

**RULES
OF
TENNESSEE HOUSING DEVELOPMENT AGENCY**

**CHAPTER 0770—6—1
GENERAL PROVISIONS**

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0770—6—1—.01 PURPOSES AND SCOPE. This program, in conjunction with existing THDA program, is intended to accomplish the following purposes:

- (a) To promote the production of more affordable owner and renter occupied housing units for very low, low and moderate income individuals and families in the state;
- (b) To promote the preservation and rehabilitation of owner and renter occupied housing units for very low, low and moderate income individuals and families listed above;
- (c) To bring greater stability to the residential construction industry and related industries so as to assure a steady flow of production of new housing units; and
- (d) To promote the planning and implementation of effective and innovative housing assistance programs by local governments and non-profit organizations aimed at assisting those households and individuals lacking the resources to adequately address their housing needs.

Authority: T.C.A. §13—23—115 (18). **Administrative History:** Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.02 APPLICABILITY. These rules apply to individuals, eligible political subdivisions and non-profit corporations participating in the program.

Authority: T.C.A. §13—23—115 (18). **Administrative History:** Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.03 DEFINITIONS.

- (1) “Agency Board” shall mean the board of directors of Tennessee Housing Development Agency (THDA).
- (2) “Bond Finance Committee” shall mean the Bond Finance Committee of the Board of Directors of the Tennessee Housing Development Agency.
- (3) “Consortium of eligible political subdivisions” shall mean a group of otherwise eligible political subdivisions that: are physically adjacent, designate a lead administering agency, contribute a local match, and benefit from the program.
- (4) “Eligible political subdivision” means a county, metropolitan government, municipality receiving community development block grant funds directly from the United States Department of Housing and Urban Development, a municipality in a county not otherwise applying, or a consortium of such political subdivisions.
- (5) Reserved.
- (6) “Low income household” means an individual or family unit whose income does not exceed 80% of the area or state median income, whichever is greater, adjusted for family size.
- (7) “Matching funds” means funds provided or allocated by the local government to supplement the state program. Funds may include those contributed to the local government by a third party which are under the control of the local government. Funds may also include the appraised value of any property donated by the city or by another party and can include documented expenditures incurred by the grantee in site preparation or installation of utilities to the site. The Agency shall have the responsibility for determining the eligibility and value of any non-cash match. The value of any real property shall be determined pursuant to an appraisal by an independent appraiser who is on THDA’s list of approved appraisers. Other appraisers may be approved upon submission of the appraiser’s resume to THDA.
- (8) “Moderate income household” means an individual or family unit whose income is greater than 80%, but less than the 115% income standard applicable to tax exempt bond financing, based on the area or state median income, whichever is greater.
- (9) “Rehabilitation” means construction activities which are undertaken to bring housing units into compliance with local housing codes or the Standard Housing Code if no local codes have been adopted.
- (10) “Qualifying not-for-profit corporation” means a not-for-profit organization that has qualified as such under the Internal Revenue Service Code Section 501(C)(3) and is chartered by the State of Tennessee, or a non-profit affiliate of such organization. Such qualifying organization must have experience in housing programs with experience in rental housing management or experience in providing very low, low and moderate income households with housing.
- (11) “Very low income household” means an individual or family unit whose income does not exceed 50% of the area or state median income, whichever is greater, adjusted for family size.

Authority: T.C.A. §13—23—115(18). **Administrative History:** Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.04 FORMS. The Agency may make, revise and amend all forms necessary for the processing of applications and the administration of all matters relating to the program. It may specify the information to be included therein and the supporting materials to be included.

Authority: T.C.A. §13—23—115(18). **Administrative History:** Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.05 RULES OF PRACTICE. Instructions, rules of practice and guidelines for the receipt and processing of applications for loans and/or grants, the issuance of commitments, and the taking of other internal actions as may be necessary or desirable for the implementation and administration of all aspects of the program may be established and modified from time to time by the Agency, at all times consistent with the Act and the THDA by-laws.

Authority: T.C.A. §13—23—115(18). Administrative History: Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.06 RESERVED.

Authority: T.C.A. §13—23—115(18). Administrative History: Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.07 WAIVER.

- (1) The Agency Board, by resolution, may waive or vary particular provisions of these rules and regulations:
 - (a) To conform to the requirements of the federal government in connection with any housing unit with respect to which federal assistance is sought, or
 - (b) Due to exceptional circumstances if, in the determination of the Agency Board, the application thereof to a specific case or under an emergency situation may result in undue hardships.

Authority: T.C.A. §13—23—115(18). Administrative History: Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.08 COMPLIANCE WITH REQUIREMENTS OF BOND COVENANTS.

Notwithstanding any other provisions of these rules to the contrary, any loans funded in whole or in part by the proceeds of any issue of the sale of bonds or notes of the Agency shall comply with the requirements incident to the sale of such bonds or notes.

Authority: T.C.A. §13—23—115(18). Administrative History: Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.09 SEVERABILITY.

If any clause, sentence, paragraph, section or part of these rules and regulations shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Authority: T.C.A. §13—23—115(18). Administrative History: Original rule filed August 30, 1988; effective October 14, 1988.

0770—6—1—.10 THDA ASSISTANCE.

- (1) In order to assist the local housing programs authorized in this rule, the Agency may:
 - (a) provide technical assistance to local programs;
 - (b) develop demonstration projects for serving very low, low and moderate income persons and families;
 - (c) encourage cost effective designs of very low, low and moderate income housing;
 - (d) provide rehabilitation and construction financing from the Assets Fund and the Housing Program Reserve Fund, provided such loans shall pay interest at a rate comparable to earnings on other permitted investments;

(Rule 0770—6—1—.10, continued)

- (e) give priority for mortgage funds made available through the mortgage revenue bond program of the agency to housing developed by local housing programs;
- (f) in conjunction with the Department of Correction, implement mutually beneficial housing assistance programs for development of additional housing for very low, low and moderate income households, utilizing inmates and other vocational training resources; and
- (g) in conjunction with the Department of Economic and Community Development, support the funding of applications for community development block grants for housing.

Authority: T.C.A. §13—23—115(18). **Administrative History:** Original rule filed August 30, 1988; effective October 14, 1988.