



**Tennessee Housing Development Agency -
Board of Directors**

**Meeting Materials
March 30, 2021**



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

THDA Board of Directors Meeting
Tuesday, March 30, 2021 at 1:00 p.m. CT
Webex Meeting/Call - To join the call
Dial 1-650-479-3208; Code 133 596 7787

AGENDA

- A. Conduct of Electronic Meeting statement**
 - B. Approval of Minutes from January 26, 2021**
 - C. Executive Director's Report**
 - D. THDA Board Action Items**
 - 1. Amendment to 2021 QAP – Disaster Declaration Counties
 - 2. Multifamily Bond Allocation
 - 3. Modification of Recapture Provision for MRB Mortgage Loans
 - 4. Fiscal Year 2022 Summer Round THTF Competitive Grants
 - 5. 2021 Weatherization Assistance Program Application Submission Authorization
 - 6. Modification to 2020 ESG-CV2 Program Description
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APPENDIX

- Financial Update
- 2020 Calendar Year Loan Report (Link)
- THDA COVID 19 Rent Relief Program Description
- 2020 Emergency Solutions Grants CARES Act Part 2 Award Update
- 2021 Winter Round THTF Competitive Grants Funding Awards
- 2021 National Housing Trust Fund Program – Application Period



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

TO: THDA Board of Directors

FROM: Ralph M. Perrey, Executive Director

SUBJECT: March 30, 2021 THDA Board of Directors Meeting

DATE: March 15, 2021

We look forward to our Board meeting on Tuesday, March 30, 2021. With only six action items on the agenda, we will, with Chairman Hedges' concurrence, skip committee meetings this month and instead handle all items of business at the board meeting itself.

The action items:

- We ask your adoption of an amendment to the 2021 Qualified Allocation Plan for the Housing Tax Credit program. The amendment allows THDA to conduct a special tax credit round this summer for the additional tax credits THDA has been awarded for use in Tennessee's five disaster declaration counties – Davidson, Wilson, Putnam, Hamilton and Bradley.
- We are recommending an increase in the amount of bond authority available for multifamily to \$375 million. In January, you increased the multifamily allocation to \$310 million. We have \$302 million in transactions under review and awaiting commitment, and another \$104 million in queue. This additional increase is about as high as we can go, given our start-year allocation of private activity volume cap. At mid-year, we will have an opportunity to consider an additional allocation, based on THDA's mid-year allocation from the Department of Economic & Community Development.
- We ask your approval to modify the so-called "recapture provision" which applies to mortgage loans funded from proceeds of bond sales. It will be important that the loans THDA funds from bond proceeds do not differ from those we will finance through secondary market sales, thus the need for this modification.

- We ask your approval of the program description governing the summer round of our Housing Trust Fund competitive grants.
- We ask your approval to formally apply to administer the Weatherization Assistance Program on the state's behalf. This is a required annual submittal to the U.S. Department of Energy.
- We ask your approval to allocate leftover ESG-CV2 funds to organizations in Memphis, Metro Nashville, and Knoxville (originally excluded since those cities received their own allotment of these funds).

Information on each of these is included in your board packet. The Appendix provides informational items including an overview and update of the Rent Relief Program; an update on additional ESG funds awarded by THDA this month; updated THDA financial information from CFO Trent Ridley; and the final Loan Report for calendar year 2020.

Stephanie Bounds and I will be offering each of you a briefing in advance of the board meeting, if you would like one, so that we can address any questions you may have. Cindy Ripley will follow-up with Webex call information as the meeting date nears. We look forward to our meeting March 30.

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
January 26, 2021

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the “Board”) met in regular session on Tuesday, January 26, 2021, at 1:03 p.m. CDT, via WebEx call with certain staff members being at the THDA Offices located at 502 Deaderick Street; Andrew Jackson Building, 3rd Floor; Nashville, Tennessee 37243.

The following Board members were present via WebEx: Mike Hedges (Chair), Doree Hicks (for Butch Eley, Commissioner of Finance & Administration), Mike Hardwick, Jonathan Rummel (for Secretary of State Tre Hargett who joined the meeting at 1:08 p.m. CT), Kevin Bradley (for Treasurer David Lillard), Matt McGauley, Austin McMullen, Erin Merrick, Rick Neal, Tennion Reed, Chrissi Rhea, John Snodderly, and Katie Armstrong (for Comptroller Jason Mumpower). The following Board member was absent: Joann Massey.

Chair Hedges recognized Bruce Balcom, Assistant Chief Legal Counsel, who read the following statement:

“Board members will be participating in this meeting by telephone as authorized by Tennessee Code Annotated Section 8-44-108. Notice was posted stating that this meeting would be conducted in this fashion. This meeting is being conducted in this manner because the matters to be considered by the Board today require timely action and the physical presence of a sufficient number of Board members to constitute a quorum is not possible within the timeframe in which action is required. This is also necessary to protect everyone’s health and safety due to COVID. Therefore, it is necessary for some members to participate via telephone or electronically. Board members so participating were sent documents relevant to today’s meeting.”

Chair Hedges called the meeting to order. Upon a motion by Mr. McMullen and a second by Mr. Neal and a roll call vote, with all members identified as present voting “yes”, (13 ayes) motion carried that a necessity exists to conduct the meeting in this manner.

Chair Hedges offered a time for anyone from the public to address the Board. No responses were received.

Chair Hedges called for consideration of the November 17, 2020, minutes that were previously circulated to all Board members. Upon motion by Secretary Hargett, second by Mr. McGauley, and a roll call vote with all Board members identified as present voting yes (12 ayes) (Mr. Hardwick was present, but we could not hear his vote), the minutes were approved.

Chair Hedges recognized Ralph M. Perrey, Executive Director, who gave the following Executive Director's report:

- As we start a new year, what I'd like to do is highlight a few of the main challenges and opportunities facing THDA in 2021.
- The biggest immediate challenge is administering the emergency Rental Relief funds we have been allocated. We go into this with a significant advantage. Governor Lee last year contracted with Horne LLP, an accounting firm that has coordinated large-scale disaster relief efforts since Hurricane Katrina. Horne managed the several billion dollars of CARES Act funding Tennessee received. The Governor has offered us the opportunity to work with Horne under that same contract. All of which will save us a great deal of time. We are aiming to launch the program by March 1, 2021.

The second set of challenges involves our single family mortgage business.

- Like everyone else in the industry, we saw a spike in loan delinquencies and forbearance requests when borrowers lost jobs due to COVID. Delinquencies have started to level off. Our forbearance rate has been climbing but remains below the rate for FHA loans overall. We have been proactive in working with our borrowers to offer forbearance, loan modifications and reinstatements. We expect that as we return to a more normal economy, those delinquency rates will return to more normal levels.
- In the short term, however, there is a great deal of concern that more borrowers will seek forbearance. This is not an immediate risk for THDA – last year Trent Ridley and CSG conducted a stress test on our portfolio and found that even if one-third of our borrowers went into forbearance, THDA could go for over a year before having to institute drastic actions. That's not true of the major servicers, the ones handling millions of mortgages. They still have to pay investors, even if the borrowers aren't paying them. So there is growing speculation in Washington that some sort of mortgage relief package may be forthcoming.
- If that happens, it is likely to resemble the foreclosure prevention programs that THDA operated under the Hardest Hit Fund. My assumption is we would be asked to administer the program. We have experience, we have a platform set up for that kind of program, we have relationships established with over 200 servicers, we could fairly quickly bring on temporary staff. If something comes of this, we will keep you informed.

The third set of challenges involves our multifamily business.

- The IRS has issued new rules around LIHC properties that elected to use income-averaging. These are not being received well. Several investors have said they will not buy credits in developments using income averaging. We have some flexibility to allow developers to change their election, so long as they have not filed it with the IRS. We will be open to working with developers who need some flexibility.
- Equity prices for tax credits are falling. This is thought to be short-term but could cause difficulties for some of the 2020 tax credit awardees, if they have not syndicated yet. There isn't anything we can do about the equity pricing. We will be open to developers who need to adjust their project scope. These developments are hard to put together, and we try to work with developers as much as we can to get things built.
- A third challenge is a consequence of a good thing – the very strong demand we see for multifamily development. The best year we have ever had for multifamily bonds was

\$323 million; we took in that much in applications within the first ten days of this year. That's why we bring you a recommendation to increase the amount of volume cap immediately available for multifamily to \$310 million. We expect to increase that further, assuming no competing claims on the state's private activity volume cap. But I want to emphasize that even if we max out our commitment to multifamily – someone will miss the cut, and that's true regardless of how you decide the Special Request before you today.

That situation figures into one of our great opportunities – the work we are doing to earn Ginnie Mae Issuer status by this fall. Ginnie Mae would give us a secondary market outlet for our government-backed loans – FHA, VA, RD. Which means, we wouldn't have to issue bonds in order to finance those mortgages.

If we can finance through means other than selling bonds, our production is not limited by the amount of volume cap available to us. We do not add hundreds of millions of dollars to the agency's debt. And, if we do not need volume cap for single family, we can make much more of it available for multifamily. This is where we want to be when THDA turns 50 in 2023 – with strong and growing single family mortgage production, long-term earnings from the loans we hold in portfolio, income from the sale of loans into the secondary market, and servicing revenue from those loans. Three revenue streams, flexibility to operate through all kinds of market conditions, and very likely, increased operating revenue that we can put to work in support of other affordable housing activities.

And finally, we are taking the opportunity to thoughtfully look at our work environment, recognizing that we will probably never again need to have everyone in the office every day. How we manage our work, stay engaged with our staff and with our business and program partners, what the built environment in our offices should look like, and how much space we will actually need. The State of Tennessee is already look at the issues. We are already talking with them about what happens at the end of our lease at Parkway Tower, expecting that our loan servicing operation will move into the Andrew Jackson Building with the rest of the downtown staff.

Director Perrey deferred to Don Watt, Chief Programs Officer, to give more detail about how staff proposes to go forward on the COVID-19 emergency rental relief program. Mr. Watt went on to explain the State of Tennessee is eligible to receive \$457,000,000 in funds to provide emergency rent and utility assistance to households facing financial hardships as a result of the COVID-19 pandemic.

- THDA will administer this program across the state, with the exception of Davidson, Knox, Rutherford, and Shelby County, which are electing to administer the program locally.
 - In order to prevent a duplication of benefit, THDA's program will not carry over to these counties.
- THDA expects to administer around \$360,000,000 of the \$457,000,000 across its service area, with a September 30, 2021 obligation deadline for 65% of these funds and a December 31, 2021 expenditure deadline for 100% of these funds.
- To be eligible for assistance, households must have a household income of 80% AMI or less and have experienced a financial hardship due directly or indirectly from the COVID-19 pandemic on or after March 13, 2020.

- Under the federal legislation, the state must prioritize households that either
 - have a household income at or below 50% AMI or
 - where one individual has been unemployed for 90 days or more prior to the application for program assistance.
1. The program will provide the following types of assistance
 - Rental arrearages
 - Utility arrearages – electricity, gas, water and sewer, trash removal and energy costs (fuel oil)
 - Rental assistance for periods of up to 3 months before the household has to be recertified as eligible for assistance
 2. Generally, the total months of assistance to a household cannot exceed 12 months, however, there are provisions to extend for 3 months in order to ensure the housing stability of the household.
 3. THDA's Community Programs Division will directly administer these funds, accepting applications from tenants and landlords, and making direct payments to these vendors.
 - To accomplish these tasks, THDA will establish a call center and a team to accept, review and make determinations on applications received.
 - Our plan is to administer this program virtually, using an electronic application and review process.
 - As Ralph noted, we have been working with the Governor's office to secure the software vendor, call center and staffing support, which supported the state's efforts with the Coronavirus Relief funds administer this past summer and fall.
 - Our goal is to open this program for assistance as quickly as possible, with a target date of no later than March 1, 2021.
 - Therefore, we will be coming to you very shortly for consideration of the program requirements.

Chair Hedges recognized Bruce Balcom, Assistant Chief Legal Counsel to present the Bond Issue 2021-1 Authorization and the Reimbursement Resolution which would authorize the issuance and sale of 2021-1 including the form of supplemental resolution, which points the authorized officer to handle the details of the sale. He added there is also the reimbursement resolution, which allows THDA to reimburse itself for any money that it may have to advance against this bond issue before we are able to close and receive funds. The Board is requested to approve all documents and materials in the board meeting materials, including a memo from CSG Advisors dated December 17, 2020, noting the bond issuance was recommended for not more than \$200M dollars. Upon a Committee motion by Chair Hedges, and a roll call vote with all members identified as present voting "yes", motion carried to approve the Bond Issue and Reimbursement Resolution.

Chair Hedges continued to the next item on the agenda, the Renewal of Temporary Authority to Modify Established Program Deadlines and Associated Requirements Due to COVID-19, as recommended jointly by the Grants Committee and the Tax Credit Committee as outlined in the memo from Don Watt, Chief Programs Officer, dated December 15, 2020. Upon an offer of a Committee motion by Chair Hedges, and with a roll call vote with all members identified as present voting "yes", motion carried to extend through the end of June 2021 the

authority given to the Executive Director to grant waivers and extensions to program partners impacted by COVID.

Chair Hedges then recognized Austin McMullen, Chair of the Grants Committee to present the next three items for one vote. Mr. McMullen presented the 2022 Habitat for Humanity of Tennessee Set-Aside Program Description as outlined in the memo from Cynthia Peraza, Director of Community Programs and Don Watt, Chief Program Officer dated December 17, 2020; the 2021 HOME (Urban/Rural) Program Description as outlined in the memo from Cynthia Peraza, Director of Community Programs and Don Watt, Chief Program Officer dated December 17, 2020; and, the 2021 National Housing Trust Fund Program Description as outlined in the memo from Cynthia Peraza, Director of Community Programs and Don Watt, Chief Program Officer dated December 15, 2020. Upon a Committee motion by Mr. McMullen and related discussion, and upon a roll call vote, with all members identified as present voting “yes”, motion carried to approve the three Program Descriptions as presented.

Next, Chair Hedges recognized Chrissi Rhea, Chair of the Lending Committee to present the annual Housing Cost Index Report. Ms. Rhea noted the annual index is a routine and annually required report that determines what percentage of an average family's income is needed to secure decent, safe and affordable housing. She explained that a measure above 25% is seen as demonstrating that continued need for THDA's work. This year the index is 28.2%. Ms. Rhea continued to explain that the Board is required to formally accept this report as outlined in the memo from Dr. Hulya Arik, Economist, dated January 5, 2021. Upon a motion by Ms. Rhea, and upon a roll call vote, with all members identified as present voting “yes”, motion carried to approve the annual Housing Cost Index Report and the associated resolution included in the committee meeting materials as presented.

Chair Hedges then recognized John Snodderly, Chair of the Tax Credit Committee to report on the last two agenda items. Mr. Snodderly noted that the first agenda item was the 2021 Multifamily Tax-Exempt Bond Authority Amount Authorization. He referenced the memo from Edwin King, Director of Multifamily Programs and Don Watt, Chief Programs Officer dated January 21, 2021 detailing the recommendation from the Tax Credit Committee to amend the second paragraph of Section 1 of the Multifamily Tax-Exempt Bond Authority Program Description for 2021 to reflect the initial amount of 2021 volume cap for private activity bonds available for allocation through the 2021 Multifamily Tax Exempt Bond Authority Program is \$310 million, subject to THDA's receipt of a sufficient amount of 2021 volume cap for private activity bonds from the Tennessee Department of Economic and Community Development office. Upon a motion from Mr. Snodderly, and with a roll call vote, with all members identified as present voting “yes”, motion carried to authorize \$310,000,000 in bond authority.

Mr. Snodderly presented the last item on the agenda, the Multifamily Tax-Exempt Bond Authority Special Request Application for Chippington Towers. He referenced the memo from Edwin King, Director of Multifamily Programs and Don Watt, Chief Programs Officer dated January 4, 2021 detailing the recommendation from the Tax Credit Committee to recommend and request approval of the special request application as it satisfies the requirements of Section 6-B of the Multifamily Tax Exempt Bond Authority Program Description for 2021. After a detailed discussion, Mr. Snodderly offered a Committee motion, and with a roll call vote of eleven “aye”

votes (Hicks, Hardwick, Hargett, Bradley, McGauley, Merrick, Reed, Rhea, Snodderly, Armstrong, Hedges) and two abstentions (McMullen and Neal), motion carried to approve the special request.

With no further business to come before the Board, meeting was dismissed.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved this 30th day of March, 2021



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: Don Watt, Chief Programs Officer

SUBJECT: Low-Income Housing Credit for Qualified Disaster Zones

DATE: March 15, 2021

Recommendation

Staff recommends amendment of the Low-Income Housing Credit 2021 Qualified Allocation Plan as described herein.

Key Points

The Consolidated Appropriations Act of 2021 contains provisions that provide additional Low-Income Housing Credit (“LIHC”) for Qualified Disaster Zones for calendar year 2021 (“DHC”). The following points summarize staff’s proposed amendment to the Low-Income Housing Credit 2021 Qualified Allocation Plan (the “2021 QAP”).

Background

1. Staff estimates that the 2021 DHC will be approximately \$4.88 million in annual LIHC.
 - a. Please note that the DHC will be included in the 2021 Housing Credit Ceiling as described in Internal Revenue Code Section 42(h)(C). The calculation described in Section 3.B.1 of the 2021 QAP (Non-Profit Set-Aside) will be made accordingly.
2. Counties eligible for DHC are **Bradley, Davidson, Hamilton, Putnam, and Wilson**.
3. Staff proposes allocating the 2021 DHC in a special round held after the regular competitive round. This will allow applicants additional time to refine their proposals.
 - a. The DHC special round will be open to new construction only.
 - b. There will be no set-asides in the DHC special round.
4. Staff proposes to make reservations to the highest ranking application in each county, taking the counties in alphabetical order.
5. Staff proposes the following special provisions for the DHC round:
 - a. Exclude the County Needs Score component of the scoring system; and
 - b. Allow new construction in a Qualified Census Tract; and

- c. Initial Applications will be eligible for the Basis Boost of up to 30%; and
 - d. Allow a 10% increase in the applicable Total Development Cost Limit; and
 - e. Reservations of DHC will not count against the limits described in Section 3.H of the QAP; and
 - f. No applicant, developer, owner, or Related Parties will receive more than 1 Reservation for DHC.
6. Staff proposes to amend Section 14.E.5.e of the 2021 QAP to reflect that any Housing Credit remaining in the regular round after the last full reservation is made will be available to DHC applications.
7. Eligible applications from the regular round that do not receive a reservation in the regular round and are otherwise eligible for DHC will be considered in the DHC round.
8. If THDA receives **at least 1 eligible application for each county**, reservations will be made as follows:
- a. Highest ranking application in each county as described in item 4 above;
 - b. If the DHC is *exhausted prior to* making the fifth reservation, a combination of 2021 and forward-allocated 2022 Housing Credit will be used to make the fifth reservation.
 - c. If DHC *remains after* making the fifth reservation, the remaining DHC applications will be ranked in descending order regardless of county and THDA will make additional reservations until the DHC is exhausted. No forward allocation will be made in this scenario.
9. If THDA **does not receive** at least 1 eligible application for each county, reservations will be made as follows:
- a. Highest ranking application for each county for which THDA receives an eligible application as described in item 4 above.
 - b. If DHC *remains after* making a reservation for each county for which THDA receives an eligible application, the remaining DHC applications will be ranked in descending order regardless of county and THDA will make additional reservations until the DHC is exhausted.
 - c. No forward allocation will be made in this scenario, however unreserved Housing Credit from the regular round will be available.



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Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Don Watt, Chief Programs Officer

SUBJECT: Multifamily Bond Allocation
Proposed Increase to the Aggregate Amount of THDA Private Activity Volume
Cap Available as 2021 Multifamily Tax-Exempt Bond Authority

DATE: March 15, 2021

Recommendation

Staff recommends amending the Multifamily Tax-Exempt Bond Authority Program Description for 2021 (the "2021 PD") amending the second paragraph of Section 1 of the 2021 PD to reflect that the aggregate amount of 2021 MTBA available is **\$375 million**.

Key Points

At present, the aggregate amount of THDA private activity volume cap available is 2021 Multifamily Tax-Exempt Bond Authority ("MTBA") is capped at **\$310 million**.

Background

THDA continues to experience very high demand for MTBA. The \$65 million increase will allow this demand to more fully be met without adversely impacting single-family operations.



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Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors
FROM: Lindsay Hall, Chief Operating Officer of Single Family Programs
SUBJECT: Modification of Recapture Provision for MRB Mortgage Loans
DATE: March 15, 2021

Recommendation

Staff is recommending a program that will allow homeowners with THDA mortgage revenue bond loans (Great Choice Loans) to receive a reimbursement for any Federal Recapture Tax that is owed and paid.

Key Points

- Recapture tax, associated with the sale of homes financed through tax-free mortgage revenue bonds, is a rare occurrence for THDA homeowners (in fact, it has only happened one time).
- By 2022 THDA will be offering a dual execution to fund THDA mortgage loans, the existing MRB program as well as the Ginnie Mae MBS program. In order to properly align the government loans funded through either option, removing the risk of recapture tax is necessary. By removing the risk of the recapture tax associated with tax-free mortgage revenue bonds (MRB) either loan execution will have the same value to the borrower.
- The federal recapture tax is complex and often causes undue confusion to borrowers, real estate agents and lenders; sometimes limiting the opportunity to utilize the Great Choice Loan program.

Background

The Great Choice Mortgage Loan program is funded through the issuance of tax-free mortgage revenue bonds. Borrowers utilizing these loans receive benefits such as fixed rate mortgages with approved down payment assistance not generally offered in the private market. The federal recapture tax is to “recapture” this benefit in certain circumstances when a homeowner sells their property.

In order for recapture tax to apply all three conditions need to occur concurrently:

- A borrower must sell or dispose of their home within the first 9 years from the purchase/closing date
- In the year you sell or dispose of your home, your income has increased and exceeds the IRS established limits
- You have made a “net” profit on your home

In the unlikely event that a borrower is subject to recapture tax and pays it, the THDA Recapture Tax Reimbursement Program would offer a refund of taxes paid once all program eligibility requirements are met.

In the past 15 years THDA has only been notified of one borrower that had to pay a recapture tax of less than \$2,000. This happens so infrequently due to the fact that all three requirements must be met. The financial cost of this program is expected to be minimal to THDA yet the reward of eliminating the roadblocks caused by the recapture tax requirement are great. First, THDA will be able to eliminate the recapture tax risk in the MRB loan program thereby equalizing the value of either the MRB or MBS funding source. Secondly, by offering a reimbursement of the Recapture Tax will strengthen the decision for lenders and realtors to recommend the Great Choice program to Tennesseans. Borrowers will also feel more confident in the program with limited tax risk as a future seller.



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Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer

SUBJECT: Fiscal Year 2022 Summer Round Tennessee Housing Trust Fund (THTF)
Competitive Grants

DATE: March 15, 2021

Recommendation

Staff is recommending the Board authorize the Executive Director to:

- Adopt the attached 2022 Summer Round of the THTF Competitive Grants Program Description; and
- Award, or authorize a designee to award, 2022 Summer Round THTF Competitive Grants Program funds to applicants for applications scored by staff based on the rating scale contained in the approved Program Description in descending order, subject to all requirements in the approved Program Description.

Key Points

The changes proposed for the 2022 Summer Round Program Description, beyond updating the spenddown requirements for prior year grant recipients, include:

- Updated implementation dates in the Program Description to meet the following schedule:
 - Application Available: April 22, 2021
 - Application Due Date: June 17, 2021 at 11:59 PM
 - Application Award Announcement: August 9, 2021
 - Award Agreement Dates: September 1, 2021 – August 30, 2024
- Replaced the Housing for the Elderly category description with a Housing for Older Persons category to better align with fair housing designations

- Updated Application and Evaluation Procedures to provide additional points to projects located in rural areas of Tennessee or located in the 11 distressed counties, as designated by executive order by Governor Bill Lee. The 11 designated distressed counties are: Lake, Lauderdale, Hardeman, Perry, Clay, Grundy, Van Buren, Bledsoe, Scott, Hancock, and Cocke.
- Updated the application scoring points in the following manner:
 - Under “Need” Category:
 - Removed the two (2) points associated with THDA’s Blight Elimination Program and Neighborhood Stabilization Program;
 - Added five (5) points for Rural Counties;
 - Under “Innovation” Category:
 - Decreased the total points from ten (10) to seven (7) points.

The new point structure for the THTF Competitive Grant Matrix are as follow:

- Capability - Up to 70 Points
- Need - Up to 23 Points
- Innovation - Up to 7 Points

Background

THDA has approximately \$2 million available for the construction and rehabilitation of affordable rental housing through the 2022 Summer Round of the THTF Competitive Grants Program. Staff is proposing the attached Program Description for the 2022 Summer Round.

Staff will provide information to the Committee and Board regarding awards made under the 2022 Summer Round of the THTF Competitive Grants Program at the meeting immediately following the date of the awards.

To review full supporting documentation, please click the following link:

https://thda.org/images/4b.-Fiscal-Year-2022-Summer-Round-THTF-Competitive-Grants-Program-Description_REDLINED.pdf
<https://thda.org/images/4c.-Fiscal-Year-2022-Summer-Round-THTF-Competitive-Grants-Program-Description.pdf>



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Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer

SUBJECT: 2021 Weatherization Assistance Program Application Submission Authorization

DATE: March 9, 2021

Recommendation

Staff is recommending the Board authorize the Executive Director to:

- Determine whether submission of an application is in the best interest of THDA;
- If so, submit an application to the U.S. Department of Energy (“DOE”) for the 2021 Weatherization Program Year by the federal deadline of May 1, 2021, incorporating the changes noted below; and
- Approve changes deemed necessary, within his sole discretion, to meet DOE program requirements.

Key Points

THDA proposes the following material policy changes for the 2021 Program Year:

- Increase the Average Cost Per Dwelling Unit (“ACPU”) from \$ 7,669.00 to (the approved rate as published by DOE) in accordance with the increase to the limit set annually by DOE to accommodate the cost increases to implement weatherization activities.

Background

The DOE will be accepting applications from states for the Weatherization Assistance Program for its 2021 allocation, which runs from July 1, 2021 through June 30, 2022. Applications are due to the DOE no later than May 1, 2021. The 2021 Program Year allocation for the State of Tennessee is \$5,480,377.00 (which is \$394,831.00 less than the 2020 allocation), with approximately \$678,715.50 available for administrative costs, \$955,607.00 available for training and technical assistance, and \$3,846,055.00 available for program costs. This year, the DOE retained

approximately \$18 million at the federal level for innovation, reducing the overall state allocations.

The activities carried out with the Weatherization Assistance Program funding are subject to federal regulations found at 10 CFR Part 440 ("WAP Regulations"). The annual application to the DOE defines the program and requires that the program be made available to eligible agencies that serve all areas (counties) in the state.

Eligible grantees for the Weatherization Assistance Program funding are those agencies meeting the federal definition of an eligible entity, which includes Community Action Agencies ("CAA"), or other public or nonprofit entities selected, based on public comment received during a public hearing conducted pursuant to the 10 CFR Part 440.14(a) and other appropriate findings regarding:

- (i) The Sub-grantee's experience and performance in weatherization or housing renovation activities;
- (ii) The Sub-grantee's experience in assisting low-income persons in the area to be served; and
- (iii) The Sub-grantee's capacity to undertake a timely and effective weatherization program.

The program funding is allocated by county, based on the percentage of the low-income population residing in that county, as determined through Small Area Income and Poverty Estimates ("SAIPE") census data. The local agency will receive, if willing to participate, the allocation for the county or counties located in their service delivery area. THDA will retain funding for administrative expenses, program-related training, and technical assistance expenses as permitted under federal regulations.

Staff will also conduct public meetings to explain the program and funding situation.

The DOE approval of applications for the Weatherization Assistance Program Year 2021 will be announced before the September 2021 Board meeting. Staff will provide the Board with an update on participating agencies, program updates, and any amendments to the approval plan.



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Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer

SUBJECT: Modification to 2020 ESG-CV2 Program Description

DATE: March 15, 2021

Recommendation

Staff is recommending Board authorization for the Executive Director to take the following actions:

- Adopt the attached revised 2020 Emergency Solutions Grants CARES Act Part II (ESG-CV2) Program Description (“Program Description”);
- Authorize the Executive Director or a designee to award 2021 ESG-CV2 funds in accordance with the program description
- Authorize staff to make any necessary programmatic changes as deemed necessary and approved by the Executive Director or as deemed necessary by the U.S. Department of Housing and Urban Development (HUD) due to COVID-19.

Key Points

THDA proposes the following material policy changes for the 2021 program year:

- Include entitlements in the award of noncompetitive ESG CV-2 funding; and
- Provide eligible Continuum of Care (CoC) with funding to support their efforts to solicit, review and rank ESG-CV2 applications, to provide applicants with technical assistance, and provide monitoring and/or reporting support to THDA

Background

THDA is receiving \$22,438,703 million in ESG-CV2 monies to fund eligible activities across Tennessee. Following the competitive award of ESG-CV2 funds, staff proposes to offer and fund, if accepted, the three local ESG entitlement communities, including Knoxville, Memphis, and Nashville-Davidson counties. Funds will be prorated based on the ESG funding distribution to these entitlements for the 2020 program year.

Additionally, THDA received the support from the local CoCs to solicit, review, and rank ESG-CV2 applications received. Additionally, THDA is seeking to add the capacity of these entities to provide on-going technical assistance on behalf of THDA to support ESG-CV program implementation and reporting during the program implementation period.

Staff will provide information to the Grants Committee and Board regarding 2020 ESG-CV2 funding awards at the meetings that immediately follow the date of the awards.

To view full supporting documentation, please click on the following link:

<https://thda.org/pdf/Modification-to-2020-ESG-CV2-Program-Description.pdf>

Appendix



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Trent Ridley, Chief Financial Officer

SUBJECT: Financial Update – January 31, 2021 (Unaudited)

DATE: March 15, 2021

Attached is a financial update consisting of a Schedule of Net Position and Operating Income Statements as of January 31, 2021 (Unaudited). It should be noted that these statements are “unaudited” and may not include accruals and adjustments normally reflected in THDA’s quarterly financial statements. The following are highlights of the schedules:

1. **Schedule of Net Position** – THDA’s assets total \$3.56 billion and primarily consist of first and second mortgages of \$2.89 billion and \$52 million respectively. We have approximately \$261 million in current cash and cash equivalents, which consists primarily of \$102 million (Loan Repayments / Prepayments), \$26 (2020-4 Bond Proceeds), and \$25 million (BFC Set-aside). These funds are restricted under the bond indentures.
2. **Operating Income** – Overall Operating Income of \$8.9 million is tracking well with the FY21 Budgeted Operating Income of \$16.3 million.

Mortgage Revenue Bonds (MRB) - Mortgage Interest of approximately \$71.6 million is up 4.38% over January 2020. Investment income is down, as reinvestment rates continue to remain low due to the COVID-19 pandemic. From an expense standpoint, Bond Interest of \$48.1 million continues to increase slightly (1.95%) over this same period last year. MRB-related Operating Income is approximately \$18.5 million.

Federal and Administrative – The primary revenue drivers continue to be the federal administrative fees (\$7.5 million) we receive from the federal government to administer their housing programs and the fees we receive for multifamily bonds and LIHTCs (\$5.6 million). Expense-wise, personnel costs are approximately .9% lower than Jan 2020, as there was no Pay-For-Performance this fiscal year.

If you have any questions regarding the comprehensive budget or need additional information, please do not hesitate to contact Trent Ridley at (615) 815-2012 or via e-mail at tridley@thda.org.

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULE OF NET POSITION (\$000)
JANUARY 31, 2021
(UNAUDITED)

	MRB	OTHER	TOTAL
ASSETS			
First Mortgages	\$ 2,889,310	\$ 679	\$ 2,889,989
Second Mortgages	52,859	0	52,859
Loans held for resale	0	2,237	2,237
Cash and Investments	472,098	54,425	526,523
Other Assets	74,895	6,163	81,058
Total	<u>3,489,162</u>	<u>63,504</u>	<u>3,552,666</u>
LIABILITIES			
Bonds	\$ 2,944,056	\$ 0	\$ 2,944,056
Escrow Deposits	0	39,000	39,000
Other	8,958	22,135	31,093
Total	<u>2,953,014</u>	<u>61,135</u>	<u>3,014,149</u>
NET POSITION			
Invested In Capital Assets	\$ 0	\$ 5,181	\$ 5,181
MRB Restricted	467,229	0	467,229
Other Restricted	0	261	261
Unrestricted	65,847	0	65,847
Total	<u>\$ 533,076</u>	<u>\$ 5,442</u>	<u>\$ 538,518</u>

TENNESSEE HOUSING DEVELOPMENT AGENCY
 OPERATING INCOME (\$000)
 JANUARY 31, 2021
 (UNAUDITED)

	Revenue	Expenses	Oper Inc
MORTGAGE REVENUE BONDS			
Mortgage Interest	\$ 71,587		
Investment Income	628		
Other Revenue	-		
	<u>\$ 72,215</u>		
Bond Interest		\$ 48,109	
Cost of Issuance		2,205	
DPA Forgiveness		2,634	
Other		744	
		<u>\$ 53,692</u>	
			<u>\$ 18,523</u>
FEDERAL AND ADMINISTRATIVE			
Federal Revenue	\$ 7,533		
Multifamily Fees	5,578		
Servicing Fees	794		
Interest Income	83		
Other	775		
	<u>\$ 14,763</u>		
Personnel		\$ 13,675	
Contractual services		4,364	
Computer and Other Supplies		858	
Direct Servicing Expenses		3,292	
Other		2,227	
		<u>\$ 24,416</u>	
			<u>\$ (9,653)</u>
GRAND TOTAL	<u>\$ 86,978</u>	<u>\$ 78,108</u>	<u>\$ 8,870</u>

THDA SINGLE FAMILY LOAN PROGRAM REPORT

Calendar Year 2020

Hulya Arik, Ph.D.
Economist

DIVISION OF RESEARCH AND PLANNING

Tennessee Housing Development Agency
Andrew Jackson Building
502 Deaderick St., Third Floor
Nashville, TN 37243



To view full report, please click on the following link:

<https://thda.org/pdf/CY2020-Loan-Report.pdf>



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors
FROM: Don Watt, Chief Programs Officer
SUBJECT: THDA COVID-19 Rent Relief Program
DATE: March 15, 2021

The Consolidated Appropriations Act of 2021 that was signed into law on December 27, 2020, provided \$456.6M in Emergency Rental Assistance (ERA) funds to the State of Tennessee to assist low income renters who have experienced economic hardship due to the COVID-19 pandemic with payments associated with rent or utilities. A portion of these funds were allocated directly to communities with populations over 200,000, with the remaining funds made available to the State of Tennessee. While some jurisdictions opted to have the state administer their share of ERA funds, the Knox County, City of Memphis, Nashville-Davidson County, Rutherford County, and Shelby County each elected to administer a locally-based program. Total ERA funds by jurisdiction are:

<u>Jurisdiction</u>	<u>ERA Allocation</u>
Knox County	\$14,152,916.70
City of Memphis	\$19,592,445.70
Nashville-Davidson County	\$20,888,561.90
Rutherford County	\$9,999,302.40
Shelby County	\$8,609,267.40
State of Tennessee	\$383,440,280.40
Total:	<u>\$456,682,774.50</u>

COVID-19 Rent Relief Program Overview:

Governor Lee designated the Tennessee Housing Development Agency to administer the State's allocation. The COVID-19 Rent Relief Program will provide assistance with rent and utility arrearages and rental assistance for up to twelve months. In certain circumstances necessary to

improve the households housing stability, the assistance may be extended to fifteen months. Rent assistance may only be provided in increments of three months. Following the initial assistance, a household must requalify at each three month interval.

To be eligible for the program, the household must be a renter with a total income at or below 80% of Area Median Income. Additionally, one or more household members must (1) have qualified for unemployment benefits, experienced a reduction in income or incurred significant costs or other financial hardship due directly or indirectly to the COVID-19 pandemic, and (2) demonstrated a risk of homelessness or housing instability. Priority was given through March 15 to applicants who have a household income of 50% AMI or were unemployed consistently during the 90-day period prior to their application date. Even after this initial priority period, THDA will reserve 60% of all funds made available by THDA for this target population. Application to the program may be initiated by either the tenant or their landlord through the program application portal. In either scenario, the other party must participate in the application process and authorize receipt of funds according to program terms.

To quickly implement this program, the State expanded its existing contract with HORNE, LLC to include the administration of the COVID-19 Rent Relief Program. Through this relationship, HORNE has primary responsibility for the operation of a 25-person Call Center, the review and determination of applicant eligibility using a 50-person team, and the payment of funds directly to landlords and utility companies. THDA will provide overall program oversight by setting program terms and direction, authorizing payment, and providing quality control review.

The COVID-19 Rent Relief Program opened to accept applications on March 1, 2021. Following interviews with nine local media outlets and extensive outreach to over 6,700 individuals who signed up to receive notice of the program's opening, the Call Center received over 11,300 calls through March 14. Over 13,000 applications are in process and 3,616 have been fully submitted as of that date. Our goal is for initial payments to be made by March 31.

Sub-Allocation to Local Communities:

With the majority of renter households located in the state's core urban communities and following the request by these five localities, THDA plans to subgrant approximately \$85M of the State's \$383M allocation to Knox County, Memphis, Nashville-Davidson County, Rutherford County, and Shelby Counties. These funds will be distributed to each community for implementation according to the locally established program requirements. THDA will provide oversight to ensure compliance with established Treasury requirements and the authorizing legislation.

Program Tenure:

Federal legislation requires that 65% of all funds allocated must be obligated by September 30, 2021, and 100% of all funds to be expended by December 31, 2021.



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer

SUBJECT: 2020 Emergency Solutions Grants CARES Act Part II Funding Award Update

DATE:

Award Update:

Attached is the funding award matrix under the 2020 Emergency Solutions Grants CARES Act Part II Funding Recommendation. THDA had approximately \$22.4 million available for award and received 57 ESG-CV2 applications to pre-screen. 52 applications were received from nonprofit organizations and five (5) applications were from local governments. The applications requested approximately \$22.4 million through ESG-CV2 to assist individuals and families who are homeless or threatened with homelessness during the coronavirus pandemic.

The Executive Director awarded \$20,414,246 in program funds and \$109,859 in administrative funds as detailed in the approved ESG-CV2 Funding Recommendation Matrix. The approved applications included the following:

Applications not awarded ESG-CV2 funding:

Two applications deemed ineligible by THDA for the Continuum of Care (CoC) ranking and review:

- Mustard Tree Ministries, Inc. (Hamilton County) - Reason: Incomplete Application
- Benton Future Leader (Madison County) - Reason: Application received after deadline

Five applications not recommended for funding by the CoC:

- Chattanooga Room In the Inn (Hamilton County) – CoC Reason: The applicant did not meet the CoC requirements due to a lack of participation in Coordinated Entry. Their current Rapid Rehousing funds are used internally and are not accessible to those not enrolled in their transitional housing program. The applicant plans to use shelter funds in

a transitional housing program for activities that are not eligible. The applicant also places income limits to access all programs.

- Deke, Inc. (Bradley County) – CoC Reason: CoC determined they do not have the capacity to manage the funds they requested. The applicant has no experience with CoC procedures or any other federal grant funds. The applicant also indicates they plan to request advance payment, but without sufficient understanding of the basics of federal grant requirements. The CoC considered the application a risk for the CoC in the CoC's COVID-19 response.
- The Hope Station, Inc. (Rutherford County) - CoC Reason: Hope Station, Inc., did not demonstrate Organizational Capacity through their application. They also limit the population served, which is not allowed through the ESG-CV2.
- Dominion Financial Management, Inc. (Rutherford County) - CoC Reason: Dominion Financial Management, Inc., did not speak to coronavirus prevention, mitigation, or treatment at all. Their focus is tied more to financial coaching than case management.
- Rutherford County Area Habitat for Humanity (Rutherford County) - CoC Reason: Rutherford County Habitat for Humanity application is for mortgages or homeownership programs, which the CoC did not feel was applicable for this program.

To review full supporting documentation, please click on the following link:

<https://thda.org/pdf/Appendix-4-2020-Emergency-Solutions-Grants-CARES-Act-Part-II-Funding-Recommendation.pdf>

Emergency Solutions Grants Program - CARES Act Part II Funding Matrix

TOTAL PROGRAM FUNDING AVAILABLE:											\$ 23,060,319.00
Name of Applicant	CoC	County	Outreach	Shelter	Prevention	Rapid Rehousing	HMIS	Admin	Amount of Program Funds Requested	CoC Program Amount Recommended for Funding	Ranking
Volunteer Behavioral Health Care System (VBH)	TN-500	Hamilton	\$ 36,500.00		\$ 313,302.80	\$ 498,288.20	\$ 1,800.00		\$ 849,891.00	\$ 849,891.00	1
The Caring Place	TN-500	Bradley	\$ 48,170.00		\$ 100,310.00	\$ 130,075.00	\$ 22,745.00		\$ 302,300.00	\$ 302,300.00	2
Helen Ross McHabb Center, Inc. (THE)	TN-500	Knox	\$ 265,000.00		\$ 74,000.00	\$ 74,000.00	\$ 1,000.00		\$ 414,000.00	\$ 414,000.00	3
Partnership for Families, Children, and Adults	TN-500	Hamilton	\$ 40,644.00	\$ 49,684.00	\$ 25,400.00	\$ 345,088.00	\$ 58,028.00		\$ 518,844.00	\$ 518,844.00	4
Cleveland Emergency Shelter	TN-500	Bradley		\$ 150,492.00	\$ 53,000.00	\$ 48,000.00	\$ 15,000.00		\$ 266,492.00	\$ 266,492.00	5
La Paz Chattanooga	TN-500	Hamilton			\$ 188,000.00		\$ 22,000.00		\$ 210,000.00	\$ 210,000.00	6
Family Promise of Greater Chattanooga, Inc.	TN-500	Hamilton			\$ 175,000.00	\$ 25,000.00			\$ 200,000.00	\$ 200,000.00	7
Chattanooga Church Ministries, Inc.	TN-500	Hamilton	\$ 13,000.00		\$ 200,000.00	\$ 717,500.00	\$ 3,750.00		\$ 934,250.00	\$ 934,250.00	8
Hamilton County Sheriff's Office	TN-500	Hamilton		\$ 124,500.00	\$ 124,500.00		\$ 1,000.00	\$ 12,500.00	\$ 250,000.00	\$ 250,000.00	9
City of Chattanooga	TN-500	Hamilton			\$ 58,000.00	\$ 300,000.00	\$ 58,000.00	\$ 20,800.00	\$ 416,000.00	\$ 416,000.00	10
Connecting Veterans to Resources	TN-500	Hamilton					\$ 60,000.00		\$ 60,000.00	\$ 60,000.00	11
Chattanooga Room In the Inn	TN-500	Hamilton	\$ 31,777.00	\$ 27,184.00	\$ 58,527.00	\$ 35,500.00	\$ 8,463.00		\$ 161,451.00		Not ranked
Dicke, Inc.	TN-500	Bradley	\$ 204,700.00		\$ 50,000.00	\$ 767,500.00	\$ 136,300.00		\$ 1,158,500.00		Not ranked
Shelby County Government	TN-501	Shelby			\$ 608,567.00	\$ 608,568.00		\$ 64,059.00	\$ 1,217,135.00	\$ 1,217,135.00	1
No applications received	TN-502	Knox									
Franklin Housing Authority	TN-503	Williamson	\$ 70,000.00			\$ 690,000.00			\$ 760,000.00	\$ 760,000.00	1
Community Housing Partnership of Williamson County	TN-503	Williamson	\$ 50,000.00				\$ 30,000.00		\$ 80,000.00	\$ 80,000.00	2
Bridges of Williamson County	TN-503	Williamson	\$ 149,100.00			\$ 40,900.00			\$ 190,000.00	\$ 190,000.00	3
Williamson County Homeless Alliance	TN-503	Williamson	\$ 1,000,000.00						\$ 1,000,000.00	\$ 1,000,000.00	4
Center of Hope	TN-503	Maury	\$ 264,775.00						\$ 264,775.00	\$ 264,775.00	5
Hard Bargain Mt. Hope Redevelopment, Inc. (The)	TN-503	Williamson			\$ 80,000.00				\$ 80,000.00	\$ 80,000.00	6
Community Child Care, Inc.	TN-503	Williamson	\$ 6,500.00		\$ 46,000.00	\$ 7,500.00			\$ 60,000.00	\$ 60,000.00	7
Empowerment Community Church	TN-503	Williamson	\$ 50,000.00		\$ 50,000.00				\$ 100,000.00	\$ 100,000.00	8
Biblical Concepts Housing	TN-503	Sumner		\$ 200,000.00					\$ 200,000.00	\$ 200,000.00	9
South Central Family Center	TN-503	Maury			\$ 200,000.00				\$ 200,000.00	\$ 200,000.00	10
City of Clarksville	TN-503	Montgomery			\$ 237,500.00			\$ 12,500.00	\$ 237,500.00	\$ 237,500.00	11
The Salvation Army of Clarksville, TN	TN-503	Rutherford	\$ 240,688.00	\$ 210,612.00	\$ 762,300.00	\$ 463,100.00	\$ 3,150.00		\$ 1,679,850.00	\$ 1,679,850.00	Not ranked
Compassionate Hands	TN-506	Wilson		\$ 258,900.00	\$ 327,500.00	\$ 140,000.00	\$ 35,000.00		\$ 761,400.00	\$ 761,400.00	1
Upper Cumberland Human Resource Agency	TN-506	Putnam	\$ 249,480.00	\$ 306,417.00		\$ 321,103.00	\$ 23,000.00		\$ 900,000.00	\$ 900,000.00	2
Cannon County S.A.V.E. (Service and Violence Education)	TN-506	Cannon		\$ 111,138.00			\$ 3,600.00		\$ 114,738.00	\$ 114,738.00	3
Family Promise of Roane County	TN-506	Roane	\$ 22,000.00	\$ 5,000.00	\$ 10,000.00				\$ 37,000.00	\$ 37,000.00	4
Tennessee Homeless Solutions	TN-507	Madison	\$ 13,000.00	\$ 400,000.00	\$ 705,000.00	\$ 1,060,000.00	\$ 122,000.00		\$ 2,300,000.00	\$ 2,300,000.00	1
Fayette Cares, Inc.	TN-507	Fayette		\$ 35,000.00	\$ 21,500.00		\$ 3,500.00		\$ 60,000.00	\$ 60,000.00	2
Jesus Cares McNairy, Inc.	TN-507	McNairy			\$ 251,250.00	\$ 156,250.00	\$ 5,400.00		\$ 412,900.00	\$ 412,900.00	3
West Tennessee Legal Services, Inc.	TN-507	Madison			\$ 70,000.00		\$ 5,000.00		\$ 75,000.00	\$ 75,000.00	4
Appalachian Regional Coalition on Homelessness	TN-509	Washington	\$ 146,191.00		\$ 153,809.00				\$ 300,000.00	\$ 300,000.00	1
Change Is Possible	TN-509	Unicoi		\$ 199,512.00					\$ 199,512.00	\$ 199,512.00	2
Fairview Housing Management Corporation	TN-509	Washington		\$ 185,000.00		\$ 80,000.00	\$ 31,000.00		\$ 296,000.00	\$ 296,000.00	3
Family Promise of Bristol	TN-509	Sullivan	\$ 86,610.00		\$ 400,000.00		\$ 529,166.00		\$ 529,166.00	\$ 529,166.00	4
Family Promise of Greater Kingsport	TN-509	Sullivan		\$ 82,100.00	\$ 36,400.00	\$ 24,200.00	\$ 7,300.00		\$ 150,000.00	\$ 150,000.00	5
Greater Kingsport Alliance for Development	TN-509	Sullivan			\$ 147,000.00	\$ 147,000.00	\$ 6,000.00		\$ 300,000.00	\$ 300,000.00	6
The Salvation Army of Johnson City	TN-509	Washington		\$ 144,000.00	\$ 50,000.00				\$ 194,000.00	\$ 194,000.00	7
Abuse Alternative, Inc.	TN-509	Sullivan		\$ 649,560.00			\$ 10,000.00		\$ 659,560.00	\$ 659,560.00	Not Ranked
Stepping Stones Safe Haven, Inc.	TN-510	Rutherford		\$ 281,630.00		\$ 70,579.00	\$ 15,791.00		\$ 368,000.00	\$ 368,000.00	1
The Salvation Army, A Georgia Corporation	TN-510	Rutherford		\$ 110,000.00		\$ 210,000.00	\$ 3,150.00		\$ 323,150.00	\$ 323,150.00	2
Doors of Hope, Inc.	TN-510	Rutherford		\$ 113,800.00		\$ 30,000.00	\$ 18,000.00		\$ 161,800.00	\$ 161,800.00	3
Volunteer Behavioral Health Care System (VBH)	TN-510	Rutherford	\$ 235,000.00						\$ 235,000.00	\$ 235,000.00	4
Domestic Violence Program, Inc.	TN-510	Rutherford			\$ 142,824.00	\$ 187,200.00	\$ 7,800.00		\$ 195,000.00	\$ 195,000.00	5
Community Helpers, Inc.	TN-510	Rutherford			\$ 51,000.00	\$ 64,000.00			\$ 115,000.00	\$ 115,000.00	6
The Journey Home	TN-510	Rutherford					\$ 59,226.00		\$ 59,226.00	\$ 59,226.00	7
Housing, Health, & Human Services Alliance of Rutherford County	TN-510	Rutherford							\$ 50,000.00	\$ 50,000.00	8
Murfreesboro Cold Patrol, Inc.	TN-510	Rutherford	\$ 50,000.00						\$ 50,000.00	\$ 50,000.00	9
The Hope Station, Inc.	TN-510	Rutherford			\$ 300,000.00				\$ 300,000.00	\$ 300,000.00	Not Ranked
Dominion Financial Management, Inc.	TN-510	Rutherford			\$ 30,000.00				\$ 30,000.00	\$ 30,000.00	Not Ranked
Rutherford County Area Habitat for Humanity	TN-510	Rutherford			\$ 310,000.00				\$ 310,000.00	\$ 310,000.00	Not Ranked
Tennessee Valley Coalition to End Homelessness	TN-512	Anderson	\$ 46,900.00	\$ 181,500.00		\$ 178,000.00	\$ 26,000.00		\$ 432,400.00	\$ 432,400.00	1
Ginch Powell	TN-512	Granger			\$ 262,395.00	\$ 262,395.00	\$ 26,743.00		\$ 551,533.00	\$ 551,533.00	2
TOTAL FUNDS REQUESTED:			\$ 1,787,160.00	\$ 5,399,904.00	\$ 6,548,584.80	\$ 7,806,246.20	\$ 872,302.00	\$ 109,859.00	\$ 22,374,197.00	\$ 20,414,246.00	

THDA Ineligible Applications:	County:	Reason:
Mustard Tree Ministries, Inc.	Hamilton	Incomplete Application
Benton Future Leaders - Benton Apartments	Madison	Application received after deadline

Approved:

 Ralph M. Pirrey, Executive Director

Awards by Region	
West	\$ 4,065,035.00
Middle	\$ 6,501,125.00
East	\$ 9,847,086.00

ESG-CV2 Funding Award	
Total Program Funds Available:	\$ 23,060,319.00
Total Program Funds Awarded:	\$ 20,414,246.00
Total Admin Awarded:	\$ 109,859.00
Remaining Program Funds:	\$ 2,546,214.00



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer

SUBJECT: 2021 Winter Round THTF Competitive Grants Funding Awards

DATE: March 9, 2021

Award Update:

Attached is the funding award matrix under the 2021 Winter Round of the Competitive Grants Program of the Tennessee Housing Trust Fund. THDA had approximately \$3.5 million available for award and received 20 applications eligible for scoring, requesting over \$5.5 million.

The Executive Director awarded full funding to the eight (8) top scoring applicants, awarding a total of \$3,510,316.00 in Competitive Grant funding to create 116 units of affordable housing benefiting 136 households. The approved applications included the following:

East Grand Division - Highest Scoring Applicant

1. Volunteer Ministry Center (Knox County) is proposing to build Caswell Manor, a 48-unit new construction, permanent supportive housing development in Knoxville, TN. The new construction will convert a blighted and underutilized supportive housing development into a high-end structure outfitted with expansive design features tailored to serve the chronically homeless. In addition to serving the homeless, Caswell Manor will set aside ten (10) units to serve ex-offenders. All of the units will be set aside for those at or below 50% of area median income, with 25% reserved for households at or below 30% of AMI.

Middle Grand Division - Highest Scoring Applicant

2. Project Return (Davidson County) is proposing to acquire and rehabilitate six (6) units of affordable permanent rental housing for people who have been formerly incarcerated. The program design is underway with established site control of four (4) units.

Project Return is currently pursuing the acquisition of two (2) additional units, for a total of six (6) units to be funded by this proposal.

West Grand Division - Highest Scoring Applicant

No Eligible Applications Received

Applications Awarded by Score

3. Sertoma Center, Inc. (Knox County) is proposing to renovate a group home to provide homelike townhouse units for twelve (12) adults with intellectual disabilities, four (4) people per unit. The rehabilitation would divide the group home into a tri-plex, improve the plumbing to eliminate leaks, repair water damage, improve grading to avoid future water problems, and implement energy conservation, universal design, visitability, and accessibility features. The target population is individuals with disabilities who have low or very low incomes.

4. Emory Valley Center (Anderson County) is proposing to redesign a 10-bedroom home, currently licensed for four beds, into a duplex doubling the number of licensed residential beds from four (4) to eight (8). The property was purchased in 1979, and was originally used as a group living home for ten (10) individuals. The house was reverted back to residential habilitation in 2015 due to the severe lack of accessible housing for people with intellectual/developmental disabilities. This project will maximize the use of this property while continuing to meet Centers for Medicare & Medicaid Service guidelines and provide four (4) additional people with disabilities the opportunity to live as independently as possible in the community. The target population is people who are extremely low-income, 0-30% AMI.

5. Community Housing Partnership of Williamson County (Williamson County) in partnership with The Oak Cottage for Women is proposing the purchase and rehabilitate a property for the purpose of converting the single family home to a transitional group home for women ex-offenders, who may be elderly or have other special needs. The housing would be made available for the extremely low and very low-income population. This project will serve six (6) initial women ex-offenders. It is estimated that within six (6) months, participants will "graduate" from the program, move out of the facility, and move up in their lives. At that time, a second group of six (6) women will move in to the property. Thus, within 12 months-time, the facility is expected to serve up to 12-15 ex-offenders.

6. Metropolitan Development and Housing Agency (Davidson County) is proposing to use the THTF grant to help finance the construction of the Boscobel IV development. Boscobel IV will include 96 units of mixed-income, permanent rental housing, in a four-story apartment building located at the corner of South Sixth and Dew Streets in MDHA's East Nashville Cayce Place Development. This new rental housing construction includes four (4) one-bedroom units (which are the subject of this application). Two (2) units of affordable housing limited to homeless veterans, and two (2) units of affordable housing limited to youth who are aging out of the State's foster care system. The Boscobel IV development will restrict 45 units as affordable based on Project-Based Rental Assistance, which includes the four (4) units supported by this grant; 15 of the units will be affordable

to individuals earning $80\% < 120\%$ AMI (workforce housing); and 36 of the units will be affordable for individuals earning $>120\%$ AMI (market rate). The four (4) one-bedroom units will be limited to homeless Veterans and youth aging out of the State's foster care system.

7. Bell Street 3 Corporation (Knox County) is proposing the construction of 45 multifamily and townhome units with attached Project-Based Vouchers. A preliminary award has already been received for vouchers by KCDC. The 45 units will be permanent housing, consisting of nine (9) one-bedroom units, eighteen (18) two-bedroom units, and eighteen (18) three-bedroom units (two of which will be townhome-style units). The 45 units covered under this application's scope will all be covered with Project-Based Vouchers and will specifically be rented to individuals/families earning less than 30% of local AMI.

8. Community Health of East Tennessee (Campbell County) is proposing to rehabilitate seven (7) units (which are the subject of this application) that were destroyed by a flood. The apartment complex has fourteen (14) units, which serve a dual purpose. Seven (7) of the units serve as a Domestic Violence Shelter. The other seven (7) units were designated as transitional housing for victims who were homeless as a result of domestic violence. 25% of the units will be set aside for individuals at 30% or less of AMI (extremely low income household), plus another 50% of the units for individuals at 50% of AMI or less (very low income household).

**TENNESSEE HOUSING TRUST FUND COMPETITIVE GRANTS
PROGRAM 2021 WINTER ROUND**


APPLICANTS PASSING THRESHOLD		COUNTY	E M W	THTF Program Request	THTF Dev. Fee Request	TOTAL THTF	THTF Award	MATCHING FUNDS (Cash)	MATCHING SERVICES / PROPERTY	TOTAL PROJECT COSTS	# of HHs	# of Units	ACTIVITY	POPULATION	CAPABILITY 70 Pts	NEED 20 Pts	INNOVATION 10 Pts	TOTAL SCORE	TOTAL BALANCE OF FUNDS AVAILABLE
	\$3,510,316																		
	East Grand Division - Highest Scoring Applicant																		
1	Volunteer Ministry Center	Knox	E	\$500,000	\$0	\$500,000	\$500,000	\$1,440,000	\$0	\$1,940,000	48	48	Rehab	Homeless, Disabled, Ex-offenders	70	13	6	89	\$3,010,316
	Middle Grand Division - Highest Scoring Applicant																		
2	Project Return	Davidson	M	\$485,000	\$35,000	\$500,000	\$500,000	\$410,000	\$324,000	\$1,234,000	6	6	Acquisition/Rehab	Ex-offenders	64	6	8	80	\$2,621,404
	West Grand Division - No Eligible Applications Received																		
1	Sartome	Knox	E	\$222,735	\$16,785	\$239,500	\$239,500	\$239,500	\$0	\$479,000	12	3	Rehab/Conversion	IDO	67	3	8	80	\$1,881,904
2	Emory Valley	Anderson	E	\$366,412	\$22,500	\$388,912	\$388,912	\$0	\$482,100	\$871,012	8	2	Rehab/Conversion	IDO	63	10	7	80	\$2,121,404
3	Community Housing Partnership of Williamson County	Williamson	M	\$463,709	\$32,460	\$496,169	\$496,169	\$268,391	\$889,385	\$1,633,945	6	1	Acquisition/Rehab	Ex-offenders	62	11	6	78	\$1,385,735
4	Metropolitan Development and Housing Agency	Davidson	M	\$500,000	\$0	\$500,000	\$500,000	\$12,249,037	\$0	\$12,749,037	4	4	New Construction	Homeless Vets, Youth	87	4	7	78	\$885,735
5	Bell Street 3 Corporation	Knox	E	\$500,000	\$0	\$500,000	\$500,000	\$500,000	\$0	\$1,000,000	45	45	New Construction	Extremely Low Income	68	5	4	77	\$385,735
6	Community Health of East Tennessee	Campbell	E	\$360,500	\$25,235	\$385,735	\$385,735	\$0	\$421,400	\$807,135	7	7	Rehab	Homeless, Domestic Violence	61	10	5	78	\$0
7	Franklin Housing Authority	Williamson	M	\$500,000	\$0	\$500,000	\$0	\$17,581,392	\$0	\$18,081,392	76	76	New Construction	Low Income	68	4	3	75	-\$500,000
8	Knox Housing Partnership dba HomeSource east tennessee	Knox	E	\$350,000	\$0	\$350,000	\$0	\$2,453,592	\$0	\$2,803,592	20	20	New Construction	Elderly	62	5	5	72	-\$850,000
9	Tennessee Children's Home	Montgomery	M	\$300,000	\$0	\$300,000	\$0	\$93,000	\$2,465,000	\$2,858,000	10	10	Acquisition	Youth	48	16	3	67	-\$1,150,000
10	Greater Kingsport Alliance For Development	Sullivan	E	\$465,000	\$35,000	\$500,000	\$0	\$75,100	\$230,040	\$805,140	8	8	New Construction	Elderly/Disabled	56	6	3	65	-\$1,650,000
11	Senior Citizen Home Assistance Services Inc	Jefferson	E	\$341,000	\$23,870	\$364,870	\$0	\$208,220	\$0	\$573,090	8	8	Acquisition/Rehab	Elderly	46	10	8	64	-\$2,014,870

Applicants Not Passing Threshold Due to Insufficient Score

1 4th Purpose Foundation	Knox	E	\$500,000	\$0	\$500,000	\$0	\$3,360,366	\$0	\$3,860,366	16	30	Rehab/Conversion	Ex-offenders	41	6	6	55	
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Total Funds Recommended for Award	\$3,378,356	\$131,960	\$3,510,316	Total Recommended for Award	136	116
Total Funds for which Eligible Applications Received	\$5,334,356	\$190,830	\$5,525,186	Total Eligible Applications	258	238

Other Applicants Not Passing Threshold	County	Threshold Issue
1 The Gaal House	Shelby	Incomplete application and certificate of existence was not within 30 days of the application due date
2 Karri Place Inc.	Shelby	Did not submit business/strategic management plan and individual and corporate disclosures
3 Memphis Housing Authority	Shelby	Did not submit current financial audit
4 Mentel Favor Safe House	Davidson & Maury	Ineligible activities and incomplete application
5 Odessa's Foster Care Homes	Shelby	Application was not signed by the executive director or chair of the board of directors
6 Steele Creek Housing Corporation	Sullivan	Did not submit certificate of existence dated within 30 days of the application due date
7 Tennessee Housing Development Corporation	Madison	Did not submit organizational by-laws
8 The Hospitality Hub of Memphis	Shelby	Did not submit rental program policies and procedures and copy of rental application for tenancy by ex-offenders

Approved:  2/23/21
Ralph M. Perrey, Executive Director Date



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer

SUBJECT: 2021 National Housing Trust Fund Program – Application Period

DATE: March 9, 2021

Program Application Period Update

THDA staff is modifying the implementation dates for the 2021 National Housing Trust Fund Program (“NHTF”) to follow the schedule below:

- Application workshop: April 1, 2021
- Application period Opens: April 1, 2021
- Application Period Closes: May 6, 2021
- Award Announcement: May 31, 2021
- Grant Contract Start Date: July 1, 2021

This modification to the implementation schedule of the NHTF Program will allow staff sufficient time to prepare for the influx of federal funding administered within the Division allocated in response to the COVID-19 pandemic.