



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

**Meeting Materials  
May 19, 2020**



# **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  
May 19, 2020 1:00 p.m. Central Time  
WebEx Meeting /Call - To join the call Dial  
1-650-479-3208; Code 285 505 482**

## **AGENDA**

---

**A. Approval of Minutes from March 24, 2020 Meeting**

**B. Executive Director's Report**

**C. THDA Board Action Items**

- \* 1. 2021 Emergency Solutions Grants – CARES Act Funds (Part 1)
- \* 2. Operating Support for Low Income Housing Tax Credit Properties
- \* 3. Tennessee Renovation Loan Program Guide Changes
- \* 4. 2021 Habitat for Humanity of Tennessee Set-Aside
- \* 5. 2021 Emergency Repair Program Description

## **APPENDIX**

---

- A. Issue 2020-1 State Form CT-0253
- B. Secondary Market Update
- C. THDA COVID-19 Continuum of Care Supplemental Funding - Funding Awards
- D. Emergency Solutions Grants 2019 Supplemental Awards
- E. COVID-19 Related Extensions – Community Programs
- F. COVID-19 Related Extensions – Multifamily Programs



# 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  
DATE: May 6, 2020  
SUBJ: THDA Board of Directors

THDA Board members –

Once again this month we will conduct the THDA Board of Directors meeting via WebEx. In order to manage this more smoothly, we have streamlined the agenda to focus on action items. Your board packet includes additional materials for your information, which I encourage you to review.

The action items:

- Authorization to utilize additional Emergency Solutions Grants (ESG) to prevent homelessness on the part of renters unable to afford rent due to COVID-related income loss, and to support organizations serving the homeless. Because HUD has been slow to provide guidance regarding the use of those funds, we will also ask your authorization to make changes to our proposal based on the final federal rules.
- Authorization to implement a program to provide operating subsidy to properties in our Low Income Housing Tax Credit program. Many will experience financial hardship as tenants lose the ability to pay rent. This program depends on an award of Coronavirus Relief funding to THDA, and again, we would ask your authorization to make program changes based on the conditions attached to that funding.
- Authorization to align the Tennessee Renovation Loan Program (TRLP) to the Emergency Repair Program (ERP). The first is a THDA program, the second uses federal funds. They support similar types of projects, and we believe it makes sense to have consistent requirements.
- Authorization of THDA's annual \$500,000 grant to Habitat for Humanity of Tennessee.
- Adoption of the Emergency Repair Program description for the coming fiscal year.

You will find memos about each of these items at the front of your board packet.

Please note also that the Tax Credit Committee will convene by WebEx earlier on May 19 to hear three appeals and to get an update on proposed changes to the Qualified Allocation Plan for 2021. These materials may be found at the back of your board packet.

I look forward to our discussion on May 19, 2020.

Page 2

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
March 24, 2020

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the “Board”) met in regular session on Tuesday, March 24, 2020, immediately following the 1:00 p.m. meeting of the Bond Finance Committee, via WebEx Call with certain staff members being at the THDA Offices located at 502 Deaderick Street; Andrew Jackson Building, 3<sup>rd</sup> Floor; Nashville, Tennessee 37243 in the Cades Cove Conference Room.

The following Board members were present via WebEx: Mike Hedges (Chair); Regina Hubbard; John Krenson; Treasurer David Lillard; Colleen Daniels (for Interim Commissioner of Finance & Administration Eugene Neubert); Austin McMullen; Rick Neal; John Snodderly; Lynn Tully; and Katie Armstrong (for Comptroller Justin Wilson). Secretary of State Tre Hargett was present, but left at 1:30 pm and was replaced by his designee, Jonathan Rummel. Chrissi Rhea and Erin Merrick also were present, but left at 3:10 pm and 3:14 p.m., respectively. Dorothy Cleaves was absent.

Chair Hedges recognized Lynn Miller, Chief Legal Counsel, who read the following notice:

“Certain 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. Therefore, it is necessary for some members to participate via telephone. Board members participating by telephone were sent documents relevant to today’s meeting.”

Chair Hedges called the meeting to order and upon motion by Mr. McMullen, second by Mr. Neal, and with the following roll call vote, motion carried to conduct the meeting in this manner:

Hedges	Yes
Hargett	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then called for consideration of minutes from the January 29, 2020 meeting. Upon motion by Treasurer Lillard, second by Mr. Krenson and with the following roll call vote, the minutes were approved:

Hedges	Yes
Hargett	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges recognized Ralph Perrey, THDA Executive Director, for the following Executive Director report:

- COVID-19 Update
  - No reported cases among THDA staff or their families.
  - Almost all staff have the ability to work from home and are doing so. Critical functions that must be performed at the office are covered and backed-up.
  - IT is providing support for work from remote sites. Business continuity plans have worked well.
  - VMLS developed very detailed contingency plans to assure response to borrowers who call or email.
- Plans to Assist Tennesseans
  - Trebia Johns and Heather Johnson with VMLS developed a streamlined 2-page request for loan forbearance.
  - THDA has halted foreclosures, suspended late fees, and is not sending negative reports to credit agencies.
- Production Outlook
  - The working assumption is that, starting in April, there will be a significant drop in production.
  - The secondary market is locked up, creating issues as we test processes and procedures, but it has halted mortgage lending in states HFAs entirely dependent on secondary market execution.

- The General Assembly recessed until June 1 without action on legislation to increase THDA's statutory debt limit.
- There are proceeds from Issue 2020-1 for several months of production at the reduced levels expected. Bonds are being redeemed on a monthly basis. This creates room under the statutory debt limit to issue additional bonds.
- Tornado Recovery
  - There are approximately 4,000 THDA borrowers in the counties impacted, but, so far, only 8 have contacted THDA for relief. That number is expected to increase and VMLS has reached out to those effected about possible forbearance.
  - Aggressive outreach for TNHousingSearch.org is continuing. 15 new properties have been listed with over 280 units in Davidson County alone. There have been 121 updated listings and 7 properties are offering short-term leases to those displaced. There have been over 4,200 searches in Davidson, Wilson and Putnam Counties.
- Tennessee Housing Conference
  - There were over 600 registrations. Governor Lee opened the conference, which meant a lot to those in attendance.
- Deborah Sanders was recognized upon her retirement after 43 years of service with the State of Tennessee, 38 of which were spent at THDA, and 25 with the Legal Team. No other THDA employee has served longer.

Chair Hedges called for the report on the Bond Finance Committee meeting and recognized Ms. Miller who presented the authorization of Issue 2020-2 (Federally Taxable). Ms. Miller presented the following documents that were previously circulated:

- a memorandum regarding Issue 2020-1 from Ms. Miller, dated March 12, 2020, that described the documents to be considered, explained how the authorization for Issue 2020-2 complied with THDA's Debt Management Policy, and included recommendations regarding bookrunning senior manager and rotating co-manager based on information provided by CSG Advisors Incorporated ("CSG"), financial advisor for THDA;
- a memorandum from CSG dated March 10, 2020, that recommended authorization of Issue 2020-2 under the 2013 General Resolution, through a negotiated sale, in an aggregate principal amount not to exceed \$110 million, to refund certain outstanding THDA bonds, and for Raymond James to serve as bookrunning senior manager and for Robert W. Baird to serve as the rotating co-manager;
- the Plan of Financing for Issue 2020-2 in an aggregate principal amount not to exceed \$110 million that was approved by the Bond Finance Committee ("Plan of Financing");

- the Resolution of the Board of Directors authorizing the issuance and sale of Issue 2020-2 under the 2013 General Resolution and delegating authority to an Authorized Officer who is the Secretary of the Bond Finance Committee, or an officer designated by the Secretary, to determine all final terms and conditions of the Issue 2020-1 Bonds (“Authorizing Resolution”); and
- the form of Supplemental Resolution for Issue 2020-2.

Upon motion by Treasurer Lillard, second by Ms. Tully and with the following roll call vote, the Authorizing Resolution was approved:

Hedges	Yes
Hargett	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges next recognized Ms. Miller who presented the Issue 2020-3 Authorization Resolution and the Issue 2020-3 Reimbursement Resolution. Ms. Miller presented the following documents that were previously circulated:

- a memorandum regarding Issue 2020-3 from Ms. Miller, dated March 12, 2020, that described the documents to be considered, explained how the authorization for Issue 2020-2 complied with THDA’s Debt Management Policy, and included recommendations regarding bookrunning senior manager and rotating co-manager based on information provided by CSG Advisors Incorporated (“CSG”), financial advisor for THDA;
- a memorandum from CSG dated March 10, 2020, that recommended authorization of Issue 2020-3 under the 2013 General Resolution, through a negotiated sale, as taxable and tax-exempt bonds in an aggregate principal amount not to exceed \$200 million, and for RBC Capital Markets to serve as bookrunning senior manager with a rotating co-manager appointed by the Authorized Officer based on results from pricing Issue 2020-2;
- the Plan of Financing for Issue 2020-3 in an aggregate principal amount not to exceed \$200 million that was approved by the Bond Finance Committee (“Plan of Financing”);
- the Resolution of the Board of Directors authorizing the issuance and sale of Issue 2020-3 under the 2013 General Resolution and delegating authority to an Authorized Officer who is the Secretary of the Bond Finance Committee, or an officer designated

by the Secretary, to determine all final terms and conditions of the Issue 2020-3 Bonds (“Authorizing Resolution”);

- the form of Supplemental Resolution for Issue 2020-3; and
- the Resolution of the Board of Directors authorizing reimbursement of THDA from proceeds of Issue 2020-3 in an amount not to exceed \$150 million (“Reimbursement Resolution”).

Upon motion by Treasurer Lillard, second by Mr. Snodderly, and with the following roll call vote, the Authorizing Resolution and the Reimbursement Resolution were approved:

Hedges	Yes
Hargett	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Don Watt, Chief Programs Officer, who referenced and reviewed a memo from Edwin King, dated March 16, 2020, that recommended additional volume cap for the 2020 Multifamily Tax-Exempt Bond Authority Program. Upon motion by Ms. Tully, second by Mr. Rummel, and with the following roll call vote, \$100,000,000 of additional 2020 volume cap was made available for the 2020 Multifamily Tax-Exempt Bond Authority Program:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Lindsay Hall, Chief Operating Officer of Single Family Programs who referenced and reviewed a memo from herself and Steve Fisher, Director of Capital Markets, dated March 11, 2020, regarding Ginnie Mae and the Federal Home Loan Bank products



in connection with the THDA conventional lending program. Upon motion by Treasurer Lillard, second by Mr. Rummel and with the following roll call vote, staff was authorized (1) to develop and submit applications for Ginnie Mae and Federal Home Loan Bank products; (2) to evaluate and implement business alternatives available under Ginnie Mae and the Federal Home Loan Bank as deemed appropriate by the Executive Director; and (3) to take all actions determined appropriate by the Executive Director to carry out these activities:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Abstain
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Ms. Hall who referenced and reviewed a memo from herself and Steve Fisher dated March 11, 2020, regarding proposed changes to down payment assistance, lender compensation and additional conventional products. Upon motion by Ms. Rhea, second by Ms. Tully, and with the following roll call vote, the changes described in the referenced memo were approved:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Ms. Hall who referenced and reviewed her memo dated March 11, 2020, regarding proposed changes to the New Start Mortgage Loan Program. Upon motion by Ms. Rhea, second by Mr. Krenson, and with the following roll call vote, the current New Start income limits were increased, the sales price limit was eliminated and the maximum New Start Loan amounts as specified in the referenced memo were retained:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Ms. Hall who referenced and reviewed her memo dated March 11, 2020, regarding the Tyson Foods, Inc. employee down payment assistance grant proposal. Upon motion by Ms. Armstrong, second by Mr. Snodderly, and with the following roll call vote, staff was authorized to (1) receive \$1,000,000 Tyson Foods, Inc. to be disbursed to a THDA borrower determined by Tyson Foods, Inc. to be eligible for this assistance; (2) develop and execute an agreement to implement this proposal; and (3) take all actions determined appropriate by the Executive Director to carry out this proposal:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Mr. Watt who reference and reviewed his memo dated March 20, 2020, regarding temporary authority to modify established program deadlines and associated requirements due to COVID-19. Upon motion by Mr. McMullen, second by Mr. Snodderly, and with the following roll call vote, (1) the Executive Director was temporarily authorized to modify deadlines and THDA-established fees, limits, and penalties associated with such deadlines for all programs administered by the Multifamily Programs Division and the

Community Programs Division and (2) the deadline previously delayed for the 2020 Spring Competitive Round Grant applications was ratified.

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Rhea	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Mr. Watt who referenced and reviewed his memo dated March 2, 2020, regarding Program Year 2020 Weatherization Assistance Program (WAP). Upon motion by Mr. McMullen, second by Mr. Snodderly and pursuant to a roll call vote, the Executive Director was authorized to apply to the US Department of Energy for WAP Program Year 2020 funding as specified in the referenced memo and to not submit such an application if determined by the Executive Director to not be in the best interests of THDA:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Merrick	Yes
Neal	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Mr. Watt, who referenced and reviewed his memo dated March 4, 2020 regarding the 2021 THDA Challenge Grant Program Description. Upon motion by Mr. McMullen, second by Ms. Armstrong and with the following roll call vote, the Challenge Grant Program Description attached to the referenced memo was approved:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
McWhorter (Daniels)	Yes
Neal	Yes
Snodderly	Yes
Tully	Yes
Wilson (Armstrong)	Yes

Chair Hedges recognized Mr. Watt, who referenced and reviewed his memo dated March 19, 2020, describing proposed revisions to the 2019 Emergency Solutions Grants (ESG) Program Description to address effects of COVID-19 on organizations serving the homeless. Upon motion by Mr. McMullen, second by Ms. Tully and with the following roll call vote, the revisions described in the referenced memo were approved:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Neal	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Mr. Watt who referenced and reviewed his memo dated March 20, 2020, regarding supplemental funding to local continuums of care to address effects of COVID-19. Upon motion by Mr. McMullen, second by Ms. Armstrong, and pursuant to a roll call vote, the supplemental funding described in the referenced memo was approved:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Neal	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

Chair Hedges then recognized Mr. Watt who referenced and reviewed his memo dated March 11, 2020, regarding a HOME grant extension request from the City of Cleveland for its 2015-2016 HOME Grant. Upon motion by Mr. McMullen, second by Ms. Tully and with the following roll call vote, the requested second extension was approved as specified in the referenced memo:

Hedges	Yes
Rummel (for Hargett)	Yes
Hubbard	Yes
Krenson	Yes
Lillard	Yes
McMullen	Yes
Daniels (for Neubert)	Yes
Neal	Yes
Snodderly	Yes
Tully	Yes
Armstrong (for Wilson)	Yes

With no further business, meeting was adjourned.

Respectfully submitted,

Ralph M. Perrey,  
Executive Director

Approved this 19<sup>th</sup> Day of May, 2020



# 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: Board of Directors  
FROM: Don Watt, Chief Program Officer  
Cynthia Peraza, Director, Community Programs Division  
DATE: May 6, 2020  
SUBJECT: 2020 Emergency Solutions Grants CARES Act Program – Part 1 Funding Allocation

### **Recommendation:**

In order to quickly facilitate the distribution of ESG CARES Act funding in response to the COVID-19 pandemic among those who are homeless or threatened with homelessness, staff recommends that the Board of Directors take the following actions:

- Approve the allocation and award of Part 1 ESG Cares Act funds in accordance with the terms outlined in this memorandum.
- Authorize staff to make changes to these requirements as determined necessary by HUD requirements.
- Authorize the Executive Director to make funding award determinations and to report to the Board of Directors about such funding awards at its next meeting following award.
- Authorize all appropriate staff to do all things necessary and proper, including execution of any documents, to carry out the described programs.

### **Background:**

THDA has been notified of its receipt of \$11,148,024 in ESG funding authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This allocation is the first of two allocations to be received from the \$4B total ESG allocation authorized under the CARES Act. This Part 1 allocation was determined using the traditional ESG funding distribution formula applied against \$1B of the total \$4B allocated. The remaining \$3B will be distributed based on a formula to be determined by the Secretary of the U.S. Department of Housing and Urban Development. The CARES Act requires the HUD Secretary to complete that funding distribution by June 25, 2020 (Part 2 Allocation).

As permitted under the Act, staff is proposing to retain up to \$1,114,802 of the Part 1 funding distribution to cover THDA's administrative costs to implement the program as well as the administrative costs of local governments receiving funds under this program.

Staff is proposing to make available up to \$10,033,222 to its 2019 ESG Grantees funded through the 2019 competitive allocation and any 2020 ESG Grantees awarded through the 2020 competitive allocation but not funded under the 2019 ESG program. Additionally, THDA will provide an allocation to the 2020 ESG set-aside cities of Chattanooga, Clarksville, Johnson City, and Murfreesboro.

The program will operate under the 2020 ESG Program Description requirements as approved by the Board with the following exceptions:

- Adopt all permissions granted under the 2020 CARES Act legislation and as permitted by future HUD guidance, including but not limited to:
  - The funds may be used to cover or reimburse allowable costs incurred by a State or locality before the award of funding (including prior to the signing of the CARES Act) to prevent, prepare for, and respond to COVID-19;
  - The funds are not subject to the spending cap on emergency shelter and outreach under 24 CFR 576.100(b)(1);
  - Up to 10 percent of funds may be used for administrative costs, as opposed to 7.5 percent as provided by 24 CFR 576.108(a);
  - The funds are exempt from the ESG match requirements, including 24 CFR 576.201;
  - The funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants, however each recipient must publish how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media;
  - The funds may be used to provide homelessness prevention assistance (as authorized under 24 CFR 576.103 or subsequent HUD notices) to any individual or family who does not have income higher than HUD's Very Low-Income Limit for the area and meets the criteria in paragraphs (1)(ii) and (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.3;
  - That recipients may deviate from applicable procurement standards when using these funds to procure goods and services to prevent, prepare for, and respond to coronavirus, notwithstanding 24 CFR 576.407(f) and 2 CFR 200.317-200.326;
  - Individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used, notwithstanding 24 CFR 576.401(e).

- Allow for the award of funds to implement major rehabilitation or renovation of a shelter or conversion of buildings for shelter activities.
- Provide grants not to exceed \$500,000 per award based on a non-competitive allocation distribution methodology to be approved by the Executive Director. This methodology shall include a process for the reallocation of funds from grant recipients not meeting established performance benchmarks. The Application and Evaluation Requirements of the 2020 ESG Program Description shall not apply.
- The grant term will minimally be 15 months and will conclude on or before September 30, 2022 in accordance with the CARES Act requirements and HUD guidance.
- THDA will issue agreements for the award of ESG CARES Act funds that are separate from those made under the 2019 and 2020 ESG programs.

Following the initial award of Part 1 funds, THDA staff will combine any unallocated Part 1 funds with any funds allocated by HUD to the state under the Part 2 allocation. Staff expects to bring a program description for the use of these remaining funds for the Board's consideration by its September 2020 meeting.





# 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 Program Officer  
Edwin King, Director of Multifamily Programs  
SUBJECT: Emergency Operating Funds for Developments with Low-Income Housing Credits  
DATE: May 7, 2020

As you may be aware, Tennessee received a \$1.5B allocation of funds authorized under the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Coronavirus Relief Fund allows state and local governments to make payments for programs that (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of the date of enactment; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

THDA has submitted the attached request to Governor Lee dated April 17, 2020 for \$31 million of Coronavirus Relief Funds for the specific purpose of providing emergency operating funds to certain developments with an allocation of Low-Income Housing Credit ("LIHC").

Also attached is the Emergency Operating Funds for Affordable Rental Housing Summary Points dated

May 5, 2020 (the "Summary Points"). The Summary Points describe the characteristics of an Emergency Operating Funds Program ("EOF Program") developed by staff to allocate the funds to eligible LIHC developments.

### Staff Recommendations:

1. Approve the creation of an Emergency Operating Funds Allocation Plan or Emergency Operating Funds Program Description substantially consistent with the attached Emergency Operating Funds for Affordable Rental Housing Summary Points dated May 5, 2020.
2. Authorize the Executive Director to approve and implement the Emergency Operating Funds Allocation Plan or Emergency Operating Funds Program Description and related documentation, including without limitation, any adjustments the Executive Director deems necessary and

Page 16

prudent based on further guidance and requirements issued by the federal government or the state of Tennessee.

3. Authorize THDA staff to take all actions deemed necessary and appropriate by the Executive Director to implement an Emergency Operating Funds Allocation Plan or an Emergency Operating Funds Program Description.
4. Designate the funds allocated pursuant to an Emergency Operating Funds Allocation Plan or an Emergency Operating Funds Program Description as “funds to address needs created by the COVID-19 public health emergency” pursuant to the guidance issued by Treasury on May 4, 2020.



## Tennessee Housing Development Agency

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

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

April 17, 2020

The Honorable Bill Lee  
Governor  
State Capitol, First Floor  
600 Charlotte Pike  
Nashville, TN 37243

Dear Governor Lee:

The Tennessee Housing Development Agency (THDA) requests an allocation of \$31 million from the Coronavirus relief funds allocated to the State of Tennessee in order to provide short-term operating assistance to affordable rental housing properties financed by Low Income Housing Tax Credits (LIHTC). These properties provide below-market rental units to Tennesseans generally earning 60% of the Area Median Income, significant numbers of whom have lost income due to COVID-19 measures and are unable to continuing paying rent.

The CARES Act protects those renters against eviction during this period of hardship, but provides no direct relief to the properties, which still have to pay creditors and operating expenses. Many will be hard-pressed to do so, as the operating margins on LIHTC properties are typically slim even in the best of times.

THDA estimates that \$31 million will help to offset lost rental income at these properties for a period of four months. As the administrator of the LIHTC program for the State of Tennessee, THDA has well-established business relationships with each property, the ability to quickly collect information, make determinations as to how much subsidy is appropriate, and then disperse those funds expeditiously. It would speed the process if THDA could be granted a waiver from the requirement that we go through the DGA process and the DLA process when making these arrangements with LIHTC owners.

THDA also has experience and a good track record of effectively managing an earlier generation of financial recovery programs, including under HERA, ARRA and the Hardest Hit Fund.

The Honorable Bill Lee  
April 17, 2020  
Page 2

We believe this is an appropriate use for Coronavirus relief funds, and offers a cost-effective and relatively quickly delivered source of support for LIHTC properties in Tennessee, whose financial viability during and after the immediate COVID-19 emergency is essential to assuring lower income Tennesseans have access to rental housing they can afford.

I am grateful for your consideration. Please let me know if we may provide you or your staff with additional detail.

Sincerely,

A handwritten signature in dark ink, appearing to read "R M Perrey", with a long horizontal flourish extending to the right.

Ralph M. Perrey  
Executive Director



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## **EMERGENCY OPERATING FUNDS FOR AFFORDABLE RENTAL HOUSING** **SUMMARY POINTS**

May 5, 2020

- 1) Overall request for \$31 million.
- 2) The funds (“Assistance Funds”) will be used to assist developments with either competitive or noncompetitive Low-Income Housing Credit (“LIHC”).
- 3) Assistance Funds will apply to April, May, June, and July of 2020 (the “Assistance Period”).
- 4) THDA will subsidize operating income during the Assistance Period for the number of non-rental assistance units unpaid during April, 2020, less an allowance for normal vacancy (“Affected Units”).
- 5) Market rate units and units with rental assistance are not eligible to be Affected Units.
- 6) Assistance Funds will be structured as interest-free forgivable loans. Forgiveness will be contingent upon compliance with all applicable program requirements.
- 7) THDA will have a procedure in place to assure that developments with substantive compliance issues including, but not limited to, being placed in “No Further Monitoring” status, will not be eligible for Assistance Funds.
- 8) THDA expenses of administering this program will not exceed 1% of the requested funds.
- 9) THDA will determine whether the application is eligible to proceed.
- 10) The application will include information regarding the number of Affected Units.
  - a. THDA will provide Assistance Funds for eligible applications equaling \$645 per Affected Unit per month in the Assistance Period
- 11) Development owners accepting Assistance Funds will be required to make concessions including, but not limited to, forgiveness of unpaid rent and late fees during the Assistance Period.



# 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 Program Officer  
Cynthia Peraza, Director of Community Programs  
DATE: May 5, 2020  
SUBJECT: Request for Approval of Tennessee Renovation Loan Program Guide Changes

### **Recommendations:**

In an effort to align the Tennessee Renovation Loan Program (TRLP) to the Emergency Repair Program (ERP), to make our programs easier to administer by external partners and encourage participation, staff is requesting approval to make the following changes to the Tennessee Renovation Loan Program:

- Add ERP administrators as eligible TRLP Participants.  
*By adding the ERP administrators to the TRLP, we will expand our network of providers and service areas across the state. This will also allow the ERP recipients to layer program funding to help complete larger repairs, when necessary.*
- Modify TRLP income limits to align with ERP income limits. The income limit would be 60% of Area Median Income or the Statewide Median Income, whichever is higher.  
*This modification will help staff align the TRLP with the ERP requirements. Furthermore, the ERP income limits are higher than the current TRLP income limits. This change will allow the program administrators to assist a larger pool of low-income homeowners.*
- Modify TRLP to further align with the ERP Program in the following areas:
  - Eligible Activities
  - Rehabilitation Standards
  - Final Inspections
  - Contractor Qualifications and Procurement
  - Procurement
  - Equal Opportunity
  - Drug-Free Workplace
  - Conflict of Interest
  - Outreach
  - Record Keeping and Monitoring
  - Policies and Procedures

**Background:**

THDA provides repair assistance to low-income homeowners of all ages through the Tennessee Renovation Loan Program (TRLP). The TRLP is administered through non-profit agencies (TRLP Participants) who receive and screen applications, coordinate repair inspections and repairs. The goal of the TRLP is to help preserve affordable housing and achieve safe, healthy, livable, and sound housing for low-income homeowners within the State of Tennessee.



# 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 Program Officer  
Cynthia Peraza, Director of Community Programs  
DATE: May 4, 2020  
SUBJECT: 2021 Allocation to Habitat for Humanity of Tennessee

### **Recommendation:**

Staff is making the following recommendations as reflected in the attached Habitat for Humanity Tennessee Set-Aside Program Description (Program Description):

- Allocate \$500,000 of 2021 Tennessee Housing Trust Fund (THTF) funding to Habitat for Humanity of Tennessee;
- Replace the Sales Price Limit with the HOME Program Property Value Limits; and,
- Update effective dates to reflect July 1, 2020 through June 30, 2021 for the new terms of the 2021 Habitat for Humanity of Tennessee Program Description; and,
- Approve the attached Program Description.

### **Background:**

Since July 2014, THDA has set-aside \$500,000 annually for Habitat for Humanity of Tennessee from the Tennessee Housing Trust Fund (THTF) to use as a construction financing pool to develop new single-family units or acquire and rehabilitate existing units for sale to eligible homebuyers. Habitat for Humanity of Tennessee is able to use the THTF funding to work with smaller Habitat affiliates, especially those located in rural areas that typically build fewer houses annually than the larger urban affiliates. Through June 30, 2019, Habitat for Humanity of Tennessee has assisted local chapters with the successful development of 157 new homes, using \$2.7 million in THTF funding. To date, with its 2020 allocation, Habitat affiliates have assisted an additional 25 households using nearly \$417,000.



The Sales Price Limit applicable to the Habitat of Humanity of Tennessee set-aside was last reviewed and updated in 2014. The real estate market has changed drastically in the last 10 years and having a fixed Sales Price Limit no longer seems appropriate. In order for Habitat affiliates to keep up with real estate market expenses and property values, staff believes a more relevant approach to assess price limits is needed.

Therefore, THDA staff is proposing to utilize the current HOME Program Property Value Limits in the county in which the unit is located in lieu of having a set Sales Price Limit applicable across all of Tennessee. HUD updates the HOME Program Property Value Limits annually. The current information is available at <https://thda.org/business-partners/home>.

To view supporting documentation, please click on this link:  
<https://s3.amazonaws.com/thda.org/2021-Habitat-of-Tennessee-Program-Description.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 Program Officer  
Cynthia Peraza, Director of Community Programs  
DATE: May 4, 2020  
SUBJECT: Request for Approval of 2021-2022 Emergency Repair Program Description

### **Recommendations:**

Staff is requesting approval of the attached 2021 ERP Program Description that contains the following modifications from the 2019 ERP Program Description, as modified in November 2018:

- Increase the amount available for administrative expenses from 10% to 15%.  
*The time and overhead required to administer a repair program is expensive. Existing agencies are having difficulty covering their costs to administer the ERP under the current administrative expense structure. Most agencies have to find additional resources to supplement their costs. The 5% increase to the existing administrative expenses will help cover those costs and will encourage other agencies to participate in the Program.*
- Increase the maximum lifetime assistance limit per household from \$10,000 to \$15,000.  
*The ERP maximum lifetime assistance limit has not been increased since inception, yet the cost of materials continues to increase annually. Additionally, the limited number of contractors available to perform small repair projects causes the cost of labor to surge. In order to help the most vulnerable population retain their homes, an increase to the maximum lifetime assistance is necessary.*
- Add a 3-year occupancy requirement, prior to the date of application for assistance.  
*The occupancy requirement is being made to the ERP to help align this program with the requirements of the Tennessee Renovation Loan Program (TRLP). This change will also help ensure the ERP funds are being used to preserve affordable housing for the population who have lived in their homes for years.*

- Modify the language regarding all property taxes for the property to read: The applicant must be current or in a payment plan with the Tax Assessor's Office for the payment of local property taxes on the property to be assisted.  
*This language is being modified to the ERP to help align this program with the TRLP requirements. This change will allow applicants who are not current on their property taxes, but are in a payment arrangement with the Tax Assessor's Office, to access ERP funds.*
- Add a requirement that an applicant must not be delinquent on their current mortgage loan or in danger of foreclosure.  
*This language is being added to the ERP to help align this program with the TRLP requirements. This requirement will help ensure the ERP funds are being used to repair a home that will be retained by the homeowner and not lost to a foreclosure.*
- Add a requirement that an applicant must not have had a THDA mortgage loan that was foreclosed.  
*This language is being added to the ERP to help align this program with the TRLP requirements and other THDA funded programs.*
- Add random file monitoring of the development districts and human resource agency.

**Background:**

THDA provides funds annually to seven development districts and two human resource agencies to administer the Emergency Repair Program (ERP) within their service area in order to assist low-income, senior citizen or disabled homeowners in completing emergency repairs on their units. In the last two months, staff focused on aligning the requirements, where deemed appropriate, of programs that offer similar activities. This alignment will make our programs easier to administer by our external partners, which will encourage participation.

To view supporting documentation, please click on this link:

<https://s3.amazonaws.com/thda.org/2021-Emergency-Repair-Prg-Program-Description.pdf>



# **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  
May 19, 2020 1:00 p.m. Central Time  
WebEx Meeting /Call - To join the call Dial  
1-650-479-3208; Code 285 505 482**

## **APPENDIX**

---

- A. Issue 2020-1 State Form CT-0253
- B. Secondary Market Update
- C. THDA COVID-19 Continuum of Care Supplemental Funding - Funding Awards
- D. Emergency Solutions Grants 2019 Supplemental Awards
- E. COVID-19 Related Extensions – Community Programs
- F. COVID-19 Related Extensions – Multifamily Programs



## Tennessee Housing Development Agency

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

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

### MEMORANDUM

**DATE:** May 8, 2020  
**TO:** Bond Finance Committee  
Board of Directors  
**FROM:** Lynn E. Miller, Chief Legal Counsel  
**SUBJECT:** Issue 2020-1 State Form CT-0253 FINAL (the "State Form")

Attached please find the State Form for Issue 2020-1 that priced on February 25, 2020, and closed March 25, 2020. The State Form was emailed to the full Board and filed with the Office of the Comptroller on May 7, 2020. To complete the reporting requirement pursuant to TCA Section 9-21-151(c)(2), the State Form will be presented at the May THDA Board meeting.

The form, with attachments, provides basic information including maturity dates, amounts and interest rates for the bonds. It also shows the costs associated with the transaction in Item 11 of the form. These costs are consistent with costs of prior transactions and, in general, are on the lower end of costs for the industry.

This chart compares fee and expense information for the current bond issue and the three prior bond issues.

	2013 Resolution			
	\$200,000,000 Issue 2020-1	\$200,000,000 Issue 2019-4	\$150,000,000 Issue 2019-3	\$200,000,000 Issue 2019-2
Fees/Expenses <sup>1</sup> Paid To:				
Financial Advisor	\$ 70,000	\$ 37,500	\$ 47,500	\$ 60,000
Bond Counsel	35,000	35,000	35,000	35,000
Trustee	10,000	10,000	7,500	10,000
Bookrunning Underwriter	1,159,052	1,170,611	899,578	1,161,298
Moody's	113,500	105,000	90,000	105,000
Standard & Poor's	111,500	109,000	85,000	109,000
i-Deal	1,500	1,500	1,500	1,500
General Services Print Shop	1,095	1,091	1,070	1,077
Total Fees/Expenses Per Bond Issue	\$ 1,501,647	\$ 1,469,702	\$ 1,167,148	\$ 1,482,875

1. rounded to the nearest \$

If you have questions, please call me at 615-815-2025 or by email at [LMiller@thda.org](mailto:LMiller@thda.org)

LEM/ds

Attachment

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**1. Public Entity:**

Name: \_\_\_\_\_

Address \_\_\_\_\_

Debt Issue Name: \_\_\_\_\_

If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:**

\$ \_\_\_\_\_

Premium/Discount: \$ \_\_\_\_\_

**3. Interest Cost:**

\_\_\_\_\_ %

☐ Tax-exempt☐ Taxable☐ TIC ☐ NIC☐ Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or☐ Variable: Remarketing Agent \_\_\_\_\_☐ Other: \_\_\_\_\_**4. Debt Obligation:**☐ TRAN ☐ RAN ☐ CON☐ BAN ☐ CRAN ☐ GAN☐ Bond ☐ Loan Agreement ☐ Capital Lease

If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Division of Local Government Finance ("LGF").

**5. Ratings:**☐ Unrated

Moody's \_\_\_\_\_ Standard &amp; Poor's \_\_\_\_\_ Fitch \_\_\_\_\_

**6. Purpose:**☐ General Government \_\_\_\_\_ %☐ Education \_\_\_\_\_ %☐ Utilities \_\_\_\_\_ %☐ Other \_\_\_\_\_ %☐ Refunding/Renewal \_\_\_\_\_ %**BRIEF DESCRIPTION**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**7. Security:**☐ General Obligation☐ General Obligation + Revenue/Tax☐ Revenue☐ Tax Increment Financing (TIF)☐ Annual Appropriation (Capital Lease Only)☐ Other (Describe): \_\_\_\_\_**8. Type of Sale:**☐ Competitive Public Sale☐ Interfund Loan \_\_\_\_\_☐ Negotiated Sale☐ Loan Program \_\_\_\_\_☐ Informal Bid**9. Date:**

Dated Date: \_\_\_\_\_

Issue/Closing Date: \_\_\_\_\_

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**☐ No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$	
Legal Fees	\$	
Bond Counsel	\$	
Issuer's Counsel	\$	
Trustee's Counsel	\$	
Bank Counsel	\$	
Disclosure Counsel	\$	
_____	\$	
Paying Agent Fees	\$	
Registrar Fees	\$	
Trustee Fees	\$	
Remarketing Agent Fees	\$	
Liquidity Fees	\$	
Rating Agency Fees	\$	
Credit Enhancement Fees	\$	
Bank Closing Costs	\$	
Underwriter's Discount _____%		
Take Down	\$	
Management Fee	\$	
Risk Premium	\$	
Underwriter's Counsel	\$	
Other expenses	\$	
Printing and Advertising Fees	\$	
Issuer/Administrator Program Fees	\$	
Real Estate Fees	\$	
Sponsorship/Referral Fee	\$	
Other Costs _____	\$	
<b>TOTAL COSTS</b>	\$	

## REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**
☐ No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar		
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other _____		

**13. Disclosure Document / Official Statement:**
☐ None Prepared

☐ EMMA link \_\_\_\_\_ or

☐ Copy attached
**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?

☐ Yes

☐ No

Is there a continuing disclosure obligation agreement related to this debt?

☐ Yes

☐ No

If yes to either question, date that disclosure is due \_\_\_\_\_

Name and title of person responsible for compliance \_\_\_\_\_

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy \_\_\_\_\_

Is the debt obligation in compliance with and clearly authorized under the policy?

☐ Yes

☐ No
**16. Written Derivative Management Policy:**
☐ No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?

☐ Yes

☐ No
**17. Submission of Report:**

To the Governing Body: \_\_\_\_\_ on \_\_\_\_\_ and presented at public meeting held on \_\_\_\_\_

Copy to Director, Division of Local Govt Finance: \_\_\_\_\_ on \_\_\_\_\_ either by:

☐ Mail to:

Cordell Hull Building  
425 Fifth Avenue North, 4th Floor  
Nashville, TN 37243-3400

OR

☐ Email to:

[LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)
**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name		
Title		
Firm		
Email		
Date		

To view supporting documentation, please click on this link:

<https://s3.amazonaws.com/thda.org/Item-A-Issue-2020-1-State-Form-CT-0253.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 and Lending Committee  
FROM: Lindsay Hall, Chief Operating Officer of Single Family Programs and  
Steve Fisher Director of Capital Markets  
DATE: May 6, 2020  
Subject: Secondary Market Update

The COVID crisis is impacting THDA most significantly on our Mortgage Backed Securities (MBS) Conventional Loan Program. The GSE's (Freddie Mac specifically) have added fees and loan requirements if a borrower asks for assistance under the CARES Act between the point the lender closes the loan and the point in time that THDA is able to settle a TBA (Secondary market trade). This time period can be 15 to 45 days.

The fee is a 5.0% or 7.0% amount as a percentage of the original principal balance. This large amount is greater than the revenue produced by a loan transaction and may not be passed on to a borrower. THDA agrees with our HFA peers that the fees are excessive, however, HFA's vary widely in how they are dealing with the situation.

THDA staff has analyzed the risks and our loan originated during 2020. Of 1,023 loans in our Mortgage Revenue Bond program purchased in 2020, only 16 have requested assistance and 11 of those 16 are still current on their payments. THDA is still in our test phase of the Conventional Loan Program is our sample size is much smaller. Staff expects that 1.55 to 3.0% of loans in our conventional loan program could be subject to the additional fee instituted by Freddie Mac.

To offset the risk staff is proposing a small cushion in our conventional loan mortgage rate to provide revenue to mitigate the risk. In addition, THDA will work with lenders and internal processes to reduce the number of days between the Lender closing and the pooling of the loans. Staff also expect volume will decline some as the COVID virus has impacted the real estate market and the employment of potential borrowers.

THDA will monitor this situation over the next 3 to 6 months and report back should more action be prudent. Our conventional product is serving families of low and very low incomes. Our Lenders are also eager to offer this product as it adds to the number of families that may be served.



# 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 Program Officer  
Cynthia Peraza, Director of Community Programs  
DATE: May 6, 2020  
SUBJECT: THDA COVID-19 Continuum of Care Supplemental Funding – Funding Awards

THDA received applications for the THDA COVID-19 Supplemental Funding from two Continuum of Care (CoC) agencies. THDA has \$500,000 available to award and each approved agency is eligible to receive up to \$50,000 to support the implementation of a plan to support a CoC-wide response to reduce the risk of transmission of the coronavirus within the homeless community.

Staff approved the following applications for funding through the THDA COVID-19 Supplemental Funding:

- Community Housing Partnership of Williamson County  
Service Counties: Bedford, Cheatham, Coffee, Dickson, Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Montgomery, Moore, Perry, Robertson, Sumner, Trousdale, Wayne, and Williamson.  
  
The Community Housing Partnership of Williamson County is requesting a grant of \$50,000 to fund the following activities:
  - Activity #1: Expanding outreach services to unsheltered individuals by transporting individuals to shelters not within their immediate vicinity.
  - Activity #2: Reducing high concentration of adults living in close proximity by providing hotel/motel vouchers to homeless individuals.
- West Tennessee Healthcare Foundation  
Service Counties: Stewart, Houston, Humphreys, Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Fayette, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, McNairy, Madison, Obion, Tipton, and Weakley.

The West Tennessee Healthcare Foundation is requesting a grant of \$50,000 to fund the following activities:

- Activity #1: Expanding outreach service to unsheltered individuals by using transportation services to transport unsheltered individuals to shelters and housing.
- Activity #2: Reducing high concentration of adults living in close proximity by providing short-term rental assistance and hotel/motel vouchers.

THDA is expecting additional applications from eligible CoCs in the upcoming months. Staff will continue to provide the Executive Director's recommendation for funding, if any, to the Board at the July 2020 meeting.



## 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 Program Officer  
Cynthia Peraza, Director of Community Programs  
DATE: May 4, 2020  
SUBJECT: Emergency Solutions Grants 2019 Supplemental Awards

THDA amended 2019 Emergency Solutions Grants (ESG) Program Description to allow for supplemental awards of up to \$165,000 to existing ESG Grantees to help implement street outreach and/or shelter activities in order to cover expanded costs related to the COVID-19 pandemic.

Staff approved the following applications for funding through the ESG 2019 Supplemental Funding Award:

Grantee	Total Contract Amount	Total Supplemental Award	Total Funding Award
Area Relief Ministries	127,000.00	7,500.00	134,500.00
Bridges Domestic Violence Center	97,467.00	7,500.00	104,967.00
Carey Counseling Center, Inc.	75,000.00	7,500.00	82,500.00
City of Clarksville	161,250.00	7,500.00	168,750.00
City of Johnson City	161,250.00	7,500.00	168,750.00
City of Murfreesboro	161,250.00	7,500.00	168,750.00
Domestic Violence Program, Inc.	35,000.00	7,500.00	42,500.00
Family Promise of Greater Kingsport	50,000.00	7,500.00	57,500.00
Fayette Cares Inc.	85,000.00	7,500.00	92,500.00
Helen Ross McNabb Center	84,200.00	7,500.00	91,700.00
Johnson County Safe Haven, Inc.	107,000.00	7,500.00	114,500.00
Pinnacle Resource Center	78,000.00	7,500.00	85,500.00
Tennessee Homeless Solutions	118,000.00	7,500.00	125,500.00
Tennessee Valley Coalition to End Homelessness	100,000.00	7,500.00	107,500.00
The Crossville Housing Development Corporation	88,400.00	7,500.00	95,900.00

The Ministerial Association Temporary Shelter (MATS)	110,000.00	7,500.00	117,500.00
The Salvation Army, a Georgia Corporation, for Knoxville, TN	75,500.00	7,500.00	83,000.00
Trinity Out-Reach Center of Hope	80,000.00	7,500.00	87,500.00
Wo/Men's Resource and Rape Assistance Program (WRAP)	150,000.00	7,500.00	157,500.00
Total Awarded:	1,944,317.00	142,500.00	2,086,817.00

In order to use the remaining \$22,500, ESG Grantees have been allowed to submit a second budget request for eligible costs above the \$7,500 limit. THDA will award the remaining funds equally between the approved Grantees, up to the amount requested, under the second budget proposal.

Staff will provide the Executive Director's recommendation for funding, if any, to the Board at the July 2020 meeting.



## 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 Program Officer  
Cynthia Peraza, Director of Community Programs  
DATE: May 6, 2020  
SUBJECT: COVID-19 Related Extensions

THDA is aware of the increasingly negative impact the COVID-19 pandemic is having on our Grantees and their ability to apply for grant funding, administer state and federally funded programs, and access their places of business.

To offer some relief to our Grantees during these unprecedented times and in accordance with the discretion provided by the Board to the Executive Director at its March 2020 meeting, the Executive Director made the following extensions:

### **HOME PROGRAM:**

Staff recommended 22 of its HOME Grant Awards be extended for a period of 12 months. This extension extended the Contract End Date from June 30, 2020 to June 30, 2021.

<b>CONTRACT NUMBER</b>	<b>GRANTEE</b>	<b>COUNTY</b>	<b>Grantee Contact</b>
HM-17-01	Bedford County	Bedford	Mayor Chad Graham
HM-17-02	Cedar Hill	Robertson	Mayor Tom Richards
HM-17-18	Dayton	Rhea	Mayor Gary Louallen
HM-17-03	Dyersburg	Dyer	Mayor Jon Holden
HM-17-04	Elizabethton	Carter	Mayor Curt Alexander
HM-17-05	Gatlinburg	Sevier	Mayor Mike Werner
HM-17-06	Greenville	Greene	Mayor W.T. Daniels
HM-17-07	Halls	Lauderdale	Mayor Eugene Pugh
HM-17-08	Harriman	Roane	Mayor Wayne Best

HM-17-09	Haywood County	Haywood	Mayor David Livingston
HM-17-10	Hendersonville	Sumner	Mayor Jamie Clay
HM-17-11	Lauderdale County	Lauderdale	Mayor Maurice Gaines
HM-17-12	Laverne	Rutherford	Mayor Kyle Brown
HM-17-13	Lexington	Henderson	Mayor Jeff Griggs
HM-17-19	Lincoln County	Lincoln	Mayor Bill Newman
HM-17-14	McEwen	Humphreys	Mayor Brad Rachford
HM-17-15	Mountain City	Johnson	Mayor Kevin Parsons
HM-17-16	Newport	Cocke	Mayor Roland Dykes III
HM-17-20	Niota	McMinn	Mayor Lois Preece
HM-17-17	Obion	Obion	Mayor Rodney Underwood
HM-17-21	Rhea County	Rhea	Mayor George Thacker
HM-1516-05	Cleveland	Bradley	Mayor Kevin Brooks
HM-1516-28	Oak Ridge	Anderson	Mayor Rick Chinn Jr.

**THTF COMPETITIVE GRANTS:**

Staff received a request for a 6-month extension from WAVES, Inc. who is actively administering a grant from the Spring Round of the 2017 Tennessee Housing Trust Fund (THTF) Competitive Grants Program due to the social distancing requirements posed by the COVID-19 pandemic and the at-risk population they serve. Based on their request, staff recommended the approval of their extension request. This postponement extended the Contract End Date from June 30, 2020 to December 31, 2020.

**NATIONAL HOUSING TRUST FUND PROGRAM APPLICATIONS:**

The Executive Director authorized an extension of the application period for the National Housing Trust Fund from April 2, 2020 to May 7, 2020.



## 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 Program Officer  
Edwin King, Director of Multifamily Programs  
DATE: May 6, 2020  
SUBJECT: COVID-19 Related Extensions

THDA is aware of the increasingly negative impact the COVID-19 pandemic is having on the ability of owners, developers and property managers to apply for funding, undertake development activities, and/or access their places of business.

To offer some relief during these unprecedented times and in accordance with the discretion provided by the Board to the Executive Director at its March 2020 meeting, the Executive Director approved the extension of the multifamily bond deal closing deadline by 120 days for TN20-207 and TN20-209 due to bond market conditions. Under normal circumstances, only a 30-day extension is available; however, given the circumstances of the COVID-19 pandemic, the 120-day request was reasonable.