

TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE
November 19, 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, November 19, 2019, at 9:28 a.m. Central Time in the Nashville Room at the William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, Nashville, Tennessee.

The following Committee members were present: Austin McMullen (Chair), Secretary of State Tre Hargett, John Krenson and Comptroller Justin Wilson. Also present were Katie Armstrong, and Board Chairman Mike Hedges. Absent was Lynn Tully. Secretary of State Hargett left the meeting at 9:56 a.m. and Jonathan Rummel took his seat.

Chair McMullen called the meeting and called for consideration of the September 24, 2019, meeting. Upon motion by Ms. Armstrong, second by Mr. Krenson, the minutes were approved.

Chair McMullen then recognized Don Watt, THDA Director of Community Programs, to present the request for approval of the 2020 Emergency Solutions Grants (ESG) Program Description. Mr. Watt referenced his memo dated November 7, 2019, and explained that THDA expects to receive approximately \$3,000,000 from the Department of Housing and Urban Development for the 2020 ESG Program, pending congressional approval. Mr. Watt reviewed the highlights of the 2020 ESG Program Description and delineated the changes from the 2019 ESG Program Description. Mr. Watt noted that this will be the first year the ESG Program will be accepting applications electronically. Upon motion by Ms. Armstrong, second by Mr. Hedges, the Committee recommended approval of the 2020 ESG Program Description to the Board.

Chair McMullen next recognized Mr. Watt, who referenced his memo dated November 7, 2019, requesting approval of the 2020 HOME Program Description and authorizing the Director or a designee to award 2020 HOME funds. Mr. Watt explained that THDA expects to receive approximately \$13,000,000 in federal 2020 HOME Program resources pending congressional approval. Mr. Watt reviewed the highlights of the 2020 HOME Program Description, stating these resources may be combined with the anticipated \$10,000,000 funding left over from prior years. He noted that local communities and non-profit organizations will implement homeowner down payment assistance, rehabilitation, and homeowner development programs. Mr. Watt described the new proposed restriction that all entities failing to spend a minimum of 75% of the funds awarded previously would be ineligible to apply for a minimum of three years following the end date of their contract. Mr. Watt also described modifications to the Homebuyer Education requirement, the developer fee, and the updated HOME per unit subsidy allowance. Upon a motion by Mr. Krenson, second by Secretary of State Hargett, the Committee recommended approval of the 2020 HOME Program Description to the Board.

Chair McMullen next recognized Mr. Watt, who referenced his memo dated November 7, 2019, requesting approval to adopt the proposed 2020 Spring Round of the Tennessee Housing Trust Fund (THTF) Competitive Grants Program Description. Mr. Watt explained that THDA has approximately \$1.8 million for the construction or rehabilitation of affordable rental housing for low-to-moderate-income households under the 2020 Spring Round THTF Competitive Grants Program Description, and that there have been no changes from the Fall 2020 Grant Round other than the updated spend-down limits, spend-down requirements and the application due dates. Upon a motion by Ms. Armstrong, second by Mr. Hedges, the Committee recommend approval of the 2020 Spring Round of the THTF Competitive Grants Program Description.

Chair McMullen next recognized Mr. Watt, who referenced his memo dated November 7, 2019, requesting reauthorization of the Capacity Building Grants Program. Mr. Watt explained the Board authorized implementing the Capacity Building Grant Program in January, 2019 KHRA, making \$200,000 available to nonprofit organizations to assist in developing a strategic plan or a succession management plan for their organization. Mr. Watt explained that on November 18, 2019, the Executive Director approved the award of \$5,488 to Jonah Affordable Housing in Jackson, TN, to develop a strategic plan, and a second award of \$10,000 to Power Center Community Development Corporation in Memphis, to also develop a strategic plan. He noted approximately \$139,000 of the original \$200,000 remains. Upon a motion by Secretary of State Hargett, second by Ms. Armstrong, the Committee recommended reauthorization of the Capacity Building Grant Program for 2020.

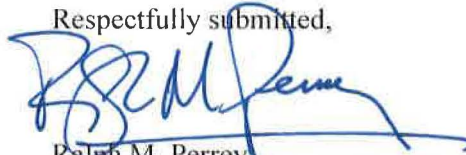
Chair McMullen next recognized Mr. Watt, who referenced his memo dated November 7, 2019, requesting approval of a second extension to the 2016 Spring THTF Competitive Grant made to Kingsport Housing and Redevelopment Authority (KHRA). Mr. Watt noted that THDA awarded a \$500,000 grant to KHRA for the rehabilitation of Charlemont Apartments, with a grant period ending June 30, 2019, but with a Board approved extension to December 31, 2019. He explained that KHRA is now requesting an additional six-month extension to accommodate any unforeseen circumstances that may be encountered. Mr. Watt then introduced KHRA representatives, Sam Edwards, Marketing Compliance Officer and Terry Cunningham, Executive Director, who explained the need for a second extension. Upon a motion by Secretary of State Hargett, second by Mr. Krenson, the Committee recommended a second extension of six months to June 30, 2020.

Chair McMullen next recognized Mr. Watt, who referenced his memo dated November 7, 2019, requesting approval of 2015-2016 HOME Grant extensions through June 30, 2020, for Greene County (HM-1516-07), Hawkins County (HM-1516-08), Montgomery County (HM-1516-27), Town of Surgoinsville (HM-1516-17, and Unicoi County (HM-1516-30). Mr. Watt explained that this is the second extension request for each grantee. Mr. Perrey indicated his support for these extensions and indicated he believes these are the partners who make the greatest effort and are simply having a difficult time. Mr. Watt introduced Bill Forrester, Director of Community Planning, Housing and Development at First Tennessee Development District, who addressed the contractor difficulties encountered. Mr. Hedges and Secretary of State Hargett recommended regular tracking of updates. Upon a motion by Mr. Rummel, second by Mr. Krenson, the Committee recommended approval of second extensions to June 30, 2020.

Chair McMullen next recognized Mr. Watt, who referenced his memo dated November 7, 2019, describing, for informational purposes only, the 2020 HOME Bright Futures Bridge Subsidy Proposal, which is intended to provide rental assistance to youth transitioning out of foster care and to ex-offenders.

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

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved the 29th day of January, 2020.