

TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE
January 29, 2020

Pursuant to the call of the Chair, the Grants Committee of the Tennessee Housing Development Agency Board of Directors met in regular session on Wednesday, January 29, 2020, at 10:00 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), Jonathan Rummel for Secretary of State Tre Hargett, Rick Neal, Katie Armstrong for Comptroller Justin Wilson and Board Chair Mike Hedges. Also present were Colleen Daniels, Chrissi Rhea, John Snodderly, Dorothy Cleaves, and Kevin Bradley. Erin Merrick arrived at 10:12 a.m. Central Time. John Krenson and Lynn Tully were absent.

Chair McMullen called the meeting to order and called for consideration of the November 19, 2019, minutes. Upon motion by Ms. Armstrong, second by Mr. Neal, the minutes were approved.

Chair McMullen then recognized Cynthia Peraza, THDA Director of Community Programs, to present the request for approval of modifications to the 2020 Creating Homes Initiative 2 (CHI-2) Program Description. Ms. Peraza referenced her memo dated January 15, 2020, and noted that in September 2019, the CHI-2 Program Description was approved by the Board. She explained that after approval of the Program Description, the Department of Mental Health and Substance Abuse Services (DMHSAS) requested modifications to the Program Description as described in more detail in the referenced memo. She indicated that, in consultation with DMHSAS, THDA staff recommends the following changes to the CHI-2 Program Description: 1) Expand the qualifying diagnosis from "Opioid Use Disorder" to "Opioid or opioid derivatives must be a drug of choice" throughout the Program Description; 2) Remove the language referenced on Page 1, Section A, of the Program Description referencing the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition; and 3) Extend the application deadline to 4:00 P.M. CST, Thursday, February 13, 2020, with application decisions to be announced by April 1, 2020, and contracts effective as of May 1, 2020. Upon motion by Mr. Hedges, second by Ms. Armstrong, the Committee recommended approval of the referenced changes to the 2020 CHI-2 Program Description to the Board.

Chair McMullen next recognized Mr. Don Watt, THDA Chief Program Officer, who referenced his memo dated January 16, 2020. He reported that the Executive Director awarded \$1,945,959 of the \$3,241,878 available under the 2019 National Housing Trust Fund (NHTF) Program Description to Metropolitan Development and Housing Agency, Murfreesboro Housing Authority, and The Crossroads Campus to create 200 housing units, 24 of which will be set aside for extremely low-income Tennesseans. He noted that the remaining amount would be rolled into the funding amount for the National Housing Trust Fund in 2020.

Chair McMullen recognized Mr. Watt who referenced his memo dated January 16, 2020, regarding the 2020 National Housing Trust Fund (NHTF) Program Description. Mr. Watt noted that approximately \$4,335,570, including \$1,295,919 from 2019 and \$3,039,651 expected for 2020, will be available for development of affordable rental housing for extremely low-income households. He explained that the 2020 NHTF Program Description contains the following recommended changes from 2019: 1) reduce the minimum award from \$250,000 to \$100,000 to encourage the use of funds in smaller, rural developments; 2) add a spend-down requirement for entities with prior NHTF funding awards; and 3) provide 7 points for a project located in a rural county and an additional 3 points if the applicant is a rural public housing authority. Upon a motion by Mr. Rummel, second by Mr. Neal, the Committee recommended approval of the 2020 NHTF Program Description to the Board.

Chair McMullen next recognized Ms. Peraza, who referenced her memo dated January 15, 2020, requesting authorization to increase the Tennessee Renovation Loan Program (TRLP) funds by the approximately \$811,000 that remain after the 2017-2018 Appalachian Renovation Loan Program ended in July 2019. She noted that TRLP not only offers the same type of assistance as the Appalachian Renovation Loan Program, but also focuses on providing assistance to low-income homeowners who need help in repairing and preserving their homes. Upon motion by Mr. Neal, second by Mr. Hedges, the Committee recommended approval of the transfer of 2017-2018 Appalachian Renovation Loan Program funds to TRLP.

Chair McMullen again recognized Ms. Peraza who referenced her memo dated January 17, 2020, regarding the following proposed changes to the Appraisal Gap Pilot Program (Gap Program): 1) Increase the allocation by \$500,000 in THDA funds bringing the total Gap Program allocation to \$1,000,000; 2) Expand Gap Program availability across the state; and 3) Extend Gap Program, as a pilot program through December 31, 2020, or until the Gap Program funding is depleted, whichever occurs first. Ms. Peraza explained that in September 2018, the Board authorized the Gap Program, which offered up to \$20,000 in grant funding to eligible, nonprofit housing agencies to help fund the gap between the cost to build a home and the appraised value of such a home in Memphis, Chattanooga and Oak Ridge. Upon motion by Ms. Armstrong, second by Mr. Neal, the Committee recommended approval of the referenced Appraisal Gap Pilot Program changes.

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

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved **the**__ day of _____, 2020.