



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

**Committee and Board Meeting Materials
May 23, 2023**



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 and Committee Meetings Agendas

Tuesday, May 23, 2023 at 10 AM CT
Nashville Room, Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

COMMITTEE AGENDAS

AUDIT & BUDGET COMMITTEE

-No Business for this meeting

BOND FINANCE COMMITTEE

A. Approval of Bond Finance Committee Meeting Minutes-March 21, 2023

B. Action Item

1. Schedule of Financing
2. Bond Counsel Contract Extension



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

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THDA Board of Directors Board Meeting Agenda
(directly following Bond Finance Committee Meeting)

Tuesday, May 23, 2023 at 10 AM CT
Nashville Room, Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

- A. Board Chair Convening of the Board and Introductory Comments**
- B. Public Comment Period**
- C. Executive Director’s Report**
- D. Single Family Business**
 - Business Update
 - Ginnie Mae Overview
- E. Multifamily Business**
 - Business Update
 - Tax Credit 101
 - 2024 QAP Proposed Revisions
- F. Approval of Minutes from March 21, 2023 meeting**
- G. Board Action Items**
 - 1. Home Builders Institute Grant
 - 2. Board Authorization of Annually Funded Programs (Habitat/Ramps/Rebuild-Recover/LIHEAP/WAP)
 - 3. 2020 National Housing Trust Fund Extension Request - Memphis HA – Edgeview @ Legends Park
 - 4. ERA2 Request to Subgrant Funds
 - 5. Schedule of Financing
 - 6. New START Loan Limits/Blue Oval Set-Aside
 - 7. Amendment to Multifamily Bond Allocation Program
- H. Board Briefing Items**
 - 1. Internal Audit Update
 - 2. ERA EPP Funding Awards
 - 3. HOME ARP Supportive Services Awards
 - 4. HOME ARP Rental Housing Development Award Update
 - 5. 2023 Emergency Solutions Grants Program Awards



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

Audit & Budget Committee

NO BUSINESS FOR THIS MEETING



Bond Finance Committee



Tennessee Housing Development Agency

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

Bill Lee
Governor

Ralph M. Perrey
Executive Director

Bond Finance Committee Meeting Agenda

Tuesday, May 23, 2023 at 1000 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

- A. Approval of Minutes from March 21, 2023 meeting
- B. Action Item
 - 1. Schedule of Financing
 - 2. Bond Counsel Contract Extension

Committee Members:

Matt McGauley (Chair)
Commissioner Jim Bryson
Secretary Tre Hargett
Treasurer David Lillard
Comptroller Jason Mumpower



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TENNESSEE HOUSING DEVELOPMENT AGENCY
BOND FINANCE COMMITTEE
March 21, 2023

Pursuant to the call of the Chairman, the Bond Finance Committee of the Tennessee Housing Development Agency Board of Directors (the “Committee”) met on Tuesday, March 21, 2023, at 10:00 AM CT at the William R. Snodgrass Tennessee Tower, Nashville Room, 312 Rosa Parks Blvd; Nashville, TN 37243.

The following Committee members were present in person: Mathew McGauley (Board Chair); Sara Queirolo (for Treasurer David Lillard); Alex Schuhmann (for Commissioner Jim Bryson); Katie Armstrong (for Comptroller Jason Mumpower); and Secretary of State Tre Hargett. Other Board Members present were: Rob Mitchell; Chrissi Rhea; Daniel Springer; Jacky Akbari; Rick Neal; and Austin McMullen.

Recognizing a quorum present, Chair McGauley called the meeting to order at 10:00 a.m. Central Time. For the first order of business, Chair McGauley called for consideration and approval of the January 24, 2023, Bond Finance Committee Meeting Minutes. Upon motion by Ms. Armstrong, second by Ms. Queirolo, and following a vote with all members identified as present voting “yes”, the motion carried to approve the January 24, 2023 minutes.

Chair McGauley indicated the next item for consideration was the Bond Issue 2023-2 for our consideration and approval of the Plan of Financing, the Authorizing Resolution, including the form of Supplemental Resolution and the Reimbursement Resolution. Bruce Balcom, THDA Chief Legal Counsel, described the documents to be considered, explained how the authorization for Bond Issue 2023-2, in an amount not to exceed \$250,000,000, complied with THDA's Debt Management Policy, and included recommendations regarding bookrunning senior manager and rotating co-manager based on information provided in a separate memo dated March 6, 2023, by CSG Advisors incorporated (“CSG”), financial advisor for THDA. It was also noted that this bond deal is expected to be priced in June 2023 and close before the end of July, however that could change depending upon the market and loan production. Furthermore, this particular bond deal will have up to three series of bonds including taxable bonds, tax-exempt mortgage revenue bonds and a Convertible Option Bond (COB) that may include a variable interest rate. Chair McGauley called for a motion if there were no further questions from committee members. Ms. Armstrong asked if THDA was mandated to follow through with the COB or if the bond was approved? Chief Legal Counsel, Bruce Balcom, responded that while THDA can plan to incorporate the COB as part of this bond deal, it does not mean THDA has to follow through. It is optional to create additional revenue for THDA and its inclusion would not be decided until the deal was priced. There being no further questions, Chair McGauley called for a motion to approve Bond Issue 2023-2. Upon motion by Ms. Armstrong, second by Ms. Queirolo and a vote with all members identified as present voting “yes”, the motion carried to approve the plan of financing, and to recommend approval of the remaining documents, including the Authorizing Resolution as amended.

There being no further business, Chair McGauley adjourned the meeting at 10:08 AM CT.

Respectfully submitted,

Sandi Thompson,
Assistant Secretary
Approved this 23rd day of May, 2023.



Tennessee Housing Development Agency

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

Bill Lee
Governor

Ralph M. Perrey
Executive Director

TO: THDA Board of Directors
FROM: Bruce Balcom, Chief Legal Counsel
SUBJECT: Schedule of Financing for Fiscal Year 2023-2024
DATE: May 8, 2023

Recommendation

The attached Schedule of Financing is THDA's best estimate with respect to the financings for fiscal year 2023-24. Both the Bond Finance Committee and the Board will be asked to review and approve this Schedule of Financing. Assuming such approval occurs, the Schedule will be forwarded to the State Funding Board for their consideration.

Key Points

The attached Schedule of Financing is required by Tennessee Code Annotated Section 13-23-120(e)(1). The statutory language directs THDA to submit a Schedule of Financing to the State Funding Board showing the financings THDA proposes during the fiscal year. While the preparation of a Schedule of Financing is required, THDA is not required to carry out its financings precisely as shown on the attached Schedule.

Background

The Schedule of Financing is a statutorily required document that THDA's Board of Directors must approve each year prior to the beginning of the fiscal year. It is intended to provide information to the State Funding Board about THDA's expectations for the coming fiscal year with regards to the issuing of bonds. While it represents a good faith estimate as to timing and amounts of bond issues, it does not commit THDA to the terms laid out therein.



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TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULE OF FINANCING
FISCAL YEAR 2023-2024
SUMMARY

The Tennessee Housing Development Agency (“THDA”) is required, under Tennessee Code Annotated Section 13-23-120(e)(1), to submit a schedule to the State Funding Board showing financings proposed for the fiscal year. The proposed schedule for fiscal year 2023-2024 is attached.

Total amount of bonds or notes reflected on Schedule of Financing for Fiscal Year 2023-2024:	\$470,190,000
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TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULE OF FINANCING
FISCAL YEAR 2023-2024

ISSUE 2023-2 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP
July 2023

Sources of Funds

Proceeds of the Issue	\$ 150,000,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 150,000,000
Bond Reserve Funds)
Underwriting Fee/Bond Discount)
Capitalized Interest)
Cost of Issuance)
	\$ THDA contribution, or no more than 1% of bond proceeds, or a combination thereof

ISSUE 2023-3 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP
October 2023

Sources of Funds

Proceeds of the Issue	\$ 200,190,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 200,190,000
Bond Reserve Funds)
Underwriting Fee/Bond Discount)
Capitalized Interest)
Cost of Issuance)
	\$ THDA contribution, or no more than 1% of bond proceeds, or a combination thereof

**ISSUE 2024-1 - RESIDENTIAL FINANCE BONDS –NEW VOLUME CAP
March 2024**

Sources of Funds

Proceeds of the Issue \$ 120,000,000

Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds \$ 120,000,000

Bond Reserve Funds)	
Underwriting Fee/Bond Discount)	\$ THDA contribution, or no more than 1% of
Capitalized Interest)	bond proceeds, or a combination thereof
Cost of Issuance)	

Single Family Bonds Sold in FY 2022-2023

\$ 160,000,000 Issue 2022-3 Residential Finance Program Bonds,
Dated October 27, 2022

\$140,000,000* Issue 2023-1 Residential Finance Program Bonds,
Dated April 25, 2023

TOTAL \$280,000,000

*\$20,000,000 of Issue 2023-1 was issued as taxable bonds

Multifamily Bonds Sold in FY 2022-2023 \$ 0

**Volume Cap Used by Local Issuers
For Multi-Family Housing in 2022** \$ 612,008,616 From THDA’s 2022 Volume Cap Allocation

**Volume Cap Available to Local Issuers
For Multi-Family Housing in 2023** \$ 423,080,500 From THDA’s 2023 Volume Cap Allocation

ASSUMPTIONS

1. A bond issue may include any structure authorized by the Board and approved by the Bond Finance Committee, including, without limitation, convertible option bonds, short term notes, variable rate debt, taxable debt, planned amortization class bonds.
2. Dates of bond issues are based on estimated absorption of available funds and expected need for additional funds for three to four months, subject to the actual rate at which mortgage loans are currently being purchased.

3. THDA anticipates taking the maximum spread allowed under federal law for each bond issue, which is 112 basis points. The maximum spread could, however, be reduced based on program requirements at the time of sale. Interest rates for THDA loans could be further subsidized.
4. THDA anticipates future bonds will be issued under the 2013 General Resolution to avoid triggering the state's moral obligation for THDA bonds.
5. The volume cap assumption is that 50% of the annual total tax-exempt bond authority amount available in Tennessee is made available to THDA at the beginning of each calendar year. This is the allocation to THDA for all tax-exempt housing bond issuance in the state in the current Department of Economic and Community Development plan. For bond issues in calendar year 2022, volume cap carried forward from 2019 will be used. For bond issues in calendar year 2023, volume cap THDA carried forward from 2020 will be used.
6. A THDA contribution may be made with each bond issue as needed to over-collateralize the bond issue for the benefit of THDA borrowers, to fund required reserves, to pay cost of issuance and to ensure that the maximum amount of bond proceeds is used to fund mortgage loans. The amount and source of the THDA contribution is determined at the time it is needed. The amount of the contribution, if needed, is based on the structure of the bond issues, an analysis of debt service requirements of the general resolution under which the bonds are issued, the fee paid to underwriters and an estimate of other costs of issuance expected to be incurred. The source of such THDA contribution is assets available for such purpose under the 2013 General Resolution, 1985 General Resolution or the 2009 General Resolution.



Tennessee Housing Development Agency

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Bill Lee
Governor

Ralph M. Perrey
Executive Director

TO: THDA Bond Finance Committee

FROM: Bruce Balcom, Chief Legal Counsel; Sandi Thompson, Director, Division of State Government Finance

SUBJECT: Bond Counsel Selection

DATE: May 8, 2023

Recommendation

Staff recommends the Bond Finance Committee exercise its option to extend its contract with Kutak Rock, LLP (“Kutak”) for an additional 12 months.

Key Points

The current contract with Kutak expires June 30, 2023. This is the end of the first extension exercised by THDA following the end of the 5 year original term of the contract. The contract includes a provision for extending the term at THDA’s discretion with Kutak’s acceptance. THDA could also commence a formal process for the competitive selection of bond counsel for a longer period. This would require issuing an RFQ.

Background

The current bond counsel contract commenced July 1, 2017 with a five (5) year term. THDA extended the contract an additional year. Kutak has provided THDA with excellent customer service and legal advice the past 6 years. Given the excellent working relationship between THDA and Kutak, and the institutional knowledge concerning THDA’s business that Kutak possesses, staff supports an extension for one additional year.

Kutak has provided critical legal advice to THDA supporting becoming a Freddie Mac seller/servicer and a Ginnie Mae issuer. THDA is expecting to apply with Fannie Mae to become a seller/servicer for them as well. Kutak has been instrumental in assisting THDA in getting these designations, and much of the work that will be needed from bond counsel in this area would require a different firm getting up to speed on what has been done already. The learning curve for another firm would be steep in getting up to speed on THDA’s processes and program decisions coming into it at this late stage.



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Board of Directors Meeting



Tennessee Housing Development Agency

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Bill Lee
Governor

Ralph M. Perrey
Executive Director

THDA Board of Directors Meeting Agenda (directly following conclusion of Bond Finance Committee)

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Nashville Room, Tennessee Towers
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TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
March 21, 2023

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, March 21, 2023, at 10:08 AM CT in the Nashville Room of the William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following board members were present in person: Chair Matt McGauley, Sara Queirolo (for Treasurer David Lillard), Alex Schuhmann (for Commissioner of F&A Jim Bryson), Rob Mitchell, Katie Armstrong (for Comptroller Jason Mumpower), Secretary of State Tre Hargett, Austin McMullen, Jacky Akbari, Chrissi Rhea, Rick Neal and Dan Springer. Those absent were: John Snodderly and Tennion Reed.

Chair McGauley called the Board meeting to order and introduced the new board format, the dissolution of non-statutory committees, and the addition of regular Single Family and Multifamily business updates.

Chair McGauley then opened the floor to anyone present from the public who wished to address the board. Seeing no one, he closed the floor to public comment.

Chair McGauley then recognized Executive Director Ralph M. Perrey for his report. Mr. Perrey shared that:

This year’s Tennessee Housing Conference was the best, and best attended, conference THDA has ever had. There were 759 attendees at the Music City Center. Ed Brady, President of the Homebuilders Institute (HBI), was the opening speaker. His organization supports vocational training in the building trades, and HBI is considering locating one of their centers in Middle Tennessee, an effort that THDA may well want to support.

The Biden Administration has introduced its budget proposal for the federal fiscal year that begins in October. Some items in the President’s budget could impact our work. These items include:

- *Funding for the Affordable Housing Credit Improvement Act (AHCIA)*. This would increase the amount of housing tax credits available to us by 50% over a two year period and index it for inflation thereafter. It would also reduce the so-called “50% test” on bonds to 25%, which would enable THDA to provide tax credits to support perhaps half-again as many bond developments.
- *Neighborhood Homes Investment Act*. This creates a tax credit to provide an incentive for developers to build and rehab homes in places where the cost to build is more than the appraised value of the finished product.

- *First Generation Down-Payment Assistance.* It provides a down payment grant to first generation homebuyers.

The Biden budget also proposes a small increase for the HOME program, and a significant increase in the amount of Housing Choice Vouchers.

We are keeping an eye on legislation in the General Assembly that would create a state tax credit that can be layered on top of the housing tax credits we administer. Tennessee does not have a state income tax, so this is a bit more complicated and the fiscal note is likely to be an issue for state legislators. There are some operational concerns, as well, but it could potentially provide additional subsidy for tax credit developments, enabling THDA to potentially support more developments.

At the conclusion of Mr. Perrey's remarks, Chair McGauley recognized Ms. Lindsay Hall, the Chief Operating Officer for Single Family Programs for a Single Family Programs Business Update. Ms. Hall's update included a comparative loan production report, background on the need for taxable bonds to support the Freddie Mac HFA Advantage product, and the introduction of the new Homeownership for Heroes program.

Next, Chair McGauley recognized Mr. Eric Alexander, the Director of Multifamily Programs for a Multifamily Programs Business Update. Mr. Alexander's update included the number of MBTA applications, with break downs by grand division, the timeline for the 2024 QAP development timeline, and comprehensive review and reorganization of the elements of the current QAP to better inform the 2024 QAP.

Next Chair McGauley recognized Mr. Don Watt, Chief Program Officer, as well as members from the Community Programs and Rental Assistance Divisions to share information about the THDA administered programs that help combat homelessness and/or assist individuals in danger of homelessness.

At the conclusion of the presentation, Chair McGauley asked for consideration of the January 24, 2023 board meeting minutes. Upon motion by Mr. McMullen and a second by Mr. Schuhmann, the motion carried and the minutes were approved.

Chair McGauley asked for consideration of past committee minutes from the Grants, Lending, Rental Assistance, and Tax Credit Committees. He asked board members if there were revisions or changes to any of the minutes. All board members responded that they had no changes to any of the minutes as presented in the board packet. Upon motion by Mr. Neal and a second by Mr. McMullen, the motion carried and the past minutes from the Grants, Lending, Rental Assistance and Tax Credit Committee minutes were approved.

Mr. McGauley then recognized Ms. Cynthia Peraza, Director of Community Programs to present the recent 2022 HOME-ARP Rental Development Program Awards. Ms. Peraza highlighted that THDA awarded over \$10 million of the \$15 million set aside to five organizations that would be creating 81 new units of affordable rental housing. Mr. McMullen asked Ms. Peraza what would be done with the remaining \$5 million and if applicants that did

not meet threshold requirements this time could reapply for that additional money? Ms. Peraza said that there would be another window for HOME-ARP Rental Development Program applications in the future and that new organizations or previous organizations that did not previously meet threshold requirements could reapply.

Mr. McGauley then presented a motion and a second from the Bond Finance Committee to approve Bond Issue 2023-2 as presented in the committee and outlined in the board materials. Upon vote from the full Board, the motion was carried.

Chair McGauley recognized Ms. Cynthia Peraza, Director of Community Programs, to present on the Update to the 2022 Eviction Prevention Pilot Program, as outlined in the memo dated February 22, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted that these funds should be granted directly to the Chattanooga Regional Homeless Coalition for implementation. Upon motion by Mr. McMullen and a second by Secretary Hargett, the motion to approve the Update to the 2022 Eviction Prevention Pilot Program description was carried.

Chair McGauley recognized Mr. Ralph Perrey, Executive Director of THDA, to present on the proposed Grant to support CONVERGENCE-Memphis, as outlined in the memo dated March 9, 2023, from himself as found in the board packet. Mr. Perrey highlighted that this grant of \$250,000 would support three specific initiatives detailed in the board packet. Mr. Neal asked Mr. Perrey if there were any other restrictions on the spending of this money and how progress would be measured? Mr. Perrey confirmed that the grant was restricted to activities outlined in the three initiatives in the board packet and the Executive Director of CONVERGENCE-Memphis will keep the CONVERGENCE-Memphis Board apprised of progress and that information will be shared with the THDA Board of Directors. Upon motion by Ms. Akbari and a second by Ms. Rhea, the motion to approve the \$250,000 grant to support CONVERGENCE-Memphis was carried.

Chair McGauley recognized Ms. Cynthia Peraza, Director of Community Programs, to present on the 2023 Weatherization Assistance Program Application Submission Authorization, as outlined in the memo dated February 13, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted that THDA expects to be awarded \$5.8 million for this program. Upon motion by Mr. Neal, and a second by Ms. Rhea, the motion to approve the 2023 Weatherization Assistance Program Application Submission Authorization was carried.

Chair McGauley again recognized Ms. Cynthia Peraza, Director of Community Programs, to present on the 2020 HOME Program Grant Extension Requests as outlined in the memo dated February 14, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted the challenges these grantees have faced. Mr. McMullen asked Ms. Peraza what happens if the Board does not extend these grant windows and if there is a limit to the number of extensions a grantee can receive? Ms. Peraza responded that we can recapture unexpended funds for projects if grantees do not meet deadlines and reallocate those funds to other grantees, and that the HOME Program does not limit the number of extensions a grantee can request, however it does require the projects to be completed within a 4-year window. Mr.

Neal asked for a further explanation of what the term ‘in process’ in the board memo encompassed? Ms. Peraza responded that ‘in process’ covered a wide range of activities from contract approvals, bids, inspections to actual construction. Upon motion by Secretary Hargett, and a second by Mr. McMullen, the motion to approve the 2020 HOME program Grant Extension Requests for the City of Dyer, the City of Paris, the City of Savannah, DeKalb County, and Union City were carried.

With no further business, the meeting was adjourned at 1154 AM CT.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved this 23rd day of May, 2023

Draft



Tennessee Housing Development Agency

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

Bill Lee
Governor

Ralph M. Perrey
Executive Director

TO: THDA Board of Directors
FROM: Ralph M. Perrey, Executive Director
SUBJECT: Home Builders Institute Grant Request
DATE: May 8, 2023

Recommendation

Approve a grant of \$1 million to the Home Builders Institute (HBI) for the purpose of establishing a BuildStrong training academy in Tennessee. The grant is conditioned on HBI raising sufficient additional funds to open and operate the Academy for at least two years (an estimated \$3 million total).

Background

Need for a Trades Training in Tennessee

The construction industry in Tennessee, like many other states in the US, is currently facing a shortage of skilled labor. According to a report by the National Association of Home Builders, Tennessee has been experiencing a shortage of skilled construction labor since the 2008 recession, and the issue has continued to worsen over the years. This shortage is due to several factors, including an aging workforce, a lack of interest among young people in pursuing careers in the construction trades, and competition from other industries for skilled workers.

The shortage of skilled labor is having a significant impact on the housing supply in Tennessee. Nashville is among a handful of cities across the country that have experienced tremendous growth over the past several years with over one hundred new residents arriving every week. In 2022, despite being the 36th largest metropolitan area, there were only 10 cities that issued more permits for new residential construction. In terms of affordable housing, a 2021 report from the Mayor's Affordable Housing Taskforce projects that Nashville needs to add nearly 54,000 units by 2030 to keep up with demand, or 4,800 units per year.

Bringing a BuildStrong Academy to Nashville

In response to the severe skilled labor shortage, HBI has opened BuildStrong Training Academies in Orlando, New Orleans, and Houston. Sacramento and Charlotte are slated to open in early Fall. HBI's goal is to open 20 BuildStrong Academies across the nation. HBI has identified Nashville as a leading candidate for its next BuildStrong Academy and has begun outreach to its partners to secure needed funding. Industry partners such as The BuildStrong Foundation, The Home Depot Foundation, Stand



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Together Trust, and Home Builder Associations across the country, allow HBI to offer tuition-free construction trades training to anyone 18 years of age or older. The BuildStrong Academies represent a new learning environment that delivers industry-recognized skills training to a new generation of home builders.

At BuildStrong Academy, students receive both theory and hands-on training in the HBI Pre-Apprenticeship Certificate Training (PACT), which is one of only three approved US Department of Labor pre-apprenticeship curricula. Upon completion of the PACT CORE credential, students are provided the opportunity to learn a variety of construction trades, including carpentry, electrical, plumbing, and HVAC. The program is taught by experienced instructors who are passionate about passing on their knowledge and expertise to the next generation of skilled workers.

It is estimated that the BuildStrong Academy program in Nashville, TN will enroll 200 students and certify approximately 98 individuals in year one, with a plan to scale the program incrementally to serve 400 individuals at full capacity. Ultimately, the true measure of HBI success is when graduates move into construction industry-related employment.

By increasing the supply of skilled labor in Tennessee, the BuildStrong Academy program has the potential to positively impact the local community in several ways. First, it can help address the current shortage of skilled labor in the construction industry, which can lead to reduced construction times and costs, increased productivity, and ultimately, increased access to affordable housing.

Second, the program can provide valuable job opportunities and career pathways for individuals in the local community, particularly those who may have faced barriers to employment in the past. By providing training and certification in the skilled trades, HBI can help promote economic mobility and improve the overall quality of life for individuals and families in Tennessee.

THDA's early commitment to the project is likely to accelerate those efforts and begin the development of the Nashville Academy as early as next year. THDA's funding will be contingent on HBI arranging sufficient funding by the end of 2023 to build and operate the Nashville BuildStrong Academy.





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

SUBJECT: Authorization of Annually Funded Programs:

- Habitat for Humanity of Tennessee Set Aside Grant Program Description
- Home Modifications & Ramps Program Description
- Rebuild and Recover Disaster Program Description
- Low Income Home Energy Assistance Program (LIHEAP)
- Weatherization Assistance Program

DATE: May 8, 2023

Recommendation:

Staff recommends the Tennessee Housing Development Agency (“THDA”) Board to take the following action:

- Provide permanent authorization for the program descriptions of the aforementioned programs, including such modifications as proposed in this memo, until such time as other substantive changes are made to the program description;
- Authorize the Executive Director or a designee to award program funds to the applicants or authorized recipients awarded per the applicable program description, as recommended by staff;
- Allow staff to request the Chief Legal Counsel or Assistant Chief Legal Counsel to make minor programmatic changes to the program descriptions, as deemed necessary and appropriate, as approved by the Executive Director; and
- Allow the Chief Legal Counsel and Assistant Chief Legal Counsel to make non-substantial changes and substantial changes without Board Approval if substantial revisions are



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necessary to bring the program into compliance with State or Federal requirements and the revisions do not materially change the essence of the program.

Staff will provide information to the Committee and Board regarding associated funding awards at the meeting that immediately follows the date of the program awards.

Key Points:

Each year, staff has presented numerous memorandums and program descriptions to the Board to request authorization to make funding available or to apply for funding that is annually awarded to the State for administration and the program descriptions for these programs rarely change substantively. Staff seeks permanent authorization of such program descriptions until such time as a program description will be substantively changed. Substantive changes include, but are not limited to, a change in eligible grant recipients, eligible beneficiaries, eligibility requirements, eligible activities, funding limitations, and program cessation.

In an effort to keep the Board apprised of each program allocation and award, staff will continue to provide information to the Board regarding the associated funding awards at the Board meeting that immediately follows the date of the program awards.

Currently, staff is seeking permanent approval of the program descriptions for the following programs:

Rebuild and Recover Disaster Program:

THDA created the Rebuild and Recover Disaster Program (“R&R”) to help address weather-related incidents in communities when it is doubtful that the damage will qualify for assistance from either the Federal Emergency Management Agency (“FEMA”) or the Tennessee Emergency Management Agency (“TEMA”). The Program also assists communities with a declared federal disaster declaration where the impact to housing has been so severe that additional resources are necessary to assist in the community’s recovery.

Beginning with State FY2024, staff recommends increasing the maximum amount of Tennessee Housing Trust Fund monies available to the program from \$500,000 to \$600,000 and the project subsidy limit from \$65,000 to \$85,000 in order to assist with material and labor cost increases in the market.

Home Modification and Ramps Program:

THDA makes funding available annually to administer the Home Modification and Ramps Program (“HMR”) through the United Cerebral Palsy of Middle Tennessee (“UCP”) through a two-year allocation from the THTF to continue our joint efforts to expand statewide accessibility and preservation of homes occupied by individuals with physical disabilities who earn at or below 80% of the Area Median Income.



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Beginning with State FY2024, staff proposes to increase the biennial amount of THTF resources made available to the program from \$300,000 to \$400,000. Correspondingly, staff proposes to increase the maximum amount available per ramp installation from \$1,500 to \$2,000 and per other housing modifications from \$7,500 to \$8,500. Both changes are sought to assist with material and labor cost increases in the market.

Habitat for Humanity of Tennessee Set-Aside Program:

THDA maintains a partnership with Habitat for Humanity of Tennessee ("Habitat") through an annual allocation of \$500,000 to help continue the Habitat's statewide effort to provide affordable housing opportunities for low income households who are pursuing homeownership and earn at or below 80% of the Area Median Income.

Low Income Home Energy Assistance Program (LIHEAP):

The U.S. Department of Health and Human Services (HHS) annually accepts applications, known as the Model Plan, by September 1 of each year which describes how the State of Tennessee plan to implement LIHEAP for the upcoming federal fiscal year. The program assists low income households, primarily those who pay a high proportion of household income on home energy, to meet their immediate energy needs. A portion of the funds are also made available to assist households eligible under the Weatherization Assistance program.

The Model Plan serves as the program description for THDA's operation of the program on behalf of the State of Tennessee. LIHEAP is subject to the federal regulations found at regulations 45 C.F.R. § 96. Grantees for LIHEAP funding are those agencies meeting the federal definition of an "eligible entity," including Community Action Agencies (CAA) or other public or nonprofit entities selected on the basis of public comment received during a public hearing conducted pursuant to 45 C.F.R. §96 and other appropriate findings regarding:

1. The subgrantee's experience and performance in LIHEAP;
2. The subgrantee's experience in assisting low-income persons in the area to be served; and,
3. The subgrantee's capacity to undertake a timely and effective LIHEAP program.

Weatherization Assistance Program

The U.S. Department of Energy annually accepts applications from States in May to the Weatherization Assistance Program ("Program") for the program year which begins on July 1. The activities carried out are subject to federal regulations found at 10 CFR Part 440 ("Weatherization Regulations"). The annual application serves as the Program Description and defines the operation of the Program in Tennessee. Funds may be used to provide direct assistance to help low-income households in lowering their fuel costs through increased energy efficiency of their homes. Households that include young children, the elderly those individuals with a disability, or veterans are given priority for service.



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

1. The Sub-grantee's experience and performance in weatherization or housing renovation activities;
2. The Sub-grantee's experience in assisting low-income persons in the area to be served; and,
3. The Sub-grantee's capacity to undertake a timely and effective weatherization program.

THDA’s Program allocation will provide funding to cover three activities: Program, Readiness, and Training & Technical Assistance (T&TA).

1. Program funds can be used to weatherize single-family (1-4 unit) residences for low income households to help improve energy efficiency. Activities can include, but are not limited to repair or replacement of HVAC units, water heaters, insulation, windows and doors, lighting upgrades to energy efficient bulbs, low-flow showerheads and replacement of inefficient refrigerators. Weatherization of a home results in long-term savings as well as increasing the safety and comfort of the household.
2. Readiness funds cover conditions in the home that require repairs outside of the scope of Weatherization, such as asbestos abatement, fumigation for pest control, and extensive structural damage.
3. T&TA funds are used to cover ongoing training and technical assistance required for the Program throughout the year.

Program, Readiness and a portion of administrative funds will be allocated to subgrantees directly administering the program across Tennessee. THDA will retain the balance of funding for administrative expenses and program-related T&TA expenses as permitted under federal regulations.

Staff annually conducts public meetings prior to the submission of the application to explain the Program and funding distribution and receive input on the Program operation and requirements.



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TENNESSEE HOUSING TRUST FUND

~~2022~~20234 Habitat for Humanity of Tennessee Program Description

The Tennessee Housing Development Agency (“THDA”) wishes to maintain its partnership with Habitat for Humanity of Tennessee (“Habitat”) through an annual allocation from the Tennessee Housing Trust Fund (“THTF”) of \$500,000 to continue the Habitat’s statewide effort to provide affordable housing opportunities for homeownership. ~~THDA will provide a one-time \$1 million increase to the 2022 Habitat for Humanity of Tennessee Program allocation on behalf of the State to match the anonymous donation received by Habitat, bringing the total allocation available for 2022 to \$1,500,000.~~

A. ELIGIBLE ACTIVITIES:

1. Homeownership Programs. Homeownership programs must address the housing needs of households at or below 80% of area median income. A minimum of 50% of the program allocation must be used to assist households who earn 60% or below of the area median income.
 - a. Development of Units for Homeownership. THTF funds must be used as a construction financing pool to develop new single-family units or to acquire and rehabilitate existing units for sale to eligible homebuyers.
 - b. Permanent Financing. The proposed permanent financing must be at an interest rate that does not exceed the prevailing THDA Great Choice Loan interest rate by more than one percentage point. All loans must have a fixed interest rate fully amortizing over a 30-year loan term. There can be no pre-payment penalty for early payoffs. THDA Great Choice Loans may be used for permanent financing if the proposed homebuyer meets all THDA mortgage loan requirements.
 - c. Homebuyer Education. Homebuyers must complete Pre-Purchase Homebuyer Education training from a THDA qualified homebuyer education trainer prior to purchase.
 - d. Sales Price Limit. The sales price limit for homeownership programs must not exceed the most current applicable HOME Program Property Value Limits for the County in which the unit is located. The most current HOME Program Value Limits are available on the

THDA website at: <https://thda.org/business-partners/home>.

- e. Ownership. The homebuyer must obtain fee simple title to the property.
 - f. Occupancy. The homebuyer must occupy the housing as his/her principal residence.
2. Administration. Seven percent (7%) of the Habitat Tennessee Set-Aside is available for administration.
 3. HTF Manual. The requirements of the 2012 HTF Manual apply to the Habitat Tennessee Set-Aside.

B. PROHIBITED ACTIVITIES:

1. Pledge THTF funds as support for tax-exempt borrowing.
2. Provide off-site improvements or neighborhood infrastructure or public facility improvements.
3. No portion of the THTF funds or the required local match may be used for administrative expenses by local governments.
4. Assist private for-profit or private non-profit owners of rental property.
5. Homeowner rehabilitation projects.

C. MATCH:

There is a 50% match requirement for the THTF funds. The matching funds can be provided by grants from other agencies; federal sources such as the Community Development Block Grant (“CDBG”) program or USDA Rural Development; contributions by local church groups or local agencies; contributions by individuals; bank loans; or a funding pool established by a local lender for the applicant. THDA HOME grants and other THDA THTF program funds will not be an eligible source of the matching funds.

However, HOME grants from local participating jurisdictions would be an eligible source of match.

D. PROGRAM REQUIREMENTS:

1. Income Limits. THTF funds for homeownership projects may be used to benefit households

whose gross annual income does not exceed 60% of the area median income, adjusted for family size.

The THTF uses the income limits established by the U.S. Department of Housing and Urban Development for the HOME Program, and household income as defined by the Section 8 Rental Assistance Program. Current limits are on the THDA website at <https://thda.org/business-partners/home>. The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other family member residing in the home. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

2. *Structure of Homeownership Assistance.* The THTF funds for construction or acquisition and rehabilitation will be rolled into the permanent first mortgage loan for the buyer and secured by a Promissory Note and a recorded Deed of Trust.
3. *Property Standards.* Certain property standards must be met when THTF funds are used for a project. Any homeownership units constructed or rehabilitated with THTF funds must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion.

In the absence of a local code, new construction of single-family units or duplexes must meet the current, State-approved edition of the International Residential Code for One- and Two-Family Dwellings; and rehabilitation of existing units must meet the current, State-approved edition of the International Existing Building Code.

New construction projects must also meet the current edition of the International Energy Conservation Code.

E. PROCUREMENT:

It is important to keep the solicitation of bids for goods and services, materials, supplies and/or equipment open and competitive. Habitat must follow their procurement policies. At a minimum, there must be an established selection procedure and a written rationale for selecting the successful bid or proposal.

F. MARKETING REQUIREMENTS:

One goal of the THTF is to raise the profile of affordable housing at the local, state and federal level, and to demonstrate that decent housing affects all facets of community development. Habitat must develop marketing and public relations plans to accentuate the achievements of the THTF. THDA's Communications Division will assist in developing these plans. Habitat

will be required to submit data and beneficiary stories to THDA.

G. FAIR HOUSING AND EQUAL OPPORTUNITY:

Habitat must comply with both state and federal laws with regard to fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of race, color, creed, national origin, religion, age, disability, familial status or sex.

In particular, Habitat program administrators will need to be aware of discrimination issues with regard to housing opportunities, employment opportunities, business opportunities, and benefits resulting from activities funded in full or in part by THTF dollars.

THDA requires that Habitat establish procedures to inform the public and potential homebuyers of federal Fair Housing laws and Habitat's affirmative marketing program, outline procedures by which Habitat will solicit applications from potential homebuyers, and maintain records of efforts to affirmatively market homeownership units.



TENNESSEE HOUSING TRUST FUND
2021-2023 Home Modifications and Ramps (HMR) Program Description

The Tennessee Housing Development Agency (THDA) wishes to maintain its partnership with United Cerebral Palsy of Middle Tennessee (UCP) through a biennial allocation from the Tennessee Housing Trust Fund (THTF) of ~~\$300,000,000~~ to continue our joint efforts to expand statewide the accessibility of homes occupied by individuals with physical disabilities.

UCP may use a maximum of \$150,000 for costs incurred associated with the implementation of eligible activities between July 1, ~~2021-2023~~ and June 30, ~~2022-2024~~. UCP may use balance of the remaining funds for similar costs through June 30, ~~2023-2025~~.

A. ELIGIBLE ACTIVITIES:

1. Construction and/or Installation of Ramps – A maximum of ~~\$1,500,000~~ per household is allowed to purchase lumber and supplies to construct the wheelchair ramp and to provide on-site design services, construction management oversight, liability insurance, and volunteer recruitment and on-site management.
2. Construction of Other Housing Modifications – A maximum of ~~\$78,500~~ per household is allowed to cover associated costs of accessibility modifications to the interior of a residence, including, but not limited to accessible bathrooms, grab bar installation and other activities specific to accessibility needs of the individual with a physical disability. Associated costs may also include on-site design services, construction management oversight, liability insurance, and volunteer recruitment and on-site management.
3. Administration - Ten percent (10%) of the funds awarded may be allocated for program administration, including, salaries, rent, transportation, communications, supplies, and utilities that are associated with the administration of the HMR funds. Indirect costs must be billed in accordance with a cost allocation plan prepared for UCP that is on file with THDA.

B. ELIGIBLE HOUSEHOLDS:

Households which include an individual with a physical disability and which earn at or below 80% of the Area Median Income as established for the county in which the household resides by the U.S. Department of Housing and Urban Development for the federal HOME program and

based on the definition of household income as established by HUD for the Section 8 Rental Assistance program.

The household may be either the owner or the renter of the applicable unit that is the primary residence of the person with a physical disability.

C. MATCH

UCP must contribute a 50% match for the HMR funds provided by THDA. The match contribution may be provided by:

- Grants from other agencies, including, but not limited to, federal sources such as state or local entitlement Community Development Block Grant (CDBG) programs HOME Investment Partnership (HOME) programs administered by state or local participating jurisdictions or their subgrantees, or the programs of USDA Rural Development;
- Contributions by local church groups or local agencies;
- Contributions by individuals;
- Bank loans;
- Volunteer Labor; or,
- The value of caregiver hours provided for the individual with a physical disability.

THDA funds to communities or organizations through the THTF Competitive Grants Program, Emergency Repair Program, National Housing Trust Fund Program, Tennessee Renovation Loan Program, or the Appalachian Renovation Loan Program are ineligible sources of matching funds.

D. PROGRAM REQUIREMENTS

1. The program must be made available to eligible households across Tennessee, serving both rural and urban communities.
2. Construction activities must meet local building codes applicable for the jurisdiction in which the unit is located as well as minimum requirements established under the Americans with Disabilities Act of 2010.
3. Construction may take place on single family units owned by the individual with a disability and/or their family member; Construction also may take place on a rental house with specific permission from the landlord or property owner. Construction may not take place in apartment buildings, state-supported housing, or multiple-unit dwellings.
4. As a program funded under the THTF, one goal of the HMR Program is to raise the profile of affordable, accessible housing at the local, state and federal level. To accomplish this goal, the UCP must implement a marketing and public relations component in cooperation with THDA's Communications Division.

5. No person shall on the grounds of race, color, religion, sex, familial status, national origin, or disability be excluded from participation, denied benefits or subjected to discrimination under this program.
6. UCP must maintain and implement procedures to inform the public about the assistance opportunity available through the HMR resources at locations accessible and available to individuals with physical disabilities.
7. Any person who is an employee, agent, consultant, officer or elected official or appointed official of THDA or UCP and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HMR funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may not obtain a financial interest or financial benefit from an HMR assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to any HMR assisted activity, or the proceeds from such activity, either for themselves or those whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister) grandparent, grandchild, and in laws of a covered person.

UCP must avoid conflict of interest and the appearance of a conflict of interest in administering HMR funds. UCP must present activities that raise the appearance of a conflict of interest to THDA. THDA must review and issue a determination prior to any actions taken by UCP. THDA may require UCP to repay any HMR funds used in a way that violates this provision.

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**TENNESSEE HOUSING TRUST FUND
REBUILD AND RECOVER DISASTER PROGRAM**

2024 Program Description

The Rebuild and Recover Disaster Program (“Rebuild and Recover”) was created to address weather-related incidents in local communities when it is doubtful that the damage will qualify for assistance from the Federal Emergency Management Agency (“FEMA”). This Program Description broadens that goal to also assist communities with a declared federal disaster declaration where the impact to housing has been so severe that additional resources are necessary to assist in the community’s recovery.

A. ELIGIBLE INCIDENT

An eligible incident is any weather-related event in a geographically defined area that either:

1. Includes at least 25 damaged owner-occupied homes where the incident is not likely to rise to the level of a Presidential Disaster Declaration for Individual Assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act or be the subject of a state disaster declaration by the Tennessee Emergency Management Agency (“TEMA”).

OR

2. Has received a Presidential Disaster Declaration for Individual Assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and the event was of the severity and magnitude that the need for supplemental Federal assistance was determined to be necessary prior to the completion of joint Federal, State, and local government Preliminary Damage Assessment as permitted by 44 CFR §206.33(d) and §206.36(d).

Staff of the Tennessee Housing Development Agency (“THDA”) will schedule a visit to the affected community to assess the level of damage. THDA will then wait a week to see if FEMA or TEMA make any declaration concerning the geographical area. THDA’s Executive Director will have the sole discretion to determine whether a community is eligible for assistance and, if so, what the appropriate amount of assistance is. If the Executive Director determines a community is eligible for assistance, then THDA will issue a Rebuild and Recover grant contract to an eligible grantee within the area.

If FEMA or TEMA ultimately make declarations that permit individual assistance for the eligible incident, THDA will not rescind the Rebuild and Recover grant.

B. ELIGIBLE GRANTEES

Only local governments and non-profit agencies that meet the requirements listed below are eligible to receive a grant under the Rebuild and Recover Program.

1. Local Governments. A County or City Mayor may elect to administer the Rebuild or Recover Program for their jurisdiction. To be considered eligible, the jurisdiction must be located within a geographical area impacted by an eligible incident.

However, a local government should consider its capacity to fairly and equitably administer the grant and consider entering into one of the following agreements:

- a. Administration Agreement. The local government could enter into an Administration Agreement with the local development district or, after following applicable procurement requirements, an eligible non-profit or for-profit organization to administer the grant on behalf of the local government.
 - i. Non-profit Administrator. To be an eligible administrator of the grant, the local government must provide THDA with documentation that the non-profit organization meets all of the requirements of a non-profit grantee under Section B.2., with the exclusion of the charter and by-laws.
 - ii. For-profit Administrator. To be an eligible administrator of the grant, a for-profit organization must have at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee satisfactory to THDA in its sole discretion.
 - iii. The local government will remain responsible for all grant requirements and any agreements and other legal documents will remain between the local government and the affected homeowner.
 - b. Sub-grant Agreement. With THDA's consent, a local government may sub-grant the Rebuild and Recover funds to a non-profit organization. The local government must provide THDA with documentation that the non-profit organization meets all of the requirements of a non-profit grantee under Section B.2. before any sub-grant is executed.
 - i. Subgranting the funds to a non-profit agency is not the same as procuring a non-profit as a program administrator. As a subgrantee, the non-profit will administer the program, enter into all agreements with homeowners to provide assistance, and remain responsible for the long-term compliance requirements associated with each unit assisted. However, the grantee will remain responsible to THDA under the grant contract for assuring all program compliance requirements are met.
2. Non-profit Organization. To be an eligible grantee under the Rebuild and Recover Program, the non-profit organization must provide THDA with a letter of acknowledgement from the County Mayor that the County has designated the nonprofit organization to seek Rebuild and Recover assistance on behalf of the County and documentation that the non-profit meets the following requirements:

- a. Current Charter and By-Laws;
- b. Valid 501(c)(3) designation letter from the Internal Revenue Service (IRS);
- c. Current Certificate of Existence from the Tennessee Secretary of State dated within thirty (30) calendar days of the application to THDA under the Rebuild and Recover program; and
- d. Has at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee, satisfactory to THDA in its sole discretion.

C. MAXIMUM GRANT

The maximum grant awarded under the Rebuild and Recover Program is \$~~500~~600,000 and the minimum grant is \$100,000. Only one request per eligible incident per will be accepted by THDA.

D. ELIGIBLE ACTIVITIES

1. **Rehabilitation of owner-occupied housing.** Rebuild and Recover funds will be provided as grants to owner-occupants to address repairs, including reconstruction, not covered by insurance or other disaster relief programs.
2. **Demolition.** Rebuild and Recover funds may be used to cover the cost to demolish owner-occupied housing that cannot be rehabilitated and re-occupied.
3. **Relocation.** Rebuild and Recover funds may be used to cover the cost to relocate homeowners out of a flood plain.
4. **Administration.** Up to 5% of a Rebuild and Recover grant may be used for administrative costs.

E. PROHIBITED ACTIVITIES

1. Pledge Rebuild and Recover funds as support for tax exempt borrowing by local grantees;
2. Provide off-site improvements or neighborhood infrastructure or public facility repairs or improvements;
3. Provide assistance to private, for-profit or to private non-profit owners of rental property.
4. Provide assistance to public housing authorities.
5. Provide assistance for the development of housing for sale to home buyers.

6. Provide rental assistance.

F. MATCH/LEVERAGE

The Rebuild and Recover Program requires a 50% match for any Rebuild and Recover grant. The matching funds can be provided by in-kind services from other State agencies; federal sources such as the CDBG program, USDA Rural Development or the Federal Home Loan Bank (FHLB) disaster program; contributions or in-kind services by local church groups or local agencies; or contributions by individuals. Other THDA programs including, without limitation, HOME grants to communities or non-profit agencies, will *not* be eligible sources of the matching funds. However, while they will not qualify as matching funds, other THDA-funded programs, including the HOME and Emergency Repair Program may be used to complete the rehabilitation or reconstruction of the damaged unit.

Although a grantee may meet the local match requirement from in-kind services by state agencies, or local agencies or church groups, there will still be a need for additional assistance to fully rehabilitate individual homes. Insurance payments, donated materials and volunteer labor to eligible homeowners may also count as match. Grantees are encouraged to access the FHLB Disaster Reconstruction program, which can provide an additional \$20,000 per unit.

In order to leverage additional funds, twenty-five percent (25%) of a Rebuild and Recover grant may be drawn as the first funds in the recovery effort before the grantee has secured the required match.

G. PROGRAM REQUIREMENTS

1. INCOME LIMITS

Rebuild and Recover grants may only be used to benefit low or very-low-income households. "Low income" means an individual or household whose gross income does not exceed 80% of the area median income, adjusted for family size. "Very low income" means an individual or family unit whose gross annual income does not exceed 50% of the area median income, adjusted for family size.

Rebuild and Recover grants use the income limits established by the US Department of Housing and Urban Development for the HOME Program, and household income as defined by the Section 8 Rental Assistance Program. Current income limits are posted on the THDA website at www.thda.org under the Community Programs tab. The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other family member residing in the home. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

2. PROPERTY STANDARDS

Property standards must be met when a Rebuild and Recover grant is used for a project. Any housing constructed or rehabilitated with any Rebuild and Recover grant must meet all applicable local codes and zoning ordinances at time of project completion. Additionally, all units must meet THDA's Design Standards for Rehabilitation or, if reconstructed, THDA's Design Standards for New Construction, at the time of project completion.

In the absence of a local code, new construction of single-family units or duplexes must meet the current, State-approved edition of the International Residential Code for One- and Two-Family Dwellings; and the rehabilitation of existing homeowner units must meet the current, State-approved edition of the International Existing Building Code.

New construction projects must also meet the 2012 International Energy Conservation Code as well as accessibility and disaster mitigation requirements as applicable per State and local codes, ordinances, etc.

THDA must review and approve plans, work write-ups and written cost estimates and determine cost reasonableness for both reconstruction and rehabilitation prior to putting the project out to bid.

All completed work must be inspected by a qualified inspector. THDA has defined a "qualified inspector" as an individual with credentials appropriate for the type of work being performed, such as inspectors licensed by the State of Tennessee as Building Inspectors or Home Inspectors; individuals certified by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code Congress as a Housing Inspector; or individuals qualified as FHA Fee Inspectors. Other qualifications may be accepted on a case by case basis.

3. SUBSIDY LIMIT

The maximum per unit subsidy from a Rebuild and Recover grant is ~~\$6585~~,000. This amount may not be sufficient to rehabilitate a homeownership unit in compliance with the Property Standards referenced in Section G. 2 above. Grantees should seek additional funding specific to eligible homeowners.

4. COMPLIANCE PERIOD

Grants for homeowner rehabilitation projects that do not include reconstruction will have a compliance period of five years with a forgiveness feature of 20% annually. In order to enforce the compliance period, THDA will require that a grantee have assisted homeowners execute a grant note and a recorded deed of trust.

Grants for homeowner rehabilitation projects that include reconstruction will have a compliance period of fifteen years with a forgiveness feature of 6.67% annually.

In order to enforce the compliance period, THDA will require that a grantee have assisted homeowners execute a grant note and a recorded deed of trust.

If the homeowner of a property that has been rehabilitated dies during the compliance period and the property is inherited by heirs, the property may be rented without repaying the unforgiven portion of the Rebuild and Recover subsidy to THDA. However, if the house is sold by the heirs during the compliance period, the remaining unforgiven portion must be repaid to THDA.

Grants for the demolition of owner occupied housing will not require a compliance period.

H. PROCUREMENT

The solicitation of bids for goods and services, materials, supplies and/or equipment using Rebuild and Recover grants, must be open and competitive. Rebuild and Recover grantees must follow their procurement policies. At a minimum, there must be an established contractor selection procedure and a written rationale for selecting the successful bid or proposal.

J. MARKETING REQUIREMENTS

Each successful Rebuild and Recover grantee must work with the Industry and Government Affairs Division and the Communications Division of THDA to publicize the availability and effectiveness of the Rebuild and Recover Program in their communities. This marketing can include, but is not limited to, photo opportunities and beneficiary stories.

K. FAIR HOUSING AND EQUAL OPPORTUNITY

Each grantee funded under Rebuild and Recover must comply with both state and federal laws with regard to fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of: race, color, national origin, religion, age, disability, familial status or sex.

In particular, program administrators will need to be aware of discrimination issues with regard to: housing opportunities; employment opportunities; business opportunities; and benefits resulting from activities funded in full or in part by Rebuild and Recover.

THDA requires that each grantee establish procedures and hold a public meeting to outline the application process for potential homeowners, including the income guidelines, match requirements, and property standards of the program; and federal Fair Housing laws.

L. REPORTING

The Executive Director shall periodically report to the THDA Board of Directors regarding Rebuild and Recover grants awarded. Each report must include information about the eligible

incident, the local community involved, the amount of the Rebuild and Recover grant awarded, and information about FEMA or TEMA declarations, if any.

M. BOARD ACTION:

The Tennessee Housing Development Agency Board of Directors authorized the Chief Legal Counsel and Assistant Chief Legal Counsel to make non-substantial changes and substantial changes without Board Approval if substantial revisions are necessary to bring the program into compliance with State or Federal requirements and the revisions do not materially change the essence of the program.~~staff in that board meeting on May 24, 2022 to make minor program changes and housekeeping changes to the program, as deemed necessary by appropriate THDA staff or as directed by any federal agency, and for appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes.~~

THDA may provide notice of changes by posting such changes to its website at: <https://thda.org/government-nonprofit-partners/tennessee-housing-trust-fund/rebuild-and-recover-program>.



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

SUBJECT: National Housing Trust Fund Grant Extension Request

DATE: May 8, 2023

Recommendation

Staff recommends the approval of an extension request for a National Housing Trust Fund (“NHTF”) grant awarded to the Memphis Housing Authority for a period of fifteen (15) months, extending their contract end date from June 30, 2023 to September 30, 2024, as further described below.

Background

In 2020, THDA awarded a \$754,608 grant to the Memphis Housing Authority under the 2020 NHTF Program. The grant is being used to help develop the Edgeview at Legends Park, a senior community with a budget of \$23.5 million, which will be an additional component of the multi-phased, master-planned transformation of the former Dixie Homes Public Housing Community. The senior community will house 99 elderly seniors, targeting Memphis residents with very low income (50% AMI) and extremely low income (30% AMI) as well as homeless veterans. The project has multiple subsidy layering that include HUD Project-Based Voucher funded units, Low Income Housing Credits, City of Memphis Affordable Housing Trust Fund resources, THDA Competitive Grants monies, and private financing.

The Edgeview at Legends Park project faced delays in obtaining its HUD Section 18 disposition approval, which allows them to demolish or dispose of public housing. Now that the issue has been resolved, staff is recommending the approval of their request to extend their 2020 NHTF Program award for 15 months.

If approved for the extension, the Memphis Housing Authority expects to complete construction by July 31, 2024. Two additional months are provided to accommodate unanticipated supply chain delays.



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MEMPHIS HOUSING AUTHORITY



700 Adams Avenue
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(901) 544-1102

DEXTER D. WASHINGTON
CHIEF EXECUTIVE OFFICER

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March 23, 2023

Cynthia Peraza
Director of Community Program Division
Tennessee Housing Development Agency
502 Deaderick St,
Nashville, TN 37243

RE: Edgeview at Legends Park – Request for 12-Month Extension for National Housing Trust Fund Expenditure Deadline NHTF-20-03 – (Aka Legends Park Senior)

Dear Director Peraza,

On behalf of the Edgeview at Legends Park project (NHTF 20-03), the Memphis Housing Authority and Pennrose are respectfully requesting a 12-month extension to expend NHTF funds. The current deadline is June 30, 2023, with a request to expend funds by June 30, 2024.

Edgeview at Legends Park is an additional component of the multi-phased, master-planned transformation of the former Dixie Homes Public Housing Community. The senior community will house 99 elderly seniors, targeting Memphis residents with very low income (50% AMI) and extremely low income (30% AMI) as well as homeless veterans (all units will be covered by MHA PBV). Additionally, the Project is adjacent to several community health resources beneficial to seniors with very low and extremely low incomes, including the Memphis Veterans Administration Hospital. To help fund this project, we have had to secure funding from multiple layers of both public and private (non-profit) funding sources, including THDA NHTF and THTF. As part of the closing process for a PBV-funded, former public housing Project, we were required to complete the subsidy layering and HUD Section 18 Disposition approval process. Due to delays that we have experienced in getting full HUD approval on this Project, we returned our 2022 THDA MTBA Reservation of Credits in anticipation of a 2023 THDA MTBA Application.

Subsequently, we submitted our 2023 THDA Application in March 2023 (TN #23-203) in anticipation of a scheduled June 2023 construction closing. We believe that this request for an extension will provide the additional time needed to construction this important Project.

Respectfully submitted,

Dexter D. Washington
Chief Executive Officer

C: Bill Lord, THDA
Aaron Toran, THDA
Allison Moore, THDA

**NATIONAL HOUSING TRUST FUND
 TENNESSEE HOUSING DEVELOPMENT AGENCY
 PROJECT TIME TABLE FINAL**

Provide the Following Project Milestones for the Project	Date of Milestone
Acquisition of Project or Real Property	Complete
Zoning/Plat Approval	Complete
Tax Abatement Approval	Complete
Environmental Review Start	Complete
Site Plan Approval	Complete
Building Permit	2/15/2023
Closing Dispersment of Bridge or Predevelopment Funding	N/A
Closing and Dispersment of Construction Financing	5/15/2023
Construction Start	6/1/2023
Construction Completion	7/31/2024
Start Lease-up / Rent-up of Rental Units	8/1/2024
Stabilized Occupancy of Rental Units	3/1/2025
Closing and Dispersment of Permanent Financing	7/1/2025

Applicant timeline explanation or clarification

The project is quickly moving toward financial closing, which is anticipated May 2023. NHTF are expected to be exhausted at closing.



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: Tennessee Housing Development Agency Board of Directors

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

SUBJECT: Emergency Rental Assistance 2 Set-Aside Award Recommendation

DATE: May 8, 2023

Recommendation:

Staff is recommending authorization to set-aside approximately \$45 million of Emergency Rental Assistance Program Round 2 (“ERA 2”) funds to award Shelby and Knox County with additional funds to help them continue to administer their existing Emergency Rental Assistance Program within their county.

Staff recommends the THDA Board take the following action:

- Authorize the Executive Director or a designee to award the ERA 2 funds to the localities described below, as recommended by staff;
- Allow staff to make minor programmatic changes, as deemed necessary and appropriate, as approved by the Executive Director; and
- Allow the Chief Legal Counsel and Assistant Chief Legal Counsel to make non-substantial changes and substantial changes without Board Approval if substantial revisions are necessary to bring the program into compliance with State or Federal requirements and the revisions do not materially change the essence of the program.

Key Points:

Staff is recommending to set-aside and award part of the State’s ERA 2 funds to the following localities to help them continue to administer their existing ERA programs within their county:



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- Up to \$5 million to Shelby County
- Up to \$40 million to Knox County

The purpose of the ERA 2 is to assist eligible households with financial assistance and provide housing stability services to help low-income tenants remain housed.

Background:

The Tennessee Housing Development Agency (“THDA”) administers the Emergency Rental Assistance (“ERA”) for the U. S. Department of the Treasury (“Treasury”), as established by Section 3201 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) (“ERA 2”), through THDA’s COVID-19 Rent Relief Program (“CVRR”).

Tennessee received over \$332 million to administer the ERA 2 funds through its CVRR. The ERA 2 portion of the CVRR program launched on April 1, 2022 and closed its application portal to new applications on January 6, 2023.

As of May 1, 2023, the CVRR has disbursed \$113,846,270 in program funds and assisted 25,945 households with rental assistance and/or housing stability costs to help them remain housed and prevent homelessness.

THDA’s contract with its vendor, HORNE, LLP, ends on June 30, 2023. In an effort to retain the ERA 2 funds within the State, staff is recommending to award a portion of the anticipated remaining program funds to the localities that received ERA funds directly from Treasury and are actively administering an ERA program.



Tennessee Housing Development Agency

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502 Deaderick Street, Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

TO: THDA Board of Directors

FROM: Lindsay Hall, Chief Operating Officer of Single Family Programs
Rhonda Ronnow, Director of Single Family Loan Operations

SUBJECT: New Start Maximum Loan Limit Change Statewide and Blue Oval City New Start Program Allocation Set-Aside.

DATE: May 8, 2023

Recommendation

The following are recommended changes to the New Start Mortgage Loan Program that require Board action:

- Increase the New Start Program loan limit to \$200,000 statewide.
- Provide a set aside of \$1 million dollars in New Start Loan Program allocation for the counties in the Blue Oval City region.

Key Points

Increase the New Start loan limit to \$200,000 statewide

The New Start Loan Program funds mortgages loans for the purchase of new construction homes built by a variety of non-profit housing agencies that are approved to participate in the New Start Loan Program. The New Start Loan Program serves individuals and families whose incomes fall below 60% of the area median income for Tier I and 70% of area median income for Tier II; in their respective counties. Tier I loans are funded at a 0% fixed interest rate for a term of 30yrs and Tier II loans are funded at half of the current Great Choice Program interest rate. The New Start Loan Program currently has a maximum loan limit of \$200,000 in middle Tennessee's high cost counties (Maury, Williamson, Davidson, Rutherford, Wilson, and Sumner) and \$140,000 in the remaining counties within the state.



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Although the current loan limit is meeting the needs of the middle Tennessee counties; the remaining counties in Tennessee have been negatively impacted by the recent and rapidly growing costs of land, development, construction materials and labor. These increased cost impede the ability of many participating non-profit housing agencies to continue to cover their cost of construction of these homes. Therefore staff is requesting to have one loan limit of \$200,000 state wide for the New Start Loan Program.

New Start Loan Program Set-Aside for the Blue Oval City Region for fiscal years 2023/2024 and 2024/2025

With the anticipated opening of the Ford Blue Oval City electric car plant in Stanton Tennessee; staff is recommending an additional \$1 mil dollars be added to the annual allocation of funds to the New Start Loan Program. The current annual allocation amount is \$6 mil dollars. The additional \$1 mil dollars in allocation is to be specifically utilized in the Blue Oval City region where there is a great need for affordable housing.

Background

The New Start Loan Program has been in existence for over a decade. Through the combined efforts of non-profit housing agencies and many of the Habitat for Humanities throughout Tennessee, THDA has funded over 1200 affordable mortgages with a combined portfolio size of just over \$60 million to date. The allocation amount provided to the New Start Program is \$6 million per year. The families served work alongside the non-profit housing partners in the construction of their homes as well as spending months to prepare through extensive homebuyer education. For these families homeownership can change the trajectory of their family’s lives by building roots within a community.

In order to understand the impact made by the New Start Program to the lower income families of Tennessee, the chart below compares the New Start Loan Program to the Great Choice Loan Program:

<u>Program Comparison</u>	<u>New Start Mortgage Loan Program</u>	<u>Great Choice Mortgage Loan Program</u>
Required Down Payment	25%	3.5%
Maximum debt to income ratios	29/41	45
Mortgage insurance or loan guarantee	Non-profit housing agency participant guarantees loan	Mortgage insurance required
Maximum loan amount	\$200,000 (proposed statewide)	Up to 341,575
Interest rate	Tier I 0% and Tier II half of the current Great Choice rate	Current bond/or market rate
Maximum Loan to Value of 1st mortgage	75%	96.5 to 100%
Minimum Fico Score	620	640
Delinquency rate 60+ days	3.81%	6.09%



New Start Loan payment calculation based on the maximum \$200,000 loan limit:

Principal calculation on a New Start Tier I loan with a 0% interest rate with a 30 year term is \$556.00

Principal and interest calculation on a New Start Tier II loan with an interest rate of 2.75% (50% of the current Great Choice Program rate) and a term of 30 years is \$816.00

Principal and interest calculation on a Great Choice loan with an interest rate of 5.5% for a term of 30 years is \$1,136.00

Creating homeownership for this underserved population continues to be a challenge in Tennessee. A large portion of the homeowners served by the New Start Loan Program are minority or disabled homeowners. Yet the rising building costs are limiting the efforts of the participating non-profit housing agencies to serve the affordable housing needs of this lower income population. Therefore, by increasing the loan amount limit on the New Start Program statewide, continued progress will be made in building quality affordable housing in Tennessee.



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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: Eric Alexander, Director of Multifamily Programs
Don Watt, Chief Programs Officer
SUBJECT: Amendment to the Multifamily Tax-Exempt Bond Authority Program Description for 2023 (“2023 MTBA”) and the Low-Income Housing Credit 2023 Qualified Allocation Plan (“2023 QAP”) for 2023 MTBA Round 2
DATE: May 23, 2023

Recommendation

1. Staff recommends and requests that the Multifamily Tax-Exempt Bond Authority Program Description for 2023 (“2023 PD”) and the Low-Income Housing Credit 2023 Qualified Allocation Plan (“2023 QAP”) be amended as described in the key points below for the 2023 MTBA Round 2.
2. Should the Board be so inclined, a motion “*to recommend that the THDA Board of Directors approve amending Section 7 of the Multifamily Tax-Exempt Bond Authority Program Description for 2023 and Section 21 of the Low-Income Housing Credit 2023 Qualified Allocation Plan as described in the memo from Eric Alexander and Don Watt dated May 23, 2023 and included in these materials*” would be appropriate.

Background

1. At present, Section 7.C of the 2023 PD and Section 21.G of the 2023 QAP describe a 3 tiered schedule of Evaluation Notices to applicants. These notices inform the applicant of additional documentation and/or information requested by THDA for purposes of resolving application deficiencies regarding eligibility, scoring, or financial feasibility.
2. The response windows are **4 business days** for the 1st notice, **2 business days** for the 2nd notice, and **1 business day** for the 3rd notice.
3. If application deficiencies remain after the response period for the 3rd notice has ended, the application may be removed from further consideration for the current round.



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Key Points

1. Due to an unusually large number of applications submitted in the current round and the excessively high number of deficiencies uncovered across the pool, and in acknowledgement of the Agency's and applicants' mutual desire for successful applications to move forward promptly, staff recommends and requests that the 2023 PD and the 2023 QAP be amended to replace the 3 tiered schedule with a single tier for 2023 MTBA Round 2.
2. The response window for the 1st and only notice would be set at **7 calendar days**.
3. If deficiencies remain in the application after receipt of an applicant's response, the application may be removed from further consideration for the current round. THDA has no obligation to comment on or review the response prior to the close of the 7 day period.



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

Board Briefing Items



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: Tennessee Housing Development Agency Board of Directors

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

SUBJECT: ERA Eviction Prevention Funding Awards

DATE: May 8, 2023

SUPPLEMENTAL ITEM:

Attached is the approved funding matrix associated with the Round 1 and Round 2 award of funds under the 2023 ERA Eviction Prevention Program Description for the ERA Eviction Prevention Program (the "Program"). The Tennessee Housing Development Agency ("THDA") made \$24 million available to award for the Program. \$12 million was set-aside for THDA's LIHEAP network and \$12 million was made available through two competitive application rounds.

Set Aside Funding Recommendation:

THDA received twelve (12) applications from the LIHEAP network and awarded all twelve agencies funding, as detailed below:

- Total Program Funds Awarded: \$10,650,905.00
- Total Admin Funds Awarded: \$1,171,599.55
- Total Funds Awarded: \$11,822,504.55

Total Funding Awards by Region:

- East \$4,173,466.80
- Middle \$3,488,286.00
- West \$4,160,751.75



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Competitive Funding Recommendation – Round 1:

THDA received 15 applications for Round 1 of the competitive applications, of which 14 passed threshold and were awarded funds, as detailed below:

Total Funds Awarded: \$6,250,000.00:

- Total Program Funds Awarded: \$5,562,500.00
- Total Admin Funds Awarded: \$687,500.00

Total Funding Awards by Region:

- East \$3,400,000.00
- Middle \$1,850,000.00
- West \$1,000,000.00

The following chart provides a list of applicants that did not receive an award and the reason for not passing threshold eligibility.

Not Eligible/ Failed Threshold	Region	Reason
The Bank Centre	M	Ineligible, failed threshold requirements: No 5 year history, formed in April 2020

Competitive Funding Recommendation - Round 2:

THDA received nine (9) applications for Round 2 of the competitive applications, of which eight (8) passed threshold and were awarded funds, as detailed below:

- Total Program Funds Awarded: \$3,168,400
- Total Admin Funds Awarded: \$391,600
- Total Funds Awarded: \$3,560,000

Total Funding Awards by Region:

- East \$2,000,000
- Middle \$1,060,000
- West \$500,000

The following chart provides a list of applicants that did not receive an award and the reason for not passing threshold eligibility.

Not Eligible/ Failed Threshold	Region	Reason
Hard Bargain	M	Ineligible, failed threshold requirements: No 5 year history of relatable experience.

**ERA Eviction Prevention Program
Funding Recommendation - Competitive ROUND 1**

Funds Available: \$ 12,000,000.00

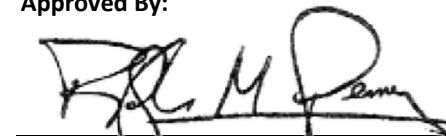
APPLICANT	Division E/M/W	Program Experience	Financial Capacity	Housing Stability Coordination	TOTAL SCORE	Program Funds Requested	Admin Funds Requested	Total Amount Requested	PROGRAM FUNDS REMAINING
Top-Two Scoring Agencies - West TN									
Tennessee Homeless Solutions	W	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 11,500,000.00
The Works	W	50	30	10	90	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 11,000,000.00
Top-Two Scoring Agencies - Middle TN									
The Journey Home	M	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 10,500,000.00
The Salvation Army, Murfreesboro	M	50	30	20	100	\$ 311,500.00	\$ 38,500.00	\$ 350,000.00	\$ 10,150,000.00
Top-Three Scoring Agencies (Tie) - East TN									
Fairview Housing Management Corporation	E	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 9,650,000.00
Volunteer Ministry Center	E	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 9,150,000.00
The Caring Place	E	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 8,650,000.00
Agencies Scored in Descending Order									
Chattanooga Neighborhood Enterprise	E	50	29	20	99	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 8,150,000.00
The Greater Kingsport Alliance for Development	E	50	29	20	99	\$ 267,000.00	\$ 33,000.00	\$ 300,000.00	\$ 7,850,000.00
Clinch Powell RCDC	E	49	30	20	99	\$ 89,000.00	\$ 11,000.00	\$ 100,000.00	\$ 7,750,000.00
Community Helpers of Rutherford County	M	50	27	20	97	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 7,250,000.00
Knox Housing Partnership - HomeSource East TN	E	46	30	20	96	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 6,750,000.00
Chattanooga Regional Homeless Coalition	E	45	29	20	94	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 6,250,000.00
Affordable Housing Resources	M	42	28	20	90	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 5,750,000.00

Not Eligible/ Failed Threshold	Division E/M/W	Program Experience	Financial Capacity	Housing Stability Coordination	TOTAL SCORE	Amount of Fuds	Reason for Denial
The Bank Centre	M	6	5	0	11	\$500,000	Failed threshold requirements: No 5 year history, formed in April 2020

Total Program Funds Awarded:	\$	5,562,500.00
Total Admin Funds Awarded:	\$	687,500.00
Total Funds Awarded:	\$	6,250,000.00

Total Funding Awards by Region	-	East	\$	3,400,000.00
		Middle	\$	1,850,000.00
		West	\$	1,000,000.00

Approved By:



Ralph M. Pevey, Executive Director

3/31/23

Date

**ERA Eviction Prevention Program
Funding Recommendation - Competitive ROUND 2**

Funds Available: \$ 5,000,000.00

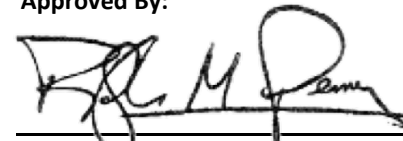
APPLICANT	Division E/M/W	Program Experience	Financial Capacity	Housing Stability Coordination	TOTAL SCORE	Program Funds Requested	Admin Funds Requested	Total Amount Requested	PROGRAM FUNDS REMAINING
Top-Two Scoring Agencies - West TN									
Memphis Area Legal Services	W	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 4,500,000.00
Top-Two Scoring Agencies - Middle TN									
Catholic Charities of Tennessee	M	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 4,000,000.00
Buffalo Valley, Inc.	M	50	29	20	99	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 3,500,000.00
Top-Two Scoring Agencies - East TN									
Appalachian Regional Coalition on Homelessness	E	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 3,000,000.00
Salvation Army Knoxville	E	50	30	20	100	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 2,500,000.00
Agencies Scored in Descending Order									
Pinnacle Resource Center	E	49	29	20	98	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 2,000,000.00
Chattanooga Church Ministries DBA Chattanooga Foundation	E	50	28	18	96	\$ 445,000.00	\$ 55,000.00	\$ 500,000.00	\$ 1,500,000.00
Cannon County SAVE	M	41	23	9	73	\$ 53,400.00	\$ 6,600.00	\$ 60,000.00	\$ 1,440,000.00

Not Eligible/ Failed Threshold	Division E/M/W	Program Experience	Financial Capacity	Housing Stability Coordination	TOTAL SCORE	Amount of Fuds	Reason for Denial
Hard Bargain	M	38	14	12	64	\$ 500,000.00	Only 3 years of experience administering ESG.

Total Program Funds Awarded:	\$	3,168,400.00
Total Admin Funds Awarded:	\$	391,600.00
Total Funds Awarded:	\$	3,560,000.00

Total Funding Awards by Region	East	\$	2,000,000.00
	Middle	\$	1,060,000.00
	West	\$	500,000.00

Approved By:



Ralph M. Perrey, Executive Director

4/14/23

Date

**ERA Eviction Prevention Program
Funding Recommendation - Set-Aside**

Total Set-Aside Funding:
\$ **12,000,000.00**

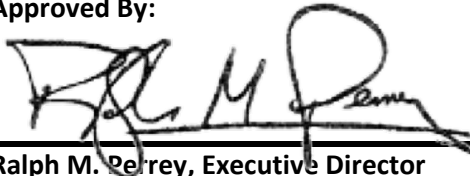
APPLICANT	Division E/M/W	Program Funds Awarded	Admin Funds Awarded	Total Agency Allocation	PROGRAM FUNDS REMAINING
Bradley-Cleveland Community Services Agency	E	\$ 213,030.00	\$ 23,433.30	\$ 236,463.30	\$ 11,763,536.70
Douglas-Cherokee Economic Authority	E	\$ 664,300.00	\$ 73,073.00	\$ 737,373.00	\$ 11,026,163.70
East Tennessee Human Resource Agency	E	\$ 522,450.00	\$ 57,469.50	\$ 579,919.50	\$ 10,446,244.20
Knoxville-Knox County Community Action Committee	E	\$ 818,100.00	\$ 89,991.00	\$ 908,091.00	\$ 9,538,153.20
Metro Action Commission	M	\$ 1,264,250.00	\$ 139,067.50	\$ 1,403,317.50	\$ 8,134,835.70
Mid-Cumberland Community Action Agency	M	\$ 1,096,250.00	\$ 120,587.50	\$ 1,216,837.50	\$ 6,917,998.20
Shelby County Community Services Agency	W	\$ 2,354,100.00	\$ 258,951.00	\$ 2,613,051.00	\$ 4,304,947.20
South Central Human Resource Agency	W	\$ 821,325.00	\$ 90,345.75	\$ 911,670.75	\$ 3,393,276.45
Southeast Tennessee Human Resource Agency	E	\$ 426,700.00	\$ 46,937.00	\$ 473,637.00	\$ 2,919,639.45
Southwest Human Resource Agency	W	\$ 573,000.00	\$ 63,030.00	\$ 636,030.00	\$ 2,283,609.45
Upper Cumberland Human Resource Agency	M	\$ 782,100.00	\$ 86,031.00	\$ 868,131.00	\$ 1,415,478.45
Upper East Tennessee Human Development Agency	E	\$ 1,115,300.00	\$ 122,683.00	\$ 1,237,983.00	\$ 177,495.45

Total Program Funds Awarded:	\$ 10,650,905.00
Total Admin Funds Awarded:	\$ 1,171,599.55
Total Funds Awarded:	\$ 11,822,504.55

Total Funding Awards by Region -

East	\$ 4,173,466.80
Middle	\$ 3,488,286.00
West	\$ 4,160,751.75

Approved By:



Ralph M. Perrey, Executive Director

3/31/23

Date



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: Tennessee Housing Development Agency Board of Directors
FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer
SUBJECT: 2023 HOME-ARP Supportive Services Funding Award
DATE: May 8, 2023

SUPPLEMENTAL ITEM:

Attached is the approved funding matrix associated with the award of funds under the 2023 HOME- ARP Supportive Services Program Description for the HOME-ARP Supportive Services Program (the “Program”). The Tennessee Housing Development Agency (“THDA”) made over \$6.1 million available to award for the Program and received 25 applications requesting over \$9.7 million in Program funds. Of the 25 applications received, 24 of the applications passed threshold, but THDA only had enough funds to award sixteen (17) applications.

- Total Program Funding awarded = \$6,114,070.00
- Total Administrative Funding awarded = \$605,407.50
- Total Program and Admin Funding Awarded by Region:
 - East \$3,979,333.50
 - Middle \$1,396,560.00
 - West \$1,343,584.00

The following chart provides a list of applicants that did not receive an award for not passing threshold eligibility.

Not Eligible/ Failed Threshold	Region	Reason
Butterfly Moments	M	Application was incomplete. Failure to pass threshold for documentation requirement.

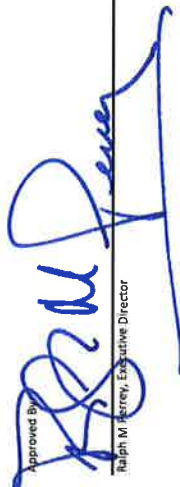


2022 HOME-ARP Supportive Services

Eligible HOME-ARP SS Applicant		Threshold	County	E M W	McKinney Vento	Homelessness Prevention	Housing Counseling	Total Program Funds REQUESTED	Total Program & Admin AWARDED	Program Design	Agency Capacity	Fiscal Capacity	CoC	Bonus	Limited Cure Period	Total Score	Available Program Balance:	
Total Program Funds Available: \$ 6,114,070.00																		
Trinity Out-Reach Center of Hope	Eligible	Anderson	E	\$ 200,000.00				\$ 200,000.00	\$ 220,000.00	30	30	30	8	\$		103	\$ 5,914,070.00	
The Journey Home	Eligible	Rutherford	M	\$ 480,000.00				\$ 480,000.00	\$ 528,000.00	28	30	30	8	\$		101	\$ 5,434,070.00	
The Caring Place	Eligible	Bradley	E	\$ 136,500.00		\$ 163,500.00		\$ 300,000.00	\$ 330,000.00	27	30	30	8	\$		100	\$ 5,134,070.00	
The Salvation Army, Tri-Cities	Eligible	Washington	E	\$ 160,000.00		\$ 340,000.00		\$ 500,000.00	\$ 550,000.00	29	30	30	8	\$		97	\$ 4,634,070.00	
Wo/Me's Resource and Rape Assistance Program	Eligible	Madison	W	\$ 163,220.00		\$ 208,220.00		\$ 371,440.00	\$ 408,584.00	29	30	30	8	\$		97	\$ 4,262,630.00	
The Salvation Army, Greater Knoxville	Eligible	Knox	W	\$ 163,000.00		\$ 337,000.00		\$ 500,000.00	\$ 545,000.00	27	30	30	8	\$		95	\$ 3,762,630.00	
Greater Kingsport Alliance for Development	Eligible	Sullivan	E	\$		\$ 500,000.00		\$ 500,000.00	\$ 545,000.00	28	28	30	8	\$		94	\$ 3,262,630.00	
Partnerships for Families, Children	Eligible	Hamilton	E	\$ 499,880.00		\$ 500,000.00		\$ 499,880.00	\$ 549,888.00	26	30	30	8	\$		94	\$ 2,762,750.00	
Tennessee Homeless Solutions	Eligible	Madison	W	\$ 350,000.00		\$		\$ 350,000.00	\$ 385,000.00	29	27	30	8	\$		94	\$ 2,412,750.00	
Franklin Housing Authority	Eligible	Williamson	M	\$		\$ 300,000.00		\$ 300,000.00	\$ 330,000.00	23	27	30	8	\$		93	\$ 2,112,750.00	
Appalachian Regional Coalition to End Homelessness	Eligible	Washington	E	\$ 256,773.00		\$ 197,772.00		\$ 454,545.00	\$ 500,000.00	26	27	30	10	\$		93	\$ 1,658,205.00	
Family Promise of Bristol	Eligible	Sullivan	E	\$ 190,426.00		\$ 173,209.00		\$ 363,635.00	\$ 398,988.50	26	30	28	8	\$		92	\$ 1,294,570.00	
Family Promise of Greater Kingsport	Eligible	Sullivan	E	\$ 200,000.00		\$ 300,000.00		\$ 500,000.00	\$ 550,000.00	28	29	27	8	\$		92	\$ 794,570.00	
Bridges Domestic Violence	Eligible	Williamson	M	\$ 271,600.00		\$		\$ 271,600.00	\$ 298,760.00	27	28	23	8	\$		91	\$ 522,870.00	
Franklin Community Church	Eligible	Williamson	M	\$ 218,000.00		\$ 100,000.00		\$ 218,000.00	\$ 239,800.00	28	30	30	8	\$	-10	91	\$ 304,970.00	
The City of Kingsport	Eligible	Sullivan	E	\$ 100,000.00		\$ 250,000.00		\$ 200,000.00	\$ 220,000.00	26	26	30	8	\$		90	\$ 104,970.00	
Fairview Housing Management Corp	Eligible	Washington	E	\$ 200,000.00		\$ 250,000.00		\$ 450,000.00	\$ 115,467.00	30	30	30	8	\$	-10	88	\$	
Tennessee Resilience Project	Eligible	Williamson	M	\$		\$ 250,000.00	\$ 63,000.00	\$ 313,000.00	\$ 31,300.00	25	30	30	7	\$	-10	87	\$	
Jesus Cares, McNairy	Eligible	McNairy	W	\$		\$ 245,000.00		\$ 245,000.00	\$	26	26	30	8	\$	-10	85	\$	
Cannon County SAVE	Eligible	Cannon	M	\$		\$ 100,000.00	\$ 100,000.00	\$ 200,000.00	\$ 20,000.00	24	30	27	8	\$	-10	84	\$	
Shelby County Government	Eligible	Shelby	W	\$ 500,000.00		\$		\$ 500,000.00	\$ 500,000.00	21	30	27	5	\$		83	\$	
Area Relief Ministries	Eligible	Madison	W	\$ 220,000.00		\$		\$ 220,000.00	\$ 22,000.00	29	27	28	8	\$	-10	82	\$	
Chattanooga Church Ministries	Eligible	Hamilton	E	\$ 250,000.00		\$ 250,000.00		\$ 500,000.00	\$ 50,000.00	26	27	30	8	\$	-10	81	\$	
Hard Bargain Association	Eligible	Williamson	M	\$		\$ 440,000.00	\$ 60,000.00	\$ 500,000.00	\$ 27,000.00	22	23	11	7	\$	-10	58	\$	
Butterfly Moments	Not Eligible	Montgomery	M	\$ 4,559,899.00		\$ 4,154,701.00	\$ 223,000.00	\$ 8,937,100.00	\$ 6,114,070.00									\$ 6,719,477.50
Total Funding REQUESTED: \$ 8,937,100.00																		
Total Program Funds AWARDED: \$ 20,000.00																		
Total Admin REQUESTED: \$ 20,000.00																		
Total Admin AWARDED: \$ 20,000.00																		
Application incomplete, failure to pass threshold for documentation requirement.																		

TOTAL Funds Requested:	\$ 9,962,807.50
Total Program Funds Awarded:	\$ 6,114,070.00
Total Admin Funds Awarded:	\$ 605,407.50
Total Funds Awarded:	\$ 6,719,477.50

Total Funding Awards by Region	
East	\$ 3,979,333.50
Middle	\$ 1,396,560.00
West	\$ 1,343,584.00


 Approved By: 4/18/23
 Date: _____
 Ralph M. Forey, Executive Director



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: Tennessee Housing Development Agency Board of Directors

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

SUBJECT: 2022 HOME-ARP Rental (Round 1) Funding Awards - UPDATED

DATE: May 8, 2023

SUPPLEMENTAL ITEM:

Attached is the revised funding matrix associated with the award of funds under the 2022 HOME-ARP Rental Housing Development Program Description for the HOME-ARP Rental Program (the “Program”). The Tennessee Housing Development Agency (“THDA”) made \$15 million available to award for the Program and received ten (10) applications requesting over \$20.4 million in Program funds. Only five (5) applications passed threshold.

THDA conditionally awarded all five (5) applications with \$10,074,934 in Program funds to help create 81 new affordable housing units in Tennessee. Below are the list of applicants that received awards:

- Franklin Housing Authority - Middle Region
- Highland Residential Services - Middle Region
- Knoxville Leadership Foundation - East Region
- Liberty Place Knoxville Corporation (KCDC) - East Region
- Aim Center, Inc. - East Region

The following chart provides a list of applicants that did not receive an award and the reason for not passing threshold eligibility. The italicized font indicates the applications received late due to technical issues with THDA’s Electronic Document Transfer system and were not reflected on the original memorandum presented to the Board in May. The two (2) new applications received late failed to pass the threshold requirements.



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Not Eligible/ Failed Threshold	Project Name	Region	Score	Reason
Emory Valley Center	Wadsworth Rehab Project	E	50	The 30-year proforma does not demonstrate long-term viability based on underwriting; Did not reach the 60-point threshold requirement.
Greater Kingsport Alliance for Development	Dale Street Homes	E	56	Did not reach the 60-point threshold requirement.
EHF Memphis, LLC	The Memphian	W	46	No Audit; Inconsistent number of HOME-ARP Units in application; The 30-year proforma does not demonstrate long-term viability based on underwriting; Did not reach the 60-point threshold requirement.
<i>Alliance Healthcare Services</i>	<i>Alliance Crisis Center for Wellbeing</i>	<i>W</i>	50	<i>Applicant didn't meet nonprofit threshold; Project is deemed Social Services driven, as no HOME-ARP units were designated; the 1-5 year pro forma does not demonstrate long term viability based on underwriting.</i>
<i>Oak Ridge Housing Authority</i>	<i>Oak Ridge Redevelopment</i>	<i>E</i>	65	<i>Mortgage Exceed Supportable Debt; Project costs are different on the general tab and the development costs tab; Development budget shows ARP need higher than the maximum available; Supportable Debt is not properly stated. Debt service is not accurate as supportable debt is exceeded.</i>

2022 HOME-ARP Rental Round 1 Funding Matrix

Updated 03/27/2023

					Funds Available:	\$15,000,000.00		
HOME-ARP Applications Passing Threshold	Project Name	Region	Score	Funds Requested	Funds Conditionally Awarded	Remaining Balance	Total Units	HOME-ARP Units
Franklin Housing Authority	Shawnee Drive	M	82	\$1,574,934	\$1,574,934	\$13,425,066	50	8
Highland Residential Services	Redbud Village	M	80	\$2,500,000	\$2,500,000	\$10,925,066	20	6
Knoxville Leadership Foundation	Callahan Flats	E	78	\$2,500,000	\$2,500,000	\$8,425,066	88	26
Liberty Place Knoxville Corporation (PHA)	Liberty Place Knoxville	E	73	\$1,000,000	\$1,000,000	\$7,425,066	32	22
AIM Center	Espresso Chattanooga	E	73	\$2,500,000	\$2,500,000	\$4,925,066	60	19
				Total Funds Awarded:	\$10,074,934			

Not Eligible/ Failed Threshold	Project Name	Region	Score	Funds Requested	Reason	Total Units	HOME-ARP Units
Alliance Healthcare Services	Alliance Crisis Center for Wellbeing	W	50	\$2,500,000	Applicant didn't meet nonprofit threshold; Project is deemed Social Services driven, as no HOME-ARP units were designated; the 15 year pro forma does not demonstrate long term viability based on underwriting.	45	0
Oak Ridge Housing Authority	Oak Ridge Redevelopment	E	65	\$2,500,000	Mortgage exceeds supportable debt; Project costs are different on the general tab and the development costs tab; Development budget shows ARP need higher than the maximum available; Supportable Debt is not properly stated. Debt service is not accurate as supportable debt is exceeded.	15	15
Emory Valley Center	Wadsworth Rehab Project	E	50	\$990,750	The 15 year pro forma does not demonstrate long term viability based on underwriting.	2	2
Greater Kingsport Alliance for Development	Dale Street Homes	E	56	\$1,871,666.75	Did not reach the 60 point threshold.	10	10
EHF Memphis, LLC	The Memphian	W	46	\$2,500,000	No Audit; inconsistent HOME-ARP Units; The 15 year pro forma does not demonstrate long term viability based on underwriting.	25	25

Funds Available:	\$15,000,000.00	Total of HOME-ARP Units
Funds Requested:	\$20,437,350.75	133
Total Awarded:	\$10,074,934.00	81
Funds Not Awarded:	\$4,925,066.00	

Approved by:  3/20/23
 Date: _____
 Ralph M. Perrey, Executive Director



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: Tennessee Housing Development Agency Board of Directors

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

SUBJECT: 2023 Emergency Solutions Grants Program Funding Awards

DATE: May 8, 2023

SUPPLEMENTAL ITEM:

Attached is the approved funding matrix associated with the award of funds under the 2023 Emergency Solutions Grants Program (the “Program”). The Tennessee Housing Development Agency (“THDA”) made over \$2.9 million available to award for the Program and received 48 applications requesting over \$5 million in Program funds. Of the 48 applications received, 2 were deemed ineligible for program funds, as detailed below.

THDA awarded 22 nonprofits and 4 local government applications in the amount of \$2,986,017 in program funds and \$37,500 in administrative funds through the Program, as detailed in the attached Funding Matrix.

The awards made are broken down in the following manner:

- Program funding for eligible activities:
 - \$2,486,017 is being awarded to nonprofit organizations
 - \$ 500,000 is being awarded to set-aside cities
- Administrative funding:
 - \$ 37,500 is being awarded to set-aside cities

Eligible activities under the Program include shelter operations, rapid rehousing assistance, homelessness prevention assistance, outreach, and data collection.



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The following applicants were not eligible for funding because they are located within an Entitlement Community which receives direct allocation of Emergency Solutions Grants funds from HUD.

- The Salvation Army, Nashville Area Command
- The Salvation Army, A Georgia Corporation for Knoxville

After the 2022 Emergency Solutions Grants Program is closed out and reconciled, staff will determine how much funds remain available to rollover into the 2023 Emergency Solutions Grants Program. Staff will then review the attached Funding Matrix to determine which additional applications can receive awards for the administration of the Program.

Any updates made to the 2023 Emergency Solutions Grants Program awards will be reported to the Board of Directors at the meeting immediately following the revisions.

2023 Emergency Solutions Grants Program

Table with columns: Applicant, Inmate, County, Street, Shelter, Prevention, Rapid, Data, Total Program, Total Program, Admin, Program, Program, Program, Competitive Round, Allocation. Rows include Fayette Cares, Inc., Bridges of Williamson County, etc.

2023 Emergency Solutions Grants Program

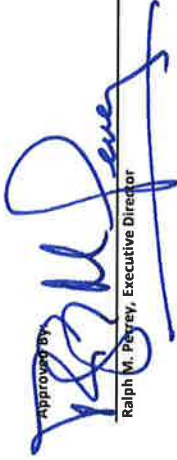
Set-Aside Round Program Allocation: \$ 500,000

Applicant	Threshold	County	Grand Div	Street Outreach	Shelter	Prevention	Rapid Rehousing	Data Collection	Program Funds		Admin Award	Total Award
									Requested	Awarded		
City of Chattanooga	Eligible	Hamilton	E	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ 125,000	\$ 9,375	\$ 134,375
City of Clarksville	Eligible	Montgomery	M	\$ 25,500	\$ 60,000	\$ -	\$ 23,500	\$ 16,000	\$ 125,000	\$ 125,000	\$ 9,375	\$ 134,375
City of Murfreesboro	Eligible	Rutherford	M	\$ -	\$ 62,500	\$ 62,500	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 9,375	\$ 134,375
City of Johnson City	Eligible	Washington	E	\$ -	\$ 74,960	\$ 30,248	\$ -	\$ -	\$ 19,792	\$ 125,000	\$ 9,375	\$ 134,375
TOTAL:				\$ 25,500	\$ 197,460	\$ 92,748	\$ 148,500	\$ 35,792	\$ 500,000	\$ 500,000	\$ 37,500	\$ 537,500

Applicant	Threshold	County	Grand Div	Street Outreach	Shelter	Prevention	Rapid Rehousing	Data Collection	Program Funds		Reason for Ineligibility
									Requested	Awarded	
The Salvation Army, Nashville Area Command	Ineligible	Davidson	M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	Located within Entitlement Community which receives direct allocation of ESG funds from HUD
The Salvation Army, A Georgia Corporation for Knoxville	Ineligible	Knox	W	\$ -	\$ -	\$ 75,000	\$ -	\$ 40,000	\$ 10,000	\$ 125,000	Located within Entitlement Community which receives direct allocation of ESG funds from HUD
Total Program Funding Requested:				\$ 5,085,017							

Total Competitive Funded by Region	
East	\$ 1,319,667
Middle	\$ 776,750
West	\$ 389,600

Total Competitive Round Funded:	\$ 2,486,017
Total Set Aside Funded:	\$ 500,000
TOTAL PROGRAM FUNDS AWARDED:	\$ 2,986,017

Approved By:  Date: 5/2/23

Ralph M. Pevey, Executive Director