



TN Caucus Meeting Notes & Take-Aways Tues., Feb. 16, 2021; 9:00 am - Noon ET via ZOOM

Take Aways:

1. Positive movement on Jim's 4 Corners: Increased Investment (\$58M of \$100M raised), Expanded Capacity (\$4M grant funds avail. to Members 1st half of FY21), Building New Narrative (interviews underway for new Communications Team), Strength in Numbers (hiring Leadership Dev. person)
2. THDA – Any comments on how to make current programs better should be submitted to CParaza@thda.org by Friday, Feb. 26th or Monday March 1st
3. USDA – HPG Program should be opening soon – expecting additional \$\$ this year.
4. Advocacy – will meet with Members Tuesday 2-23 to review possible opportunities (info below)
5. Resource Development Plan – Watch for email requesting volunteers to invest time and brain power for a discussion group on what resources Members need, coming in the next few weeks.
6. Survey on how you prefer to receive information from Fahe. If you did **not** participate in the Poll during caucus, the 1-question survey can be accessed [HERE](#)
7. FHLB - Welcome Home – opens March 1, funds are usually all reserved in the first 6 weeks. Reserve your spot with JustChoice Lending – contact [David Brock](#)

Thursday, 2/19– 2 pm – Fahe Member Monthly Training Webinar – USDA 502 Updates/Refresher

Tuesday, 2/24 – 10:30am – Follow-up on State-level Advocacy priorities for upcoming funding – notes included

Notes:

1) Welcome and Special Guest Introductions (Sherry Trent, Vonda Poynter)

Ralph Perrey, Lindsay Hall, Jeremy Heidt, Cynthia Peraza, Bill Lord, Denise McBride, Katie Moore, THDA; Cassandra Larcarte, FHLB-CIN; Don Harris, Angela Hawkins, Mary Hickman - USDA RD; Retha Patton, Shannon Delk, Michelle Bozanna, TN Community Assistance Council

2) Message from Jim King

Jim: Looking ahead – 4 corners mentioned at the Annual Meeting as we plan for the next ten years of working together.

1. Investment - this region has been underinvested and with CV-19, it is more obvious. Fahe is creating the Appalachia Persistent Opportunity Fund to capitalize at \$100M (\$58M so far).
2. Expanding Capacity – thinking more about how Members receive investment so you have the capacity to deliver. First 6 months of this FY, \$4M of grant funds have been made available to Members. Target \$60M of loans and investments. As examples, provided leverage loan dollars to serve 200 families at HSetn. John Niederman has been looking at how we strengthen your ability to be social entrepreneurs – looking for common themes and how we can be more helpful. Just started an SEO (Search Engine Optimization) project related to increased web traffic as a pilot – using google grants to create this funnel.
3. Building a new narrative – as we are building the American Dream, we want to work with our neighbors and our communities. The region isn't compelling to others as it isn't their own story. Some of the things we battle here speaks to other folks – how do we share our narrative? As we push this, we want people to see our work in Appalachia as what's possible for others. Building the communication team and having assistance right now from Sarah Weintraub, AmeriCorps VISTA. Fahe was in a New York Times Article – Jim and three other Member representatives from WV – seems incredible during this moment and time and it increases our ability to build that new narrative.

4. Strength in Numbers. Building a bigger tent – inviting others into our conversations – start in our own communities and with our partners. Fahe is looking for a Leadership Development person to work with Members. Fahe hired a consultant hired last week so we have guidance on having hard conversations. As we build this tent, we will create conversations that build a unified voice. Bringing the work and hope from you all to others.

3) **THDA Updates** (Ralph Perrey, Cynthia Peraza, Bill Lord)

Ralph Perrey, Executive Director: Ralph shared appreciation for the Fahe Members in east Tennessee for their work and their strength. He read the NYT article and know there is the ability to impact Appalachia with strategic actions. Three things that are top of mind:

1. Immediate challenge is the COVID 19 Emergency Relief program \$383M for rent, utilities; application portal will go live on April 1. Knox County, Davidson County, Rutherford County, and Memphis/Shelby County have chosen to administer their own emergency rental relief programs and residents of these areas will not be eligible through THDA. Discussions in Washington DC on providing similar assistance to homeowners – working assumption is that if it comes to pass, it will look similar to My Tennessee Home platform.
2. Weathered the COVID year, loans were down, but it was the 4th best year out of 47 for THDA. Spike in delinquencies, have been aggressive in reaching out to borrowers regarding forbearance, lower than the rate of FHA loans in general. Loan production is good, but having homeowners succeed was good.
3. Big strategic lift that may be hardly noticeable now. THDA has a goal to be an approved Jennie Mae Issuer by the end of this calendar year. This is important as for 46 years, THDA has been dependent on mortgage revenue bonds; deploy as loans, hold the loans on our books and live on the spread. Demand is eventually going to outpace the bond ability. Will be the same process, but buying those loans with short-term financing and selling on market. By 2023, most production will be the secondary market; we will aspire to finance \$1B of loans. Estimate serving 10K -12K borrowers instead of 4-5K currently served. Earnings from the \$3B portfolio of loans, profit from sale of loans, the growing amount of loans that we are paid to service – THDA can stay in the market regardless of ups and downs. It may be that bond sales could be used for multi-family if there are other opportunities for single-family – we are getting after it.

Ralph noted he would be around if anyone has questions and thanked Jim for sharing

- a. THDA's major objectives for 2021 and the future
- b. Coronavirus Relief Efforts (Rent Relief Fund/ESG) [COVID-19 Rent Relief information](#)
- c. GC-97 – an update to [THDA lending](#)
- d. HUD Counseling Intermediary Update

Cynthia Peraza and Bill Lord

- e. Community Programs: [HOME](#), [ESG](#), Reinstatement Only Program, [THTE](#), [NHTE](#)

Cynthia – announced Bill Lord is now the Assistant Director of Community Programs. Community Programs now has 21 open programs; Single Family programs division had 6 or 7; having Bill's experience will help the program work not be so overwhelming.

Emergency Relief Assistance for renters, looking at legal aid funding; working through numbers – challenge is that THDA has to find a way to verify no duplication of benefits. Anticipate that THDA will utilize the platform of the Reinstatement Program – more digital – some folks struggle with the technology but lots of TA available so applications can be submitted online. Tenant and Landlord portals – combined information in the system. Priority is 50% AMI or below to be addressed with 60% of the funding; however details are being worked out. Other 40% of funding is available for 50% to 80% AMI. 12 months of assistance total - can bring 6 months current, and 3 month rental assistance with a recertification process for 3 additional months. Cap on the number of months, cap on legal assistance.

Counseling service providers – want to reach out to you as THDA thinks about applicants – get

paid for the clients. Anyone experiencing an eligible hardship can get TA from the TN Caucus Members. Invites will go out next week, more details then. TALS – similar efforts.

ESG Program CARES Act Part 2 – 2020 in process – automated and working well. Part 1 – want to keep the money flowing. Should have contracts by March 1st. Advance funding mechanism in place – all applicants will have a workshop. You will have 30 days to use the money, then can request more. Environmental Review process for all the applicants started upon receipt of the application by THDA. \$22M available in funding; more applications than money – several included renovations for the facilities this round.

Hardest Hit fund dollars – Reinstatement Only Program has been reopened – challenges is the folks that are on unemployment which makes them income ineligible – that ratio is an issue; if that test is not in the Treasury information, it may make that those funds more flexible. Currently, 750 passed pre-screening (240 did not) but only 115 applications received – reaching out to see why applications not submitted – technical challenges may be an issue.

Blight Program should see this in the next little while; possible reinstatement by June. Have to close and reconcile with Treasury so all programs should end by 9-30-21. Program has been open for ten years – it was a good run, but want to close out in a timely manner.

Summer round of application information will go to the Board in March. Any input from the TN nonprofits would be appreciated before we submit to the Board. Capacity Grants to the Board and plans for an Urban Rural Homeowner Rehab Grant is coming out soon.

HOME CHDO: Just completed the CHDO mini-round. Deadline was last week - sending notifications after scored. From the 2021 allocation, there will be a June round coming.

For the Board, THDA staff would need 4 weeks to review any comments – comments should be submitted by Friday, Feb. 26th or Monday March 1st on current programs.

NHTF – open in the summer; in the past it has been \$3.5M allocated, but HUD has said that the NHTF will be substantially higher, maybe doubled; scheduled to come out end of March. Lindy asked about the summer CHDO round – what is the spend-down and commitment date? Bill noted that it typically is the last day of the month before the applications are due. (if open June 14th, submit in July, June 30 will be the deadline) for 2021 money.

Cynthia noted they are currently testing for a 10% reduction on current income with COVID-19 Rent Relief. Unemployment sometimes results in more income than work – looking at not counting unemployment – hoping to collaborate with other states as they determine these parameters while staying with Treasury Guidelines. Inspector General will be very particular in their compliance reviews with the State Housing Finance Agencies.

Question on Duplication of assistance – is traditional rental assistance (Section 8) included in that as a duplication of service? Receiving Section 8 and still responsible for a portion of the rent, they are supposed to get their rental assistance modified – current guidance says that Rental Assistance tenants could be assisted with their portion of the rent.

4) USDA Updates Affecting Caucus Members (Don Harris)

Don Harris, Mary Hickman. Don shared that he appreciated Jim and Ralph's comments. Glad to work in TN with everyone here. Biden Administration's attention to Rural Programs – they are waiting for a new state director. That will matter in how they promote their programs.

- a. New Housing Team Leader and Special Project Coordinator - Mary Hickman is the new SF Team leader with 30 years of experience. Angela Hopkins is now the Special Projects Coordinator supervising the HPG program and Self Help. Usually there is a freeze on positions, but not with this new administration; vacancies to be filled moving forward.
- b. Section 502 Direct Loan Funding Status: lots of stops and starts with funding – every few weeks additional dollars released and it addresses the backlog; should have full funding in the next couple of weeks. Seeing incredible use of the programs. With limited funds, prioritize applications submitted by packagers. Direct Program, new loan limits March 1, increases for TN. Moratorium on foreclosures extended deadline.
- c. Section 504 Direct Loan Funding Status: Streamlining application process – 504 process first – it is cumbersome and could be better used for the elderly – Don is leading the National team

on this – improving the product. Realtor guide that has been developed to help market the direct loan program – available soon and will share link.

- d. Delays in Appraisal Process: Appraisals are taking up to 25 days or even more than a month. Unacceptable; have been complaining to the National office on the contracted vendors – need to increase from 2 to 4. Mary noted that packagers can order their own appraisals; collecting the fee in advance. RD can reimburse at closing; risk if the loan doesn't close.
- e. Packagers Providing the TMCR reports – you can use your credit report, not need to do USDA's.
- f. Housing Preservation Grant Program: Moved to multi-family department for delivery – previous administration moved it to direct loan division as the funds were addressing single-family units. Area offices monitor – started working with the non-profit partners and streamlining it for using 1 or 2 points of contact – environmentals, inspections will go through one person. Angela is working with national staff on training for TN and National. Question – Is there more \$ in the HPG program now than previously? \$350,000 for the whole state last year; hoping this year will be \$400,000 per Don.
- g. Q & A: Tony Loudon – Has the RFP been released for HPG? Don – last year \$350K last year, hoping for \$400K – will be released April/May – latest June.

Don: Monthly Training in different issues – credit this month – how we package direct loans.

Also a new Realtor guide – if you want a copy, email Don – FAQ's

Mary – glad to share guide and training info

Sherry – pipeline full – can't find homes (30).

- 5) FHLB Updates** (Cassandra Larcarte) Brief update for FHLB – working from home, not sure when that will change, responses may be delayed but submission by email is best. 2020 projects – high score was 76, 66.40 was low score. May 31st is AHP open application date – will use live webinars instead of in-person trainings. TA call on 2020 applications are available. Scoring changes review – included day care services to accept Head Start, preschool and after school programs. Read over the Implementation Plan – OASIS system updates prior to workshops.

Watch for Live Webinars for disbursements – registration required. Verification info dated within one year of AHP unit.

- 6) Greetings around the “square”** – Share Something positive

ADFAC, AppHFH, BCHFH – (not in attendance)

Clinch-Powell – did some good CARES Act work and hopes that THDA could learn from that.

Started a strategic planning process. Betsy Hurst, Director of Community Programs. Several of the Fahe Members are working with Ballad Health Care – hope to share more and that it can be replicated!

CCI – (not in attendance)

Stace, **Crossville Housing** – Started our purchase rehab grant and are so excited!

Eastern Eight CDC – Busy! Lots of good things going on

Foothills CDC; (not in attendance)

HomeSource etn - Willow Place Senior property expansion to be completed this summer; CARES Act funds completed; some homebuyer assistance and rental assistance with the City of Knoxville - manage all the housing assistance programs.

KHRA; Knoxville HFH (not in attendance)

Knoxville Leadership Foundation – Adam shared that the snow is nice. New SF new construction going on – gearing up for ... Backyard home repair program. Working with HSetn and other during the COVID pandemic.

Loudon Co HFH – Tony trucking along. Building a house, rehabbing – good year even with operational adjustments for COVID – downshifted produced and contracted out repairs. Close to 30 critical home repairs. Happy that we are still operational. Leverage some private investments – something that will bring added resources and benefits to East TN.

Julie, **Mountain TOP** – excited to be in existence – thanks to PPP round 2; 25% capacity with volunteers for some weekend repair work. ED search ongoing and then some strategic planning

when in place during the 2nd quarter. Last year served as many families as previous years. Working on pipeline.

Tim Thrasher, **CAPNA** – LIHTC apps on April 1st, SC property completed, a new project to propose for a senior development. TA on tax credits.

7) Review Previous Minutes & Action Items: Tony moved; Adam seconded; Motion approved

8) TN Caucus Member Discussion

- a. Member Production Updates - emailed prior to meeting, reminder to be sent 2 weeks prior to next meeting.
- b. RCDI Application: Looked at USDA RCDI for the TN Caucus; however, only 6 members are in eligible locations and we can't apply as a Caucus; talked with a couple of folks about this. KLF has been successful with RCDI. Adam noted that KLF applied as an intermediary and their VP of Finance and Administration would likely be able to share about that – ABN utilizes agencies across the ABN network. – Adam will check and share.
- c. TN CARES Nonprofit Program status – all activities complete?
- d. New CV-19 Stimulus Package – \$15K for DPA for homebuyers: \$15,000 DPA – Financial Services – proposed by the Biden Campaign but not in the committee bill. If the Biden Administration is pushing it, it will come out in the Administrations second bill, the Infrastructure Bill.
- e. Any specific planning alignment based on 2020 remote work?
- f. Show and Tell:
 - Fundraising with bank foundations – not as many strings as federal \$
 - Wells Fargo; Truist; First Horizons; PNC
 - United Way funding – do Members use it – why or why not? How do Members connect with their funding (UW administered TN CARES \$). UW had mini-grants for COVID-19 but not all agencies were notified – do we know the process?

Have United Way come as a guest speaker? Any success with UW - \$5,000 to \$10,000 dollars. How do we tap into that money. Easy money with little strings – simple system. We will explore.

9) CDBG and Coronavirus Relief Fund (Vonda):

Per TN CED, CV-CDBG still in planning until something is approved by the Governor. TN CED has talked with THDA, Cynthia to see how to work together or independent. With the ERA\$, considering shifting from the \$10M for mortgage assistance and \$10M for rental assistance to \$20M for mortgage assistance.

10) Advocacy (Alex Dadok, Josh Stewart)

- a. TN State priority update – Contractor scarcity - THDA research request: Josh shared on a request to the Caucus request to THDA Research Department. Final copy of the letter in the packet. Betty Teasley has left and currently there is no research division chief so not adding to the work now, but when the position is filled they will work on the research project.
- b. Advocacy had a call with the Caucus Chair – Sherry anything to share? Is there anything the Caucus might want to get behind and advocate for? Any options to realistically approach? State advocacy?

Lindy noted that if there was a crack in the door to push something at the back door – CDBG is an opportunity. An entirely new funding stream. CDBG that comes to entitlement; CDBG that comes to the state via the Small Cities program. Development Districts may be partners – our footprint hits 3 of them: Upper Cumberland, Southeast (MountainTOP), East TN.

Lisa Pierce, ARM, Lee County, AL, shared that they are providing case management for rental and mortgage assistance with CDBG – CAA in the County is the administrator – mobile clinic. \$500,000 and \$50,000 for the case management. Disaster Case management got their foot in the door. Mayors for other CDBG \$ may be a partner to cultivate.

Tim Thrasher – uses CDBG in Decatur, Morgan County doing admin on rental assistance and

utility assistance – CAAs in the state – do some collaboration with the CAAs in the state or agencies. LIHEAP has CARES Act monies to distribute.

Information to gather. Advocacy will explore.

- c. Federal update: Prospects for passage of legislation: Chris shared that FHA just made a notification of extending their moratorium until June 30, 2021. Josh noted that Biden Administration extended the foreclosure moratorium until June for homeowners; not for renters. For Renters – THDA's portal goes up March 1st; evictions can start March 31st. Don't let THDA delay; please assist your landlords to begin the application for tenants and then the tenants have to complete – they can start to gather their information now to be ready March 1st. Review the tenants in arrears now, be prepared. Homeowner forbearance until June 31, 2021; provides some time – it's a democratic piece. Newsletter tomorrow will have a more in-depth level review. Timeline is important as current unemployment legislations are slated to expire mid-March – the deadline for Congress to get the next relief bill out. There is lag time for any new programs. Shooting for March 1st – it is 3 months for from legislation to enactment.

Priorities for Members' communities – they are in this bill. Housing counseling, national foreclosure mitigation, homeowner assistance funding looks like Hardest Hit funds from 2008. From THDA, new HOME \$\$ pending - \$5B of HOME funds in the draft bill – with wiggle room – and in the homelessness response. Non-congregate shelter purchase or building. \$5B for new housing choice vouchers – direct response to CV-19 and have a sunset on them. 500,000 of Section 8 vouchers. Fahe has been working with partners across the country and with federal agencies to advocate for these items. Budget reconciliation per the Financial Services Committee – waiting to see.

Josh noted that in the next stimulus package Housing Counseling will be delivered via NWA. Most of the other \$ will go through State Partners like THDA, vouchers via HUD, and \$19B of additional emergency rental assistance – like \$28M more for THDA. ERA is going through Treasury. What is the window for use – September 30, 2025?

- d. Strength in Numbers - TN Caucus Members should share with THDA on the input on their programs. Build on the voice that we have. Identify talking points – smaller committee? Group together on Tuesday Feb. 23 morning 10:30? for talking points on THDA programs.
- e. Hiring update from Advocacy Department – Director of Advocacy and Leadership Development positions to be filled.

10) Fahe Updates – Memo Attached

- a. Dec. Board Report, Board Members - Jackie Mayo, Lindy Turner: Lindy shared looking forward to the March Board meeting to identify work on the Strategic Plan. She noted that if groups haven't met with John Niederman, please take advantage of that opportunity. Board and staff want to work on behalf of the Members, please let them know what is important to you.
- b. Fahe Member Updates (Vonda)
- Reporting – QE 12-31-20: fell from 98% QE 9-30-20 to 78% for QE 12-31-20. Information on TN the Fahe Network in the packet. We are working on the Impact Model but the information gathered via your reporting is how we tell our collective story. It also bring Members NWA training slots (VTI this week...).
 - Training for 2021; Member Trainings below; we are working on a way to share that information back out with you for your use as well. Our FY21 trainings have dealt with operational capacity – the next one is Thursday and is a 502 refresher – great for new staff or a review. Some opportunity for housing counseling certification by HUD – being mindful of the deadline August 1st.
 - Carol M. Peterson Housing Funds (Jackie Weiss): Jackie shared on the Carol Peterson Housing Funds when they are identified by FHLB, we will share out training opportunities and dates should you need to work with Fahe for reserving your CMP funds.

- Jackie shared a poll on communication – being mindful to use our time best for the Members, we want to know how Members prefer to receive Fahe Membership communications. This will of course be revisited when Fahe has restructured the Communication Team.

c. Resource Plan Development (Sara Morgan): Talked about how capital is raised for the Network with a 3 year plan. The Persistent Opportunity Fund – closed a \$4M loan with Truist – 10 year money that is priced at a great rate and it goes out to members in an affordable way. Sara is going to need some help from Members on what kinds of resources that Members want. Free Money with no strings is what we want – but haven't found a money tree. What is the flavor of resources that Members need to be impactful in your community? I.E. in KY, HOME CHDO proceeds recycling has improved the KY Members. Sara will be looking to build out a model that helps inform Fahe better to move your organization forward.

Chris O. noted CITC which has been key for everyone over the past several years; however, HSetn is finding out that now, the CITIC is being committed for the year or even for next year based on revenues... maybe tax credit developers are tapping into the CITC. Knoxville banks for instance - banks incentivized to lend at 4 below prime – how can we bring that to other states. Banks' appetite for the credit is reduced – an alternative to that program would be useful. Used as an EQ2 investment. Sara is working on a plan to roll the – do you want to be an advisor and plan in that space... need smart people to work with her – watch for an email to participate in planning for Member resources.

d. Lending

- Community Lending still has the referral program and is available to work with you on Guaranteed Bond Program funds – let Dwain know if you have a need.
- Just Choice Lending – Welcome Home Flyer is in the back of the packet – opens March 1st and per Cassandra, it is gone by mid-April and there are less funds available this year. Fahe tried to reserve all of our available \$200,000 each year. The Member only DPA program that was open last fall will open again this spring so watch for that opportunity.

Next Caucus Meeting – Wed. June 30, potential host: Eastern 8 CDC, Johnson City; we'll see if we need to be virtual as we get closer. This meeting we will confirm our Nominating Cmte Representative and Caucus Chair.

We are virtual for the Spring Meeting in April – be watching for information in March.

Upcoming Events

- **2020 MIT Student Report/Review Webinar** coming soon
- **Thurs. Feb. 18** – 2 pm: Monthly Training Webinar – 502 Updates/Refresher
- **Thurs. Mar. 25** – 11 am: Monthly Training Webinar – Fair Housing Workshop
- **April 21/22 - Fahe Spring Retreat/Executive Director Symposium**
- **Thurs. May 27** – 11 am: Monthly Training Webinar – TBD
- **Wed. June 30** – TN Caucus Meeting
- **Thurs. June 17** – 11 am: Monthly Training Webinar – TBD
- **Sept. 21/22/23** – **Fahe Annual Meeting**
- **Wed. Oct. 20** - TN Caucus Meeting

Sept. 21-22-23 - SAVE THE DATES!!

2021 Fahe Annual Meeting, MeadowView Conference Center, Kingsport, TN