencies, ARC, etc. Sessions highlighted members responding to leaders such as Luke Shaefer.

- We launched working groups around each of the four corners identified in the 2024-2028 strategic plan and Members self-selected to participate in these working groups advising on the implementation direction.
- There is a real vacuum of leadership in the community development field on appropriations strategy. Fahe's advocacy team has begun engaging and pushing on national coalitions and groups to not only address the near term of "regular order" appropriations work, but to think longer term to the end of the year and work towards that goal.
- The Kentucky Caucus has formed solid working relationships with several major state nonprofit players, including the Louisville Urban League, KY Habitat for Humanity, and the KY Affordable Housing Coalition. Centering rural issues within this coalition is a work in progress, but LUL and KY Habitat lent their active support to the Rural Housing Trust Fund effort in the 2023 session.
- The AL Caucus continues to maintain a working relationship with LIHCA to uplift the HTF.
- Members of the VA Caucus are exploring collaborating with organizations like the SELC and VPLC to respond to (with litigation) the Younkin administration pulling out of RGGI and eliminating a substantial funding source for weatherization and residential energy work.
- Tennessee Members had Rep. Rose join their Making Housing Work for Working Families Event.
- In West Virginia, we have engaged with the WV Center for Budget and Policy, namely Seth Distefano, their main legislative person who expressed that he is glad someone is working on affordable housing issues in WV because there isn't much of a presence there.

Building a New Narrative. Work to achieve a collective brand and voice capable of building a new narrative that uplifts the culture, worth, and importance of Appalachia to the country's overall success.

- The Fahe Membership has an authentic community presence and that does allow the opportunity to elevate the voices of community.
- During the 1st six months we utilized a number of meetings and presentations to push the Fahe brand, as a leading voice on Appalachia, Strength in Numbers as a replicable approach, persistent poverty and leading change.
- We released the Housing Needs in Appalachia Study in July with a webinar. Met with Alanna McCargo of Ginnie Mae. Presented with the National Association of Business Economists.
- We continue to build on the Concrete solutions conversations, receiving commitments from USDA and the Heron Foundation to work on a Theory of Change that elevates our voices of experience to solutions. And we started the conversation to add academics, Luke Shafer and Katharine Edin to this group.

Strength in Numbers. Invest time and energy in trusted relationships across the region, growing our Strength in Numbers to create transformational impact that builds Thriving Appalachian Communities. We have long said that our identity is "Strength in Numbers". You have heard us repeat "if you want to go fast, go alone. If you want to go far, to do something big, go with friends."

Staff have worked hard on state level advocacy and coalition building. Our success in TN was driven by forming a coalition of over 100 organizations. In KY around flood relief work and some statewide work, our organizing did result in an increase of \$20 million in the Trust fund and dedicated resources for flood work.

The Annual meeting was a success, we had over 80% members present for the event. Chrystel Cornelius from Oweesta got us started with inspiring words that helped members see the connection to another part of the country. Luke Shafer enlightened and validated our understanding of deeply disadvantaged places of which Appalachia is one. We were able to highlight the work and thought leadership of the members in response to these speakers and showcase how the Strategic plan frames our work together.

Fahe in partnership with PRT has developed a Rural Equity Framework for which we have identified a set of principles and practices that inform our work: **Framework** harnesses the insights from ongoing analysis of what is possible to influence an important body of work that is DIFFERENT than what anyone else has done before because it builds on a shared understanding of the interrelatedness of racial, spatial, and economic inequities in places of deep poverty.

We believe policy makers, investors and philanthropists will benefit from the Framework as they consider how to make a greater difference in rural persistent poverty areas.

The last part of the Annual meeting with USDA, Luke Shaefer, Christie Cade, (policy makers, investors, philanthropists, academia and practitioners) was to conclude the event and direct us to a next step, to have Fahe host a conveying on the Framework.

As we head into the second half of FY2024, we will have strong strategic plan, backed by a well thought out Theory of Change. Our momentum is strong and we are feeling confident in our ability to make good progress on the goals and vision before us. By working together, we have before us the ability to change the narrative for Appalachia and the people and places that are affected by persistent poverty.

FAHE Progress Update

April 2023 - Original

January 2024 – Final Update

Jackie Strager, West Virginia University

Project Description

- Housing Metrics for Central Appalachia, Appalachian Alabama
- Exploratory spatial data analysis for Census tracts
- Issue: Census socio-economic variable estimates (from ACS) are not reliable for non-urban tracts
- **Goal: Group census tracts together based on shared housing-related characteristics**
- **Result: Census tract-based clusters (by state) for further analysis**
- Approach:
 - Develop tract-based socio-economic variables (ACS, GIS)
 - Use spatially constrained multivariate clustering to group tracts of interest
 - Present final results as maps, tables

Clustering work

- Main task: Clustering/grouping census tracts
- Approach: **Spatially constrained multivariate clustering** (ArcGIS Pro)
- Details:
 - **Spatially constrained**: Location matters (clusters will be contiguous)
 - **Multivariate**: Groups tracts based on values for selected variables
 - All variables for clustering must be numeric or (0,1)
 - 35 different variables quantified for each tract (10 used in final clustering)
 - Variables are normalized

Tract Variables

N=35 variables considered

Variables quantified for each tract

Data sources:

American Community Survey, GIS analysis

Highlighted variables (n=10) used for final clustering (not dependent on tract size/population, not highly correlated with one another)

HH	total households
POP25	population over age 25
HUNITS	total housing units
OCCU	occupied housing units
OWNU	owner occupied housing units
RENTU	renter occupied housing units
HHINC	median household income
HHINC_O	median household income, owners
HHINC_R	median household income, renters
MEDDOL	median dollars (value)
MEDGRO	median (dollars) gross rent
MEDM	median (dollars) with mortgage
MEDNOM	median (dollars) without mortgage
WITHM30	30.0 to 34.9 percent_WithM
WITHM35	35.0 percent or more_WithM
PCBM	% Cost Burden Owner with a mortgage
PCB30	30.0 to 34.9 percent_Rent
PCB35	35.0 percent or more_Rent
PCBR	% Cost Burden Renter
NLCD_PFOR	Percent (0-100) forested in tract, from 2019 NLCD forested land cover categories
NLCD_PDEV	Percent (0-100) developed in tract, from 2019 NLCD developed land cover categories
NLCD_PWAT	Percent (0-100) water in tract, from 2019 NLCD category 11 open water only
UA_PERC	Percent (0-100) urbanized area in tract, from 2010 Census urbanized areas
ACSPop_19	Estimated population in tract, 2019 ACS 5-year estimates
AreaSqMi	Area of tract in square miles (calculated by GIS)
PopDen_19	Estimated population density (2019 population divided by area in sq miles)
Q75_UA	0 or 1. Is tract over 75 th percentile in urbanized area relative to other tracts
Q75_NLCDDE	0 or 1. Is tract over 75 th percentile in developed area relative to other tracts
Q75_PopDen	0 or 1. Is tract over 75 th percentile in population density relative to other tracts
PUBLIC_PCT	Percent (0-100) public land in the tract as defined by US CBI
COMMUTERS	number of commuters (ACS journey to work data 2014-2019)
PCT_COMM90	percent of commuters traveling over 90 minutes to work (ACS 2014-2019)
PCT_COMM60	percent of commuters traveling over 60 minutes to work (ACS 2014-2019)
PCT_HHRENT	percent of households renting (calculated by WVU for tracts with data) based on households renting divided by total occupied households
PCT_HHOCC	percent of households occupied (calculated by WVU for tracts with data), based on total occupied households divided by total households

Variable correlation results

- Simple correlation matrix calculated for all potential variables
- Eliminated variables with high correlation from clustering

	HHINC	HHINC_O	HHINC_R	MEDDOL	MEDGRO	MEDM	MedNoM	PCBM	PCBR	NLCD_PFOR	NLCD_PDEV	NLCD_PWAT	UA_PERC	PopDen_19	PUBLIC_PCT	PCT_COMM60	PCT_HHRENT	PCT_HHOCC
HHINC	1.00																	
HHINC_O	0.87	1.00																
HHINC_R	0.68	0.48	1.00															
MEDDOL	0.51	0.54	0.39	1.00														
MEDGRO	0.34	0.26	0.40	0.30	1.00													
MEDM	0.36	0.42	0.24	0.58	0.20	1.00												
MedNoM	0.23	0.36	0.14	0.40	0.21	0.43	1.00											
PCBM	-0.27	-0.31	-0.17	-0.18	-0.06	-0.03	-0.06	1.00										
PCBR	-0.28	-0.17	-0.51	-0.25	0.03	-0.15	-0.05	0.12	1.00									
NLCD_PFOR	-0.21	-0.33	-0.20	-0.38	-0.14	-0.23	-0.31	0.18	0.11	1.00								
NLCD_PDEV	-0.02	0.18	0.03	0.17	0.14	0.07	0.33	-0.07	0.04	-0.56	1.00							
NLCD_PWAT	0.12	0.13	0.08	0.17	0.05	0.14	0.13	-0.06	-0.07	-0.25	0.11	1.00						
UA_PERC	-0.03	0.14	0.02	0.10	0.12	0.01	0.32	-0.06	0.05	-0.47	0.94	0.10	1.00					
PopDen_19	-0.01	0.18	0.01	0.16	0.12	0.06	0.29	-0.04	0.04	-0.45	0.92	0.07	0.87	1.00				
PUBLIC_PCT	0.10	0.06	0.08	0.14	-0.06	0.00	-0.08	0.03	-0.08	0.27	-0.14	0.10	-0.09	-0.10	1.00			
PCT_COMM60	-0.10	-0.18	-0.06	-0.13	-0.10	-0.16	-0.14	0.01	-0.09	0.28	-0.29	-0.07	-0.24	-0.22	-0.02	1.00		
PCT_HHRENT	-0.33	0.03	-0.23	-0.02	-0.07	0.02	0.27	-0.03	0.12	-0.28	0.50	-0.01	0.47	0.48	-0.13	-0.24	1.00	
PCT_HHOCC	-0.06	0.04	-0.06	-0.06	0.08	0.08	0.12	-0.01	0.04	-0.17	0.10	-0.20	0.00	0.06	-0.25	-0.03	0.15	1.00

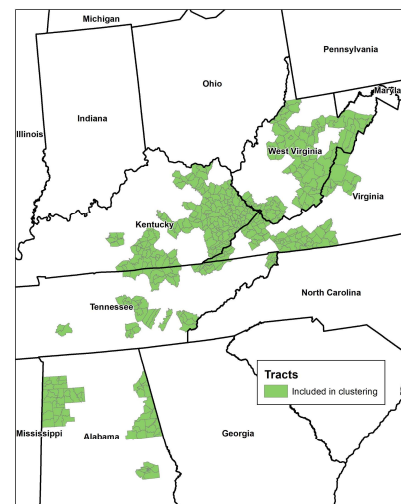
Highest correlations:

- Household income and household income owner occupied (use household income only)
- Population density, urban area %, NLCD developed area % (use population density only)

Study area: Tracts for clustering

- For ARC counties in 5 states
- Excluded tracts within metropolitan statistical areas or micropolitan statistical areas
- Clustering performed by state

State	# Tracts (total in ARC)	# Tracts included	# Contiguous Groups of Tracts
Alabama	728	64	3
Kentucky	318	170	3
Tennessee	646	59	7
Virginia	185	76	3
West Virginia	484	100	2

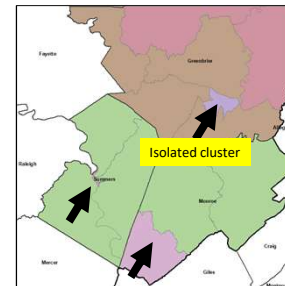


Clustering methods: Spatially constrained multivariate clustering

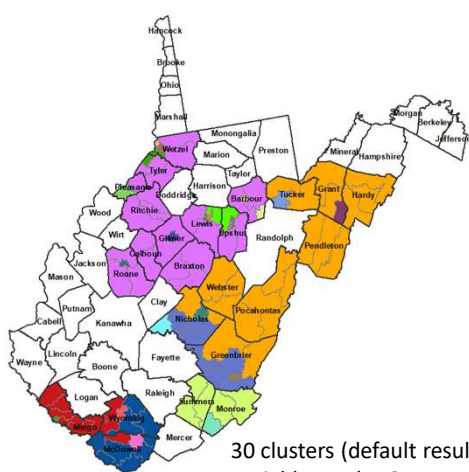
- Clustering model iterations – by state
 1. Perform clustering with single variable ($n=10$) at a time, examine R^2 values
 2. Perform clustering with two variables (variables w/highest R^2 values)
 3. Perform clustering with three variables (highest R^2 values)
 4. Evaluate cluster results using R^2 values (variable contribution) and F-statistic graphs (optimal # of clusters)
 5. For each state, determine best single cluster model = final clusters
 6. Note: Most runs end up with default $n=30$ clusters
- For final clusters – adjustments:
 - Eliminate single-tract (isolated) clusters by merging with adjacent clusters
 - See guidelines (next slide)

Final cluster adjustment (merge)

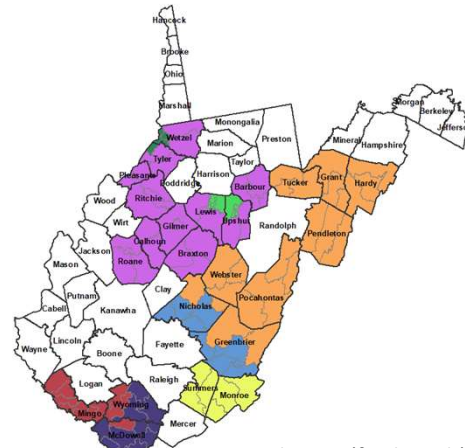
- Goal: Eliminate single-tract (isolated) clusters
- Guidelines:
 - Use of ancillary data layers: CDPs, census incorporated places, census primary/secondary routes
 - Is isolated cluster surrounded by another larger cluster? If so, merge
 - Is isolated cluster located along a primary/secondary highway? If so, merge with adjacent cluster on the same route
 - Is isolated cluster adjacent to a mapped CDP or census place? If so, merge with cluster adjacent to the same mapped place
 - If none of the above applies, merge isolated cluster with adjacent cluster with longest shared border
 - Did not take into account cluster geographic size or population (but could!)



Cluster results: WV (before and after merge)



30 clusters (default result)
Variable used: POPDEN19
R2 = 0.999



8 clusters (final result)
after merging to eliminate
isolated clusters (single tract)

Cluster results: AL

Final model for clustering:

POPDEN19 ($r^2 = .906$)

PUBLICPCT ($r^2 = .917$)

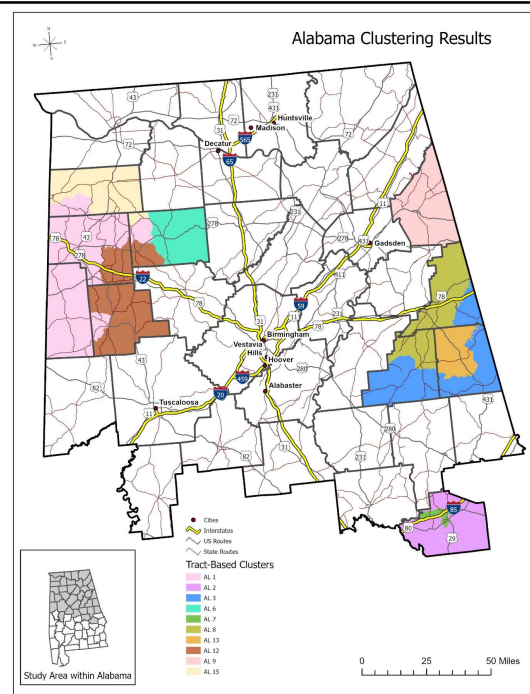
PCTCOMM60 ($r^2 = .767$)

PCTHHOCC ($r^2 = .829$)

Final # original clusters: 17

Final # clusters after merging: 10

Smallest cluster (by # tracts) (Randolph County) has $n=2$ tracts



Cluster results: AL

Final model for clustering:

POPDEN19 ($r^2 = .906$)

PUBLICPCT ($r^2 = .917$)

PCTCOMM60 ($r^2 = .767$)

PCTHOCCL ($r^2 = .829$)

Final # original clusters: 17

Final # clusters after merging: 10

Cluster	Tracts (N)	Households (N)	Housing Units (N)	ACS Population 2019 (Estimate)	Total Area (mi ²)
AL 1	12	18,933	23,593	45,980	1413.74
AL 2	7	5,216	6,500	11,541	571.81
AL 3	8	10,628	13,266	27,487	833.05
AL 6	4	5,537	8,607	13,440	430.92
AL 7	5	2,258	3,796	7,167	41.40
AL 8	4	5,947	7,413	15,984	645.28
AL 9	6	10,737	16,579	25,903	599.98
AL 12	7	8,819	10,985	22,037	843.81
AL 13	2	3,005	5,061	7,429	272.82
AL 15	9	12,006	15,181	34,038	568.31

Smallest cluster (by # tracts) (Randolph County) has n=2 tracts

Final Clusters

Cluster results: KY

Final model for clustering:

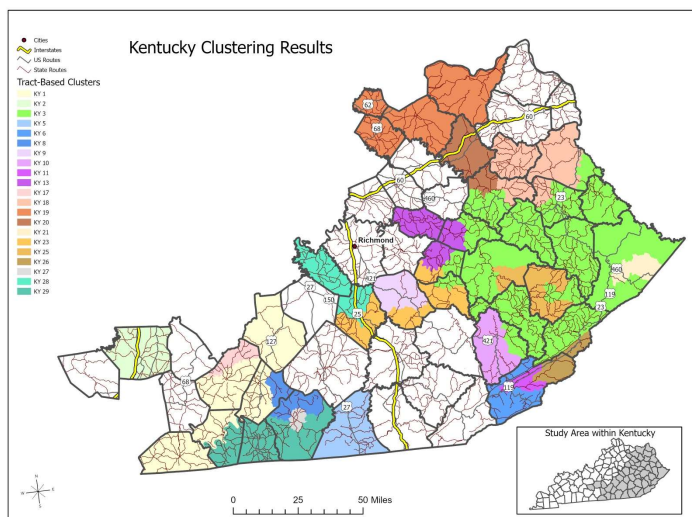
POPDEN19 ($r^2 = .967$)

PUBLICPCT ($r^2 = .951$)

Final # original clusters: 30

Final # clusters after merging: 21

Several clusters with only 2 tracts



Final Clusters

Cluster results: KY

Final model for clustering:

POPDEN19 ($r^2 = .967$)

PUBLICPCT ($r^2 = .951$)

Final # original clusters: 30

Final # clusters after merging: 21

Several clusters with only 2 tracts

Cluster	Tracts (N)	Households (N)	Housing Units (N)	ACS Population 2019 (Estimate)	Total Area (mi2)
KY 1	19	23,335	29,269	60,393	1,436.82
KY 2	5	7,351	9,077	18,729	417.85
KY 3	69	89,645	108,621	219,695	3,492.12
KY 5	4	6,052	7,523	17,465	430.95
KY 6	4	4,245	5,296	10,246	257.37
KY 8	2	3,285	5,920	7,908	222.39
KY 9	2	3,322	4,170	8,261	236.85
KY 10	2	2,968	4,004	7,637	321.41
KY 11	4	4,330	4,982	10,628	88.21
KY 13	4	8,080	9,870	20,498	369.65
KY 17	2	1,394	1,778	3,610	113.89
KY 18	8	9,395	12,185	25,427	758.21
KY 19	11	14,774	17,646	37,206	1,143.63
KY 20	5	9,352	11,311	26,286	374.94
KY 21	2	3,199	3,958	7,116	133.21
KY 23	5	6,116	7,190	15,201	514.81
KY 25	4	4,647	5,427	10,932	348.55
KY 26	4	3,007	3,970	6,807	173.07
KY 27	2	3,940	4,806	9,407	43.31
KY 28	6	10,700	12,429	27,574	358.49
KY 29	6	7,367	9,672	19,630	657.15

Final Clusters

Cluster results: TN

Final model for clustering:

POPDEN19 ($r^2 = .952$)

PUBLICPCT ($r^2 = .880$)

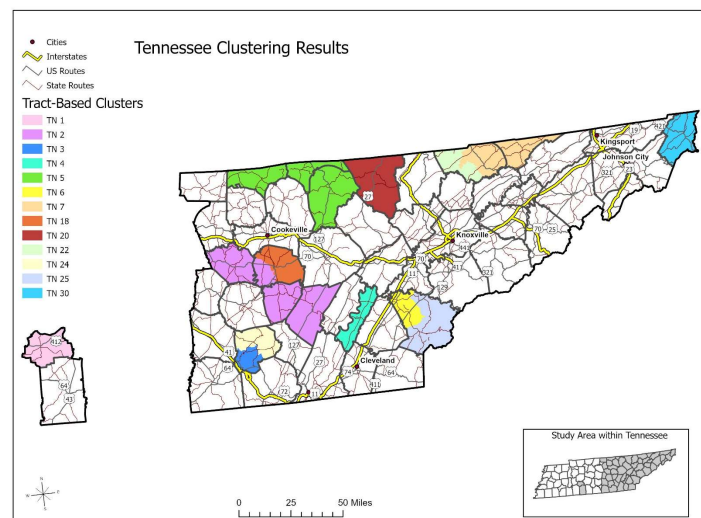
HHINC ($r^2 = .844$)

PCTHHOCC ($r^2 = .797$)

Final # original clusters: 30

Final # clusters after merging: 13

Several clusters with only 2 tracts



Final Clusters

Cluster results: TN

Final model for clustering:

POPDEN19 ($r^2 = .952$)

PUBLICPCT ($r^2 = .880$)

HHINC ($r^2 = .844$)

PCTHOCOC ($r^2 = .797$)

Final # original clusters: 30

Final # clusters after merging: 13

Several clusters with only 2 tracts

Cluster	Tracts (N)	Households (N)	Housing Units (N)	ACS Population 2019 (Estimate)	Total Area (mi2)
TN 1	2	4,715	5,548	12,027	282.49
TN 2	11	17,695	21,596	48,085	1,118.31
TN 3	2	2,475	3,331	6,294	129.73
TN 4	3	4,938	5,888	12,104	216.75
TN 5	7	12,763	16,893	30,946	932.77
TN 6	4	11,301	12,993	29,391	178.20
TN 7	8	12,588	14,945	30,401	471.14
TN 18	4	7,092	8,382	19,158	271.38
TN 20	5	8,664	10,018	21,969	533.23
TN 22	3	3,435	4,097	7,918	193.91
TN 24	2	2,345	3,129	7,050	231.40
TN 25	3	6,686	8,242	16,673	474.39
TN 30	5	6,794	9,002	17,753	302.69

Final Clusters

Cluster results: VA

Final model for clustering:

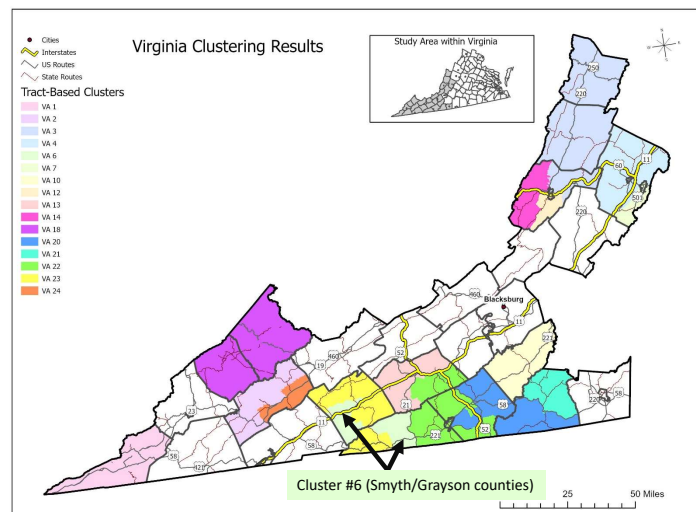
POPDEN19 ($r^2 = .994$)

MEDDOL ($r^2 = .975$)

Final # original clusters: 30

Final # clusters after merging: 16

Several clusters with only 2 tracts



Final Clusters

Cluster results: VA

Final model for clustering:

POPDEN19 ($r^2 = .994$)

MEDDOL ($r^2 = .975$)

Final # original clusters: 30

Final # clusters after merging: 16

Several clusters with only 2 tracts

Cluster	Tracts (N)	Households (N)	Housing Units (N)	ACS Population 2019 (Estimate)	Total Area (mi ²)
VA 1	6	9,149	11,798	23,948	437.27
VA 2	5	7,579	9,703	18,584	350.06
VA 3	6	8,373	12,131	19,233	1,104.67
VA 4	4	9,767	11,901	25,717	518.82
VA 6	5	7,599	9,405	18,156	264.23
VA 7	2	4,156	4,853	10,578	90.19
VA 10	3	6,493	8,048	15,704	381.77
VA 12	2	2,169	2,586	4,910	88.42
VA 13	4	8,427	9,956	19,703	309.81
VA 14	2	1,321	1,692	3,123	212.78
VA 18	11	14,347	19,156	36,544	837.51
VA 20	5	9,673	13,168	23,016	512.53
VA 21	2	3,920	5,051	9,029	241.54
VA 22	11	16,978	22,280	42,105	562.43
VA 23	6	7,345	9,452	17,410	444.13
VA 24	2	3,233	3,844	8,557	126.38

Final Clusters

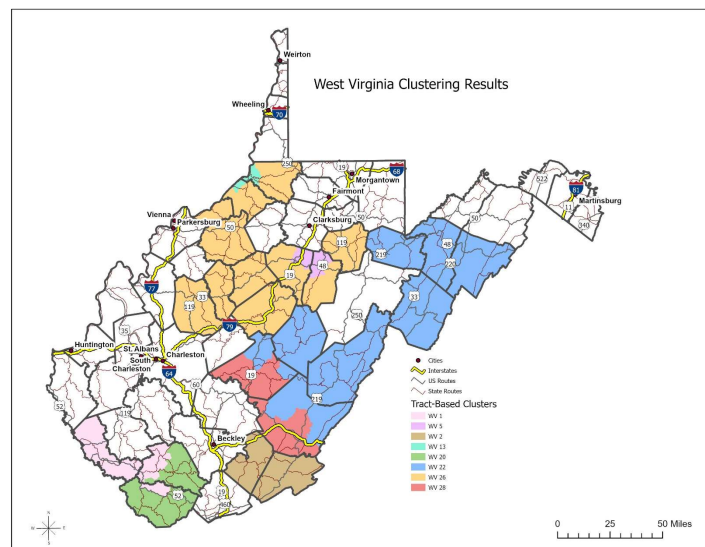
Cluster results: WV

Final model for clustering:

POPDEN19 ($r^2 = .999$)

Final # original clusters: 30

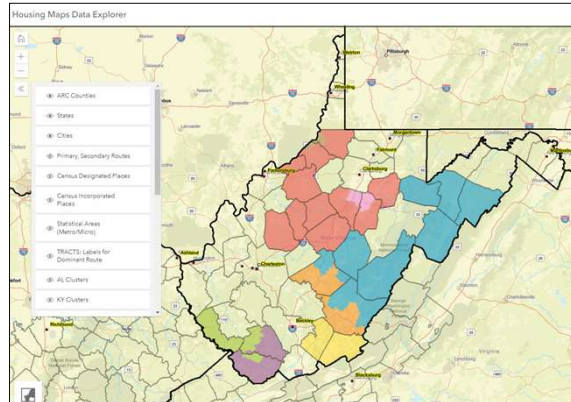
Final # clusters after merging: 8



Final Clusters

Viewing results on the web

- Housing Maps Data Explorer (ArcGIS Online web map app)
- No password or account required
- Link: <https://arcg.is/1OLSrn>
- Layers included:
 - Cluster results by state (merged final clusters)
 - Dominant routes
 - Additional reference layers (metro/micro, CDPs, Census places)





Tentative application window: February 2024 – April 2024

The funding for this grant is authorized through the Rural Brownfields Investment Act (Pub. Ch. 86, effective July 1, 2023). The law promotes conservation of Tennessee’s agricultural, recreational, and open space lands by encouraging environmentally sound redevelopment of properties blighted by real or perceived contamination.

Project categories:

IDENTIFICATION - The creation of an inventory of brownfield sites, which may span multiple locations. Maximum Grant - \$20,000 contract term - 12 months

INVESTIGATION - Conducting a Phase I Environmental Site Assessment (ESA), conducted in accordance with the current ASTM E-1527 standard, a Phase II Environmental Site Assessment conducted in accordance with the current ASTM E1903 standard, or any other environmental investigation. Maximum Grant - \$100,000, contract term - 24 months

REMEDICATION - Actions to contain, remove, mitigate, or dispose of hazardous substances, pollutants, other contaminants, or petroleum products, at a brownfield site. This may include certain types of demolition performed at a brownfield and the installation or upgrade of the minimum amount of infrastructure that is necessary to make a brownfield property usable. Maximum Grant - \$500,000, contract Term - 24 months

Eligibility:

Eligible applicants include political subdivisions of the state, including, but not limited to a county, municipality, development district, or development board.

- Applicants may submit up to three applications—one from each project category listed above.
- Individual grants are capped at \$500,000 annually per eligible entity.
- All awarded *investigation* and *remediation* projects must enroll in the TDEC Voluntary Oversight and Assistance Program.
- Tax incentive tier 1 and tier 2 counties ([map](#)) may not use grant funds for VOAP fee recovery. Payment of these fees is considered the match requirement for tier 1 and tier 2 counties.
- There is no match requirement for tier 3 and tier 4 counties.

Contact:

Brownfield Grant Project Coordinator, Amy MacKown-Dyman:
Amy.MacKown@tn.gov, 615-917-8873

**Scan the QR code to
sign up for updates!**



TDEC.Brownfields@tn.gov

FAHE Caucus

FHLB CINCINNATI HCI PROGRAM UPDATES

Affordable Housing Program (AHP)

- Applications to the FHLB's AHP General Fund will be accepted from May 1 through July 1
- Increased the maximum AHP subsidy per project that can be requested from \$1,000,000 to \$1,500,000
- Increased the maximum amount of subsidy per unit that a project may receive from \$55,000 to \$56,000 and the amount of subsidy per bed or owner-occupied rehab unit from \$16,000 to \$17,000
- Ownership projects are no longer required to fund 25 percent of project costs with funds besides AHP funds
- AHP Workshops / Ownership Disbursement Trainings:
 - **April 5th, 2024** in Nashville, TN
 - **April 11th, 2024** in Columbus, OH
 - **April 19th, 2024** in Louisville, KY

Carol M. Peterson Housing Fund (CMPHF)

- Program opened on February 1, 2024 and will close on December 16, 2024
- The maximum grant per household increased to \$20,000
- Established a minimum grant amount per household of \$5,000
- Established a \$200,000 maximum subsidy per project

Disaster Reconstruction Program (DRP)

- Provides grants up to \$20,000 for homeowners and renters who suffered a loss due to a federal- or state-declared disaster
- Program is continuously ongoing and funds are secured on a first-come, first-served basis
- TN counties added as of December 13, 2023: Davidson, Dickson, Montgomery, and Sumner
- Full list of eligible counties is available on our website www.fhlbcin.com
- Eligible households must requesting funding within 2 years of the date of the disaster declaration

Welcome Home Program

- Program will open on March 1, 2024, and will close on December 16, 2024
- The per-household maximum for honorably discharged veterans, reservists, United States National Guard, and active military homebuyers or surviving spouses has increased from \$15,000 to \$25,000, and the maximum for all other households has increased from \$10,000 to \$20,000

Miscellaneous Information

- Periodic Progress Reports (PPRs) went out on February 1 and were due February 10
- Position available for a Housing Financial Analyst – apply on our website www.fhlbcin.com
- Please keep us in mind for any groundbreaking, ribbon cuttings, dedications, etc. you may have
- Please let us know about any conferences, meetings, etc. where the attendees may be interested in our products

HCI Resources

Information on all programs offered, as well as manuals, forms, and recorded webinars, can be found on the FHLB website at www.fhlbcin.com/housing-programs/.

Contact FHLB directly using one of the following:

- **Welcomehome@fhlbcin.com** for welcome home and Subsidy payoff questions
- **AHPApplication@fhlbcin.com** for application questions (the AHP online application also communicates from this address)
- **AHPDisbursement@fhlbcin.com** for disbursement questions
- **AHPmonitoring@fhlbcin.com** for compliance questions
- Contact Cassandra Larcarte at **larcartecl@fhlbcin.com**, or Connor Creaghead at **creagheadcb@fhlbcin.com** if an organization in which you are involved would like group training on any of the HCI programs

Operational Strategies- Substance Use Disorder

Problem to be Solved

The Appalachian region faces a severe substance use disorder (SUD) crisis, particularly with the opioid epidemic, leading to elevated "deaths of despair." Limited housing compounds the challenges for those seeking treatment, impacting public health, emergency services, workforce participation, and community engagement.

Strategies

Funding and Program Access: Proactively secure grants to support diverse opioid-use disorder programs, emphasizing proven treatment services for widespread community accessibility.

Innovative Recovery Housing: Acquire funding for pioneering recovery housing models that address housing needs, provide supportive services, and offer ongoing assistance, fostering a comprehensive approach to rehabilitation.

Collaborative Partnerships for Holistic Support: Harness existing resources and grants through partnerships with healthcare facilities, career opportunities, and transitional housing, creating a network of support for individuals in recovery.

Education and Stigma Reduction: Promote continuous education on best practices, clinical findings, and research related to substance use disorders, aiming to implement effective strategies while actively working to reduce societal stigma.

What Does Success Look Like?

Fahe aims to break the generational cycles of poverty and addiction, emphasizing sustainability for prevention, treatment, and recovery initiatives. Appalachia should no longer be characterized as the epicenter of the opioid epidemic. Combining Federal, state, local, and private resources to make a significant impact should result in sharp declines in overdose and fatalities. Success is marked by frictionless access to treatment for anyone in Appalachia with SUD, leading to a larger volume of individuals in recovery living healthy, productive, and prosperous lives.

Operational Strategy – Public Health

Problem to be Solved

The Appalachian region grapples with escalating health disparities, marked by increasing rates of heart disease, cancer, diabetes, and stroke. The heart disease mortality rate is 17 times higher than the national average, with a common correlation between rural areas and higher cardiovascular disease rates. Access to healthcare, clean water, healthy food, and affordable housing are critical components of the public health landscape, requiring attention to bridge the existing gaps.

Strategies

Strategic Financial Support for Healthcare: Secure capital to fund quality healthcare services, collaborating with health partners to ensure widespread availability in communities.

Investment in Healthcare Infrastructure: Allocate capital to strengthen healthcare infrastructure, promoting proximity to quality healthcare, telehealth services, and essential tools.

Funding Health Promotion and Education: Prioritize health promotion and education funding, integrating them into programs to facilitate access to necessary health services.

Optimizing Referral Systems and Collaboration: Enhance referral systems for efficient access to housing, healthcare, mental health services, and holistic support, while fostering collaboration on community-centered health initiatives to address diverse healthcare needs.

What Does Success Look Like?

Fahe aims to transform the public health landscape in the Appalachian region. Success involves increased integration between Fahe's network and healthcare service providers, leading to improved health outcomes across the region. Long-term success is marked by enhanced accessibility and affordability of healthcare options, ultimately dispelling the region's reputation for poor health rankings. We will strive to align strategies around financial commitment, infrastructure, promotion, and collaboration.

Operational Strategy - Broadband

Problem to be Solved

Broadband access in the Appalachian region is marked by a rural-urban divide, with subscription rates over 20% lower in rural areas, hindering opportunities in education, telework, telehealth, business growth, and more. A lack of reliable broadband threatens to leave whole areas behind, necessitating a coordinated effort to bridge the digital divide and ensure equitable access.

Strategies

Strategic Capital and Platform Enhancement: Secure capital and enhance delivery platforms to increase investment in broadband infrastructure, addressing historical disinvestment in connectivity.

Affordable Access Advocacy: Implement solutions for affordable broadband connectivity by seeking grants, expanding partnerships, and advocating for policies that promote affordability, deployment, and equitable access.

Market-Driven Deployment Strategies: Tailor broadband solutions to address market gaps, conduct community needs assessments, and leverage resources to align solutions with demands, ensuring Federal resources effectively reach the region.

Overcoming Geographical Challenges: Focus on realistic strategies for comprehensive broadband coverage by collaborating on infrastructure projects, leveraging grants, and forming community partnerships to overcome topographical complexities.

What Does Success Look Like?

Fahe aims to empower Appalachian communities for a connected future, where broadband is an expectation, acting as a catalyst for economic growth, empowerment, and sustained connectivity. Success results a net-positive impact on broadband attainability, whether it be residential or community. Ultimately, success is achieving a world where high-speed broadband is universally accessible no matter who your momma is.

Operational Strategy - Infrastructure

Problem to be Solved

Appalachian residents face challenges in accessing affordable utilities and essential infrastructure, hindering economic growth. The region is lacking in not only basic utilities but also economic and workforce development infrastructure, including housing, transportation, and childcare, impacting the attraction and retention of a skilled workforce.

Strategies

Comprehensive Infrastructure Redefinition: Expand the infrastructure definition to include housing, transportation, and childcare. Innovate solutions for housing challenges, transportation programs, and childcare deserts, redefining these elements as essential infrastructure.

Housing Advocacy and Economic Stimulus: Develop a unified narrative characterizing housing as crucial infrastructure. Advocate for government responsibility in providing attainable housing, emphasizing community needs assessments and resource leveraging. Invest in affordable and attainable housing to stimulate economic activity, job creation, and employee retention.

Financial Sustainability Commitment: Demonstrate a commitment to financial sustainability in infrastructure development through grant-seeking, expanded partnerships, and tailored solutions to address financial challenges.

Collaborative Infrastructure Development: Collaborate on projects, leverage grants, and form community partnerships for comprehensive infrastructure development. Consider workforce development and address exclusionary zoning practices. Strengthen relationships with Urban Local Governments (ULGs) for improved safety, public access, transportation, utilities, and community access.

What Does Success Look Like?

Fahe aims to stimulate economic activity, create jobs, and enhance community well-being, emphasizing the interconnectedness of these elements in fostering sustainable and inclusive development. Built environments are capable of meeting basic needs, and state governments align on a comprehensive definition of infrastructure, contributing to a positive narrative around tailored infrastructure development solutions. Ultimately, success is marked by the creation of more livable communities with accessible, affordable, and better maintained infrastructure.

Operational Strategy – Residency/Fellowship

Problem to be Solved

The non-profit workforce in Appalachia faces a talent vacuum, with an aging workforce and motivated youth drawn out of rural areas, posing challenges in attracting, recruiting, and retaining skilled individuals. The region's labor force participation rate lags significantly behind the national average, and the specialized skills that Fahe needs are in increasingly short supply.

Strategies

Strategic Investment Prioritization: Prioritize private investment, philanthropy, and donor-advised funds to support residency and fellowship programs, emphasizing the essential return on investment for cultivating future non-profit leaders.

Match Requirement Solutions: Develop methods to overcome match requirements in fellowship and residency programs, with a focus on directing leadership development funding to attract and retain promising leaders for the future.

Leadership Engagement and Capacity Building: Actively involve current leaders in residency and fellowship initiatives, expanding their involvement to enhance mutual benefits for participating organizations and contribute to leadership development.

Innovative Recruitment and Capacity Expansion: Build new residency and fellowship programs, connect Members to existing resources, and establish a centralized recruitment strategy to engage a qualified pool of professionals, while collaborating across networks to expand reach, recruitment, and retention. The traditional candidate pool is shrinking, so Fahe will need to expand the candidate pools for residency and fellowship programming, as well as recruitment more generally.

What Does Success Look Like?

Fahe aims to develop and share successful, self-sustaining residency models within and outside the network, fostering collective expertise and ensuring the long-term success of organizations and the region. Success is realized through residency and fellowship programming that attracts professionals to live and serve in Appalachia, gaining ground in qualified non-profit leadership for the future. Fahe seeks to address this by emphasizing its mission-driven focus to bolster residency and fellowship programs, providing long-lasting positive community impact.



fahe
Strength in Numbers

Working Families
Housing Fund

A **Working Families Housing Fund** will increase access to affordable housing for hardworking Tennessee families.

The Problem

The cost of land and building new homes is at an all-time high, making it harder for both nonprofit and corporate developers to create more affordable housing. As a result, **many working class families in Tennessee can't find any housing within their price point.**

Our Solution

Creating a recurring source of state funding that supports non-profit developers and nonprofit-corporate partnerships seeking to build housing for working families: **The Working Families Housing Fund.**

Proposed Funding Source

A new **recordation tax of 3 cents per \$100**, with revenue directed to the Tennessee Housing Development Authority to launch and operate the fund.

This tax would generate **nearly \$24 million in revenue annually**, allowing the creation or preservation of at least **200 affordable units per year.**

A High Return on Investment

Construction of 200 units annually will result in a year one return-on-investment of **\$46.2 million and 555 jobs.**

Every following year, these homes and their occupants will generate an additional **\$8.2 million and 113 jobs for local economies.**

Eligible Uses of Funding

- Soft development costs, including **architectural design, legal fees, and impact reports**
- Hard development costs, including **tools, equipment, labor, and materials**
- **Land acquisition and infrastructure**
- **Weatherization, rehabilitation, and repair**
- **Matches for federal funding**
- Housing, credit, and **financial counseling for existing and new homeowners**
- **The purchase of housing** that is ending its affordability period
- **"Gap funding" for unforeseen increases** in anticipated fixed costs or gaps in financing needed to obtain a loan

The Nature of Housing in Tennessee

Tennessee's population keeps growing. Speculative investors are responding by purchasing many properties the moment they hit the market. They often pay over asking or in cash, increasing the cost of land statewide.

This leaves working class families and entities seeking to acquire land for affordable housing unable to compete.

Access Matters

Tennessee Needs a Working Families Housing Fund

What	Ease the current housing shortage and affordability challenges impacting Tennessee
Why	Current funding streams have not kept pace with costs to build and can't meet the needs of working households
When	Over the next five years
How	By establishing a recurring funding stream of flexible state dollars targeted to non-profit developers to build housing

A True Story From East Tennessee

In 2021, a family of five from Hamblen County was pre-approved for a roughly \$216,000 loan. However, **there were only 5 homes within their price range in the entire county.** Only two had three bedrooms.

Who We Are

For over 40 years, Fahe Tennessee Members have delivered safe, quality housing, community services, job training, and opportunity to our neighbors across the state.

For more information, contact:
Maggie Riden,
Senior Vice President of Advocacy
617-960-6794 | mriden@fahe.org



Working Families
Housing Fund

A Working Families Housing Fund will increase access to affordable housing for hardworking Tennessee families.

Right now, many families earning between 80 and 120% of their area median income struggle to find housing in their typical price point: \$200,000 to \$300,000.

We recommend the state address this problem by **creating a Working Families Housing Fund to support developers that are building and maintaining affordable housing**. By allocating 3 cents per \$100 of recordation tax, the state would generate nearly \$24 million in revenue for this fund. This amount would support the construction or preservation of at least 200 units annually, creating a year one **return-on-investment of \$46.2 million and 555 jobs**.

Specific Program Recommendations

The creation of this fund should **complement existing government programs**—such as the Affordable House Trust Fund—rather than replacing them.

Eligible expenses should be **broad and flexible**, including administrative fees and “first in” dollars.

Finding “first in” dollars is particularly challenging in rural areas with limited banking or philanthropic activity, slowing down housing development. Additional funders often invest more quickly once state dollars are on the table, providing a degree of financial security.

The fund should ideally be **housed within the Tennessee Housing Development Authority (THDA)** as a stand-alone program.

We recommend this degree of stand-alone specificity because it's what is needed to resolve the current gaps in our housing stock. If THDA does not have the bandwidth to manage a new program of this scope, we recommend the program be operated by an existing public-private intermediary with expertise developing housing in both rural and urban Tennessee.

THDA or the designated intermediary should receive **additional funding or a small carve out from the Working Families Housing Fund to hire more staff**.

Successfully launching and managing a new program will require a great deal of work and increased capacity. We recommend enough funding for one manager and three employees, including one support staff member.

The Nature of Housing in Tennessee

From the Great Smoky Mountains to Music City, Beale St., and beyond, **Tennessee's population keeps growing**. Speculative investors are responding by purchasing many properties the moment they hit the market. They often pay over asking or in cash, increasing the cost of land statewide.

This leaves working class families and entities seeking to acquire land for affordable housing unable to compete.

Access Matters

Tennessee Needs a Working Families Housing Fund

What	Ease the current housing shortage and affordability challenges impacting Tennessee
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When	Over the next five years
How	By establishing a recurring funding stream of flexible state dollars targeted to non-profit developers to build housing

A True Story From East Tennessee

A family of five from Hamblen County was hoping to buy a house in 2021. Although the family, which earned \$36,000 annually, was pre-approved for a roughly \$216,000 loan, they opted not to renew their pre-approval in January of 2022.

Why? There were only 5 homes within their price range in the entire county. Only two had three bedrooms.

Decisions about awarding funding should be made by **a blend of staff members and advisory board members.**

This program is intended to complement other funding sources to fill gaps in our state's ability to deliver and maintain middle-income housing. As such, all decision-makers should have a robust understanding of the existing housing development and finance landscape.

When awarding funding, the program should **prioritize nonprofit developers, but allow for partnerships between nonprofit and for-profit entities**, so long as nonprofits are leading the project.

This would ensure funds are used as efficiently as possible. The primary goal is speeding up housing development, thus creating a high return on investment for the entire community.

The program should **award funding** through grants, forgivable loans, and low or zero-interest loans.

Zero-interest loans for construction and sale would be used until a single-family home is sold, while such loans for multi-family rentals would be used for the duration of the affordability period.

Proposals should be accepted once annually, and **awards should have a 3-year spending limit with at least one third of the funding being provided upfront.**

Especially given continued increases in costs, having access to liquid funds at the start of a project will help increase the speed of housing development.

We strongly recommend **against a matching requirement** for these funds.

This will disproportionately exclude rural and lower income areas from the program's benefits. Additionally, in some cases, a small amount from the program may be the only funding needed (i.e. in the case of housing repair).

Impact for Tennessee

This proposed funding provides the following outcomes:



Approximately 200–300 new or preserved units delivered annually



Using National Home Builder's Association Estimate, the construction of 200 new units (100 single family and 100 multi-family rental units) results in a year one return on investment of \$46.2M and 555 jobs.



In each subsequent year, these homes and their occupants will generate an additional \$8.2M and 113 jobs for a local economy.

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Tennessee Members

Aid to Distressed Families of Appalachian Counties (ADFAC)	Foothills Community Development
Appalachia Habitat for Humanity	HomeSource east tennessee
Appalachia Service Project	Kingsport Housing and Redevelopment Authority
Blount County Habitat for Humanity	Knoxville Leadership Foundation
Clinch-Powell RC&D Council	Loudon County Habitat for Humanity
Creative Compassion, Inc.	Mountain T.O.P.
Crossville Housing Authority	Oak Ridge Housing Authority
Eastern Eight Community Development	TN Community Assistance Corporation



Land Bank Incentive Pilot Program

A Land Bank Incentive Pilot Program Will Increase Access to Affordable Homes In Tennessee

The Problem

Tennessee's population keeps growing. Speculative investors are responding by purchasing many properties the moment they hit the market. They often pay over asking or in cash, increasing the cost of land statewide. **This leaves working class families and entities seeking to acquire land for affordable housing unable to compete.**

Our Solution

We propose **providing state funding to help communities create local land banks** during a five-year pilot program. We recommend the state provide **\$5 million in funding during the first year** of the Land Bank Incentive Pilot Program, and **\$500,000 annually for the next four years.**

Ideally, this program would lead to **a minimum of five communities developing operational land banks within 18 months** of being awarded funding. Within the same time frame, **at least 80% of the land banks would already be in the process of buying and developing land for community benefit.**

Specific Program Recommendations

- The Land Bank Pilot Program should be housed under and operated by the **Tennessee Department of Economic and Community Development.**
- Awards should be capped **at \$800,000 per community.**
- Communities that can provide **at least a 50% match of their request** should be prioritized for funding.
- Applicants should be strongly encouraged to **explore nonprofit and public-private partnerships** to establish and manage land banks.
- Each land bank should have **at least 1 full-time staff person** devoted to managing it.
- Providing funding for **technical assistance must be a priority, in addition to seed funding.**

Every year, at least **\$500,000 of funding should be reserved for technical assistance.** Technical assistance should include early and continued education of local leaders to help them **understand land banks, laws regulating them, and the important role they can play in combating blight and meeting community needs.**

What are land banks?

Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property to meet specific community goals, such as increasing affordable housing.

Land banks can provide a way for communities to:



Assemble parcels of tax-delinquent or abandoned properties for redevelopment.



Buy and hold strategically valuable properties until they can be developed as affordable housing.



Maintain, rehabilitate, demolish, and lease or sell property.

BY YEAR

4

The Department of Economic and Community Development should **begin collecting data to assess the impact** the program has had on local land acquisition and housing prices.

BY YEAR

5

The Department should **publish a report**, including information about percent change in homeownership rates, affordable housing in a landbank's footprint, and related metrics. Officials should also make an official **recommendation, regarding whether the pilot program should be continued.**

Who We Are

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From Mt. City to Memphis, Tennessee is on the edge of a major housing crisis.

Quality housing, for both renters and homeowners, is becoming more scarce and increasingly expensive statewide.



Estimates suggest we're short 133,581 affordable housing units statewide—1.6x more than AL and 2x more than MS.



Housing prices have increased by 24.4%. Home ownership is increasingly out of reach for many working families. Denying opportunities for generational wealth building.

To afford market rate housing, a Tennessean making minimum wage needs to work 87 hours a week. That's 2.2 fulltime jobs.

When families are forced to spend large portions of their incomes on housing, no one wins.

Housing Burdened = Less Spending Power. Housing constitutes the highest expenditure for most American families. The 26% of Tennessee households that are cost-burdened have less disposable income to contribute to the local economy. The impact? In 2020, severely cost-burdened renters spent 38% less on food and 70% less on healthcare. These sacrifices have long term implications and big costs.

Elders are Being Priced Out. Our older neighbors on fixed incomes are at risk of being priced out of the communities they've called home their whole lives. 20% of our extremely low-income renters are aged 65+, TN housing must be safe and affordable enough for our elderly neighbors to age safely in their own homes, surrounded by their own communities.

Harmful Housing Stock. 44% of TN housing is over 40 years old and likely contains lead paint. 33% of homes in Middle and East TN have alarmingly high radon levels, risking cancer and respiratory disease among our neighbors, particularly medically fragile residents, the elderly and children.

Protecting our Veterans. Over 50,000 Tennessee veterans live in homes with one or more major problems in quality, overcrowding, or cost. Roughly 19.3% of Tennessee veterans pay too much for their housing. Constructing homes that our servicemembers can afford honors our commitment to our veterans and invest in their economic future.

Retail follows rooftops. High housing unaffordability significantly hinders business growth at the county level. A one-percentage point increase in homeowner cost burden is significantly correlated with a reduction in the numbers of Retail, Information, and Professional establishments.

This is a SUPPLY vs. DEMAND problem. And it is solvable.

By consistently investing state funding into a diverse array of housing solutions, we can ensure our housing market is nimble and responsive to local economies. We can keep our working families (and those future Tennesseans!), retirees and Vets in their communities. We'll be making a sound down payment on the future wealth and vibrancy of the State of Tennessee.

If you want to learn more about what we can accomplish together, contact:

Maggie Riden,
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mriden@fahe.org | (617)-960-6794

Fahe Tennessee Caucus Members

Aid to Distressed Families of
Appalachian Counties (ADFAC)

Appalachia Habitat for Humanity

Appalachia Service Project

Blount County Habitat
for Humanity

Clinch-Powell RC&D Council

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HomeSource east tennessee

Kingsport Housing and
Redevelopment Authority

Knoxville Leadership Foundation

Loudon County Habitat
for Humanity

Mountain T.O.P.

Oak Ridge Housing Authority

TN Community Assistance
Corporation



SB2174/HB2250 TAXES PROPERTY: Changes to the County Powers Relief Act.

Sponsors: Sen. Hensley, Joey , Rep. Cepicky, Scott

Summary: Changes the number of days a municipal or county official has to forward a copy of the form signed by a building permit applicant to the county official or employee who has been designated by the county legislative body to collect the tax when a building permit is issued under the County Powers Relief Act from 30 days to 30 business days.

SB2496/HB2623 PROPERTY & HOUSING: Creation of a voluntary attainable housing incentive program by ordinance.

Sponsors: Sen. Gardenhire, Todd , Rep. Carr, Dale

Summary: Authorizes the chief legislative body of a municipality to create a voluntary attainable housing incentive program by ordinance for the purpose of authorizing certain incentives to be provided to property owners who seek to build attainable housing. Broadly captioned.

SB2281/HB2850 PROPERTY & HOUSING: Housing Optimization and Market Empowerment Solutions (HOMES) Act of 2024

Sponsors: Sen. Briggs, Richard , Rep. Hill, Timothy

Summary: Enacts the Housing Optimization and Market Empowerment Solutions Act of 2024 which can be adopted by the local governments or voted in by a simple majority of people which would prohibit the local government from limiting or prohibiting a person's ability to use commercial property, owner-occupied property, or renter-occupied property as a short-term rental unit and allows for the local government to impose restrictions on the use of the property and to enforce certain requirements for the owners to use the property as a short-term rental unit.

SB2882/HB2955 STATE GOVERNMENT: Requires TACIR to study availability of affordable housing in this state.

Sponsors: Sen. Kyle, Sara , Rep. Hardaway, G.A.

Summary: Requires the TACIR to study the availability of affordable housing in this state and report its findings and recommendations to the general assembly no later than January 1, 2025. Broadly captioned.

SB2124/HB2292 PROPERTY & HOUSING: Housing development strategies required to be adopted by municipal and metropolitan governments. SOMEWHAT SIMILAR TO BELOW FROM YARBO

Sponsors: Sen. Briggs, Richard , Rep. Davis, Elaine

Summary: Requires each municipal and metropolitan government to adopt, on or before July 1, 2025, certain housing development strategies, including providing for zoning that specifically allows or encourages the development of tiny homes, in addition to other strategies. Provides that a municipal or metropolitan government that does not adopt such housing development strategies is ineligible for certain state grants, including community development block grants and local park and recreation fund grants. Broadly captioned.

SB2457/HB2337 WELFARE: Standard monthly housing assistance payment amount. GREAT BILL, BE SHOCKED IF PASSED

Sponsors: Sen. Akbari, Raumesh , Rep. Pearson, Justin

Summary: Requires the agency to establish the payment standard amount for the monthly housing assistance payment under the federal housing choice voucher program to the maximum allowed by federal law.

SB2462/HB2342 STATE GOVERNMENT: Grant program for first-time home buyers. Cool, but wonder if it will get support)

Sponsors: Sen. Akbari, Raumesh , Rep. Pearson, Justin

Summary: Requires the department of finance and administration, in conjunction with assistance from the department of revenue and the Tennessee Housing Development Agency, to promulgate rules to establish a grant program to render assistance to first-time home buyers, utilizing federal funds allocated and state funds appropriated for such purposes. Broadly captioned.

SB2417/HB2581 TAXES PROPERTY: Payment in lieu of tax agreements to be approved by a majority vote of the city or county legislative body.

Sponsors: Sen. Swann, Art , Rep. Russell, Lowell

Summary: Requires, in counties with a population of 60,000 or less, payment in lieu of tax agreements to be approved by a majority vote of the city or county legislative body of each affected taxing jurisdiction before an industrial development corporation, housing authority, or health, educational, and housing facility corporation negotiates the agreement. Broadly captioned.

SB2289/HB2525 TAXES PROPERTY: Low-interest construction loans to low-income persons living in areas with a need for affordable housing. – WOULD GO TO THDA,

Sponsors: Sen. Kyle, Sara , Rep. Thompson, Dwayne

Summary: Requires a county register to remit 20% of collected transfer and mortgage taxes to the agency for purposes of making low-interest and zerointerest construction loans to low-income persons who live in areas with a critical need for affordable housing.

SB2237/HB2423 PROPERTY & HOUSING: Zoning reform strategies for counties to support housing development. SIMILAR TO THE ABOVE

Sponsors: Sen. Yarbro, Jeff , Rep. Shaw, Johnny

Summary: Allows for counties to adopt zoning reform strategies that support housing development which qualifies the county to receive from the department of revenue 5% of the revenue collected for each strategy based on transactions in the unincorporated territory of the county with a maximum of 20% of the revenue collected. Broadly captioned.

SB2899/HB2430 PROPERTY & HOUSING: Foreclosure sale of real property to be posted on the secretary of state's website.

Sponsors: Sen. Bailey, Paul , Rep. Farmer, Andrew

STATE SUMMARY - As introduced, updates requirements regarding public notice for a foreclosure sale of real property, including a

requirement that public notice be posted on the secretary of state's website.

SB2550/HB2624 TAXES PROPERTY: Revises current law regarding property tax liens and delinquent property taxes.

Sponsors: Sen. Swann, Art , Rep. Carr, Dale

Summary: Grants first priority to property tax liens relative to receiver's liens and other liens established under the Neighborhood Preservation Act and the Tennessee Local Land Bank Program. Clarifies that various provisions governing judicial sales do not apply to property tax proceedings.

Makes various revisions to laws governing property tax liens, delinquent property taxes, and property tax proceedings. (21pp.). Broadly captioned.

SB2900/HB2719 GOVERNMENT ORGANIZATION: THDA board of directors - approval of operation of the financial assistance programs.

Sponsors: Sen. Bailey, Paul , Rep. Garrett, Johnny

Summary: Reduces the number of members of the board of directors of the Tennessee Housing Development Agency required to approve the operation of the financial assistance programs under the Tennessee Housing Development Agency Act from nine to eight. Broadly captioned.

SB2532/HB2725 PROPERTY & HOUSING: Affordable housing - development entitlements.

Sponsors: Sen. Lamar, London , Rep. McKenzie, Sam

Summary: Deletes the prohibition on local governments enacting a law that would place requirements regarding inclusionary, affordable, or below market value housing when entitlements, variances, or any other form of permit or authorization is sought from the local government. Deletes the prohibition on a local governmental unit from conditioning development entitlements through amendment to the zoning map on the allocation of existing or newly constructed private residential or commercial rental units to be sold or rented at below market rates.

SB2635/HB2787 SAFETY: Building codes - inclusion of three-family and four-family dwellings.

Sponsors: Sen. Rose, Paul , Rep. Barrett, Jody

STATE SUMMARY - As introduced, authorizes a local government to amend adopted building codes to include three-family dwellings and four-family dwellings within the scope of the residential code. – NO SMOKE DETECTOR REQUIREMENT THEN?

Fact Sheet: New Housing Incentives

Let's Keep Tennessee Working. Let's Keep Tennessee Home.

Thanks to the leadership of **Sen. Todd Gardenhire (R-Chattanooga)** and **Rep. Dale Carr (R-Sevierville)**, [SB2496](#) and [HB2623](#) will give municipalities the local option to offer voluntary incentives to reduce the cost to build attainable homes for entry level workers, young professionals and seniors.

New Housing Incentives Are Vital

Tennessee faces a critical shortage of housing despite its growing economy. From 2013 to 2022, for every ten new jobs created we only built six homes, leaving a significant gap in the state's housing supply, according to an analysis by ThinkTennessee. Our state's future ability to attract economic development depends in part upon our ability to house our growing workforce. Yet as rents and home prices skyrocket across the state — up more than 20 percent since 2020 — thousands of Tennessee residents are being priced out of their communities.

The reality is that no builder or developer can afford to build new homes that are attainable for school bus drivers, paramedics and elementary school teachers, given the rising cost of labor, materials and regulatory hoops. Without incentives to decrease construction costs or increase the project's overall revenue, new homes will almost always be out of reach for too many Tennesseans.

Voluntary Incentives Reduce Costs

SB2496/HB2623 are vital tools to close this gap. These bills will give towns and cities the option to offer no-cost incentives to builders who want to create or preserve housing at price points that Tennessee families and seniors can afford.

Voluntary incentives help to defray the high cost of construction by:

- **More Density** — A city or county can choose to let builders construct more units than would ordinarily be allowed on a piece of land. This spreads their fixed costs across more homes and allows them to make up their revenue shortfall from lower-priced units.
- **Lower Parking Requirements** — A city or county can reduce a developer's costs by choosing to require fewer parking spaces for every attainable home or apartment, creating savings up to \$14,000 per unit according to a 2023 Rutgers University study.
- **Reduced Setbacks** — a city or county can choose to reduce required setbacks for workforce housing. By allowing builders to leave less empty space around a building, it allows them to fit more homes on the same piece of land or construct housing on irregularly shaped pieces of land.

These performance-based voluntary incentives, which would be offered in exchange for homes available to below-market buyers or renters, are inexpensive and straightforward tools to reduce the cost of housing.

How Do These Incentives Work?

Under the bill, each city or county can decide whether it wants to participate in these incentives, ensuring that each locality retains the ability to calibrate to its local economy and landscape. By meeting the needs of job growth with an appropriate rate of attainable housing construction, we can ensure every Tennessean can find a place to call home.

- Any municipality wishing to offer such incentives must opt-in by passing a resolution or ordinance in which it defines the terms and conditions of its incentive program, in line with federal, state and local law.
- Following the passage of the municipality's resolution or ordinance, property owners who wish to receive incentives would be required to provide a written notice of interest to participate.
- Once notice has been received by the municipality, the property owner would work with planning staff to follow the steps outlined in SB2496/HB2623 to determine whether the project fits the requirements, ultimately resulting in approval or denial by the Regional Planning Commission.
- Projects approved through this process would be deed restricted to ensure that the attainable housing continues to be offered in perpetuity.

These steps, which are further detailed in SB2496/HB2623, are designed to ensure a free and fair process for property owners and taxpayers alike, requiring that both parties enter into this process voluntarily, and that the incentives fulfill their intended purpose to create housing that is attainable for bus drivers, paramedics and teachers.

Suggested Social Media Posts:

- It's time to unleash the potential of the private sector to build attainable housing attainable for hardworking Tennesseans such as teachers, paramedics and bus drivers. SB2496/HB2623 lets cities and counties offer no-cost incentives to help build homes Tennesseans can afford.
- For every ten new jobs created in Tennessee, the state only added six new homes from 2013 to 2022, leaving a significant gap in the state's housing supply. SB2496/HB2623 would let local governments cut through red tape and unleash the private sector to build attainable housing.
- Regulations and rising costs often prevent the private sector from building housing that's attainable for working people, seniors, and first responders. SB2496/HB2623 allows local governments to offer voluntary incentives toward new housing at a price every resident can afford.

Fahe Affiliated Partner Criteria

Thank you for your interest in becoming an Affiliated Partner of Fahe; we are building hope, building relationships, strengthening communities, and nurturing families through housing and support systems. By building on trusted relationships in Appalachia, we make more happen together. We work together and openly share brand, influence, and successful strategies. We speak with a strong voice and create dynamic impact, gathering expertise from each other. We envision Appalachia as a place proud of sustaining its culture and environment, where growth, opportunity and hope are balanced so that all people fulfill their potential with regard to housing, employment, education opportunity and quality of life.

Fahe Affiliated Partners are trusted organizations sharing a common goal with the Fahe Network to carry out activities related to the general betterment of the housing or community conditions for low-income families in Appalachia. A Prospective Affiliated Partner can be introduced/invited by a Member or by Fahe Staff.

Benefits of being Affiliated with the Fahe Network:

- Access to open Fahe Meetings & Collaborative Opportunities:
 - Expertise among staff and peers
 - Networking through meetings events
 - Discounts for events
 - Access to Fahe-led Training
 - Shared Voice/Tools for Advocacy
 - Opportunities to connect to State/Regional/Federal Agencies
- Access to Capital: Lending and Equity products
(subject to applicable rules/regulations)
 - Mortgages, including Broker/Loan Packager Relationships
 - Commercial loans, including Lines of credit, Construction Loans, Community Facilities Loans
 - Low Income Housing Tax Credit (LIHTC) expertise
- Program Services by contract

Becoming an Affiliated Partner is a patient process, beginning with invitations to meetings, introductions, getting to know each other, and if interested, a formal letter of request to apply. Partnership is open to Nonprofit and for-profit organizations with a mission or purpose that fits with Fahe's vision for the region serving or investing in Appalachia and a demonstrated commitment to affordable housing.

Fahe Updates – TN Caucus

Quarterly Reporting – 12/31/23

Without NWOs			With NWOs		
Total Organizations	46		Total Organizations	54	
Turned in by 1/10	11	23.91%	Turned in by 1/10	19	35.19%
Turned in by 1/15	26	56.52%	Turned in by 1/15	34	62.96%
Turned in by 1/25	28	60.87%	Turned in by 1/25	36	66.67%
TN Organizations	14		TN Organizations	16	
Turned in by 1/10	2	14.29%	Turned in by 1/10	4	25.00%
Turned in by 1/15	5	35.71%	Turned in by 1/15	7	43.75%
Turned in by 1/25	5	35.71%	Turned in by 1/25	7	43.75%
Aid to Distressed Families of Appalachian Counties (ADFAC)					
Appalachia Service Project (ASP)					
Appalachian Habitat for Humanity (AppHFH)			Nothing to Report -10/3 - Haley T		
Blount County Habitat for Humanity (BCHFH)			Nothing to report -10/23 - Sarah H		
Clinch Powell RC&D (CPC)			Reports Sent - 1/19 - Stace K		
Creative Compassion (CCI)					
Crossville Housing Authority (CH)					
Kingsport Housing & Redevelopment Authority (KHRA)			Reports Sent - 1/10 - Emily C		
Knoxville Leadership Foundation (KLF)					
Loudon Co. HFH (LHFH)			Reports Sent -1/17 - Chris C		
Mountain T.O.P. (MTOP)					
Oak Ridge Housing Authority (ORHA)					
Tennessee Community Assistance Corp (TCAC)			Reports Sent - 1/19- Aletha P		
Foothills CDC			Nothing to Report - 1/5 - Bobby E		

REED, Research Evaluation Evidence & Data Committee

Office hours: 1st Tues. 9:30-11:30am & 3rd Thurs. 1-3 pm

Standing Committee (REED): 3rd Mon. from 1:00- 2:15 pm each month

Contacts: kstigers@fahe.org cmoreno@fahe.org

From Partners for Rural Transformation:

Social Media links:

- [Twitter](#)
- [Facebook](#)
- [Instagram](#)
- [LinkedIn](#)

Email Contacts:

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 Essence Smith essence@pfrt.org - Program Mgr for Comms and Nat'l Partnership
 Emily Burleson emily@pfrt.org - Project Manager for Advocacy and Research
pfrt@pfrt.org - general inquiries



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Reservations open **September 15th**. Don't miss out.

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- 0% Fixed Interest Rate Deferred Mortgage
- \$9,000.00 Second Mortgage Loan
- Due at year 35 years (balloon)
- No Income Restrictions
- Funds not available in West Virginia
- Primary Residences only
- CLTV cannot exceed 105%
- Homebuyer education is required
- May be used for Purchase or Refinance
- Cannot be used to meet the Borrower's Minimum Required Investment (MRI) for FHA Loans
- Must be paired with Fahe's JustChoice Lending 1st Mortgage



JustChoice Lending is an Equal Opportunity Housing provider and does not discriminate on the basis of handicap, race, color, national origin, religion, sex, familial status, or age.

NMLS #52473

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