

TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE
September 24, 2019

Pursuant to the call of the Chair, the Grants Committee of the Tennessee Housing Development Agency Board of Directors met in regular session on Tuesday, September 24, 2019, at 9:50 a.m. Eastern Time in the Centennial Room at The Read House, Chattanooga, Tennessee.

The following Committee members were present: Lynn Tully (chaired the meeting in the absence of Austin McMullen), Secretary of State Tre Hargett, Katie Armstrong (for Comptroller Justin Wilson), and Mike Hedges (Board Chair). Committee members absent were: John Krenson and Austin McMullen.

Chair Tully called the meeting and called for consideration of the minutes from the July 23, 2019, meeting. Upon motion by Secretary Hargett, second by Ms. Armstrong, the minutes were approved.

Chair Tully then recognized Don Watt, Director of Community Programs, to present the request for approval of the 2016 HOME grant extension request for Fentress County. Mr. Watt referenced his memo dated September 12, 2019, and explained that THDA awarded a \$375,000 HOME grant to Fentress County to rehabilitate nine owner-occupied units with a contract that originally expired on June 30, 2019. He explained that THDA approved a prior extension to October 1, 2019. He noted that this request is to extend the contract to March 31, 2019, to use \$25,000 in unobligated grant funds to assist one additional household. He also noted that 93% of the grant has been expended to assist six homeowners, with one additional unit under construction and two units in the contractor procurement phase. Mr. Watt noted that staff is supportive of this request as the request is in conformance with the extension period approved for other 2015-2016 HOME contracts encountering similar implementation. Upon motion by Secretary Hargett, second by Mr. Hedges, the extension request was approved for recommendation to the Board.

Chair Tully next recognized Mr. Watt who referenced his memo dated September 12, 2019, requesting a delegation of authority to the Executive Director to extend grant contracts in the event of routine construction and project implementation delays. Mr. Watt noted the Board currently requires that all requests for grant award extensions be presented for consideration to the Grants Committee. He explained that most grant extension requests are for more routine reasons as described in the referenced memo and noted that requests involving non-routine issues will continue to come to the Committee and Board. He noted staff will continue to provide an annual report to the Grants Committee listing extensions granted by the Executive Director and describing the progress of each grantee. The Committee determined that this authority would only be for the first extension and that the Committee and Board would receive a listing of extensions and other information at the meetings following the grant of an extension. Upon a motion by Ms. Armstrong, second by Mr. Hedges, motion carried to recommend this delegation of authority to the Board, subject to the above requirements.

Chair Tully next recognized Mr. Watt who referenced his memo dated September 12, 2019, and described the 2020 Challenge Grant funding recommendation. He noted that the recommendation is to award \$500,000 to Knoxville Habitat for Humanity subject to the prohibition of the use of any funds from THDA's set-aside allocation to Habitat for Humanity of Tennessee towards project expenses. Mr. Watt explained that THDA received six applications as provided in the summary in the Board package, however, five were determined to be ineligible for the reasons described in the referenced memo. Mr. Watt explained that the recommended award to Knoxville Habitat for Humanity will be implemented in celebration of its 35th anniversary and will be for the construction of a 35-unit subdivision in the Carter community of Knox County. He noted the application proposed additional funding from THDA's annual contribution to Habitat for Humanity of Tennessee, however, the staff recommendation is to prohibit this source of funding. Upon

motion by Ms. Armstrong, second by Mr. Hedges, the award was recommended to the Board, subject to the prohibition described above.

Chair Tully next recognized Mr. Watt who referenced his memo dated September 12, 2019, regarding the Creating Homes Initiative-2 (CHI-2) Program Description. Mr. Watt noted that the Board authorized \$3,000,000 in THDA funds to be used in collaboration with the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) to expand housing options for individuals recovering from opioid use disorder. Mr. Watt reviewed the highlights of the CHI-2 Program Description and reviewed the schedule for applications, funding awards and contracts. Mr. Watt noted that the staff recommendation includes approval of the CHI-2 Program Description and authorization of the Executive Director or his designee to award funds subject to all requirements and provisions in the CHI-2 Program Description. Upon motion by Ms. Armstrong, second by Mr. Hedges, the Committee recommended approval of the CHI-2 Program Description to the Board.

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved the 19th day of November, 2019.