



Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor
502 Deaderick Street, Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Bill Lord, Director of Community Housing
Don Watt, Chief Program Officer

SUBJECT: 2023 Emergency Repair Program (ERP) Program Description Amendment

DATE: November 1, 2023

Recommendation

Staff recommends the following amendments to the 2023 ERP Program Description, effective immediately through the end of the program term, June 30, 2024:

1. Provide a fee for service to ERP administrators of up to \$5,000 to be charged for costs associated with unrealized projects per the schedule below on a per project basis:
 - a. Up to \$250 for staff time;
 - b. Up to \$250 for initial reviews, including a scope of work, completed by ERP Administrator staff or up to \$350 for initial reviews, including a scope of work, completed by a third party vendor
2. Increase the individual subsidy cap per household per property from \$15,000 to \$24,999 for all project contracts entered into on or after November 15, 2023 through the contract term end.

Background

THDA awarded contracts for ERP administration to four Development Districts and two Human Resource Agencies with a grant term beginning August 1, 2022, and ending June 30, 2024 under the attached 2023 ERP Program Description. THDA has lost several administrators during this period as each has determined that they cannot administer the program under the current grant conditions, primarily due to the unreimbursed administrative cost incurred of preparation work on projects that do not move forward due to cost or other factors.

The cost cap also has been a key barrier to projects not moving forward as construction costs to mitigate the emergency situation are exceeding the existing cap and qualified contractors willing to take jobs below \$15,000 are increasingly difficult to attract.



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