

Tennessee Caucus Agenda
Wed., June 7, 2023 11am–3pm ET (10-2 Central)
Host: Creative Compassion Inc. at Roane State Community College
Community Room - 2567 Cook Rd, Crossville TN 38571

- 1) Welcome; Special Guest Introductions; Meeting Called to Order** – Sherry Trent
Bobby Eason – Foothills CDC; Bill Lord - THDA; Don Harris, Shannon Robertson, USDA RD (tentative)

- 2) Membership Business** – Sherry **30-40 minutes**
 - a. Approval of Previous Meeting Minutes and Action Items **pp. 3-8**
 - b. Caucus Chair Election
 - c. Caucus Discussion – Around the Horn: Outreach – How are you reaching lower income families?
 - d. Spring Retreat Reflections – Lindy Turner, Rebecca Dillow, Stace Karge; Jackie Mayo, Chris Osborn; Kip Parks; Mark Baldwin, Bobby Eason
 - e. Jim King – Strategic Plan Update **p. 9**

- 3) Partner Updates** **30-45 minutes**
 - a. **THDA** (*Bill Lord*)
 - b. **USDA Updates** - Update on De-centralized loan process
 - c. **FHLB Updates** – CMPHF, AHP, Welcome Home
 - d. **TN CED**

- 4) Strength in Numbers - Member Interest/Focus Updates** **15 minutes**
 - a. Workforce Development – (*Traviss Witt*)
 - i. Kip Parks - First TN Dev. District meeting in May
 - b. Broadband

Break for Lunch

- 5) Prospective Member – Foothills CDC** (*Vonda Poynter, Bobby Eason*) **12:30 pm - 15 Minutes**
pp. 10-24

- 6) Advocacy** (*Maggie*) **20-30 minutes**
 - a. State
 - i. State Advocacy Committee Activities – FSAG
 - Meeting June
 - Fahe Advisory Group / Proposal Design
 - ii. June 28th Coordinated Event
 - Legislative Outreach – [TN List of Key Legislators](#)
 - Planning
 - Expectations
 - Messaging
 - Media outreach
 - b. Federal Updates (*Maggie*)

7) Caucus Discussion/Interests

20 minutes

ARPA fund awards

8) Fahe Updates –

30 minutes

- a. October Board Report: Board Members Jackie Mayo, Lindy Turner
- b. Membership Committee (*Julie Keel, tentative*) **pp.25-30**
 - Membership Criteria;
 - Member Application Checklist;
 - Affiliate Partners (i.e.: housing/comm. dev. partners with shared interest in affordable housing), Associate Member (all still pending)
- c. Membership Updates
 - Reporting – QE 3-31-23 status- (*Vonda*)
 - Membership Renewals; Training – (*Jackie Weiss*)
 - Business Continuity Plans – Status Update – (*Diedre Kendall, Fahe VISTA*) **p. 31**
 - Ballard Collaborative 3rd Funding Round - (*Nicholaus Bormes, Fahe VISTA*)
- b. REED, Research Evaluation Evidence & Data Cmte - Katy Stigers, Camila Moreno
https://www.fahemembers.com/wp-content/uploads/Data-Reference-List_updated-2-14-23.pdf
Office hours: 1st Tues. 9:30-11:30am & 3rd Thurs. 1-3 pm
Standing Committee (REED): 2nd Mon. of each month, 1:00-2:15 pm
Contacts: kstigers@fahe.org cmoreno@fahe.org
- c. Lending – Community Lending and JustChoice Lending
Welcome Home 2nd round **opens July 6** **p. 32**
- d. Partners for Rural Transformation - Jose Quinonez, Essence Smith

Upcoming Events

- **June 28 – TN Outreach Event**
- **Aug. 21-25** - NeighborWorks America NTI – Chicago
- **September 19-21 (Tues-Thur)– HOLD for Fahe Annual Meeting in Charleston!**
- **Nov. 1 (Wed) – TN Caucus Meeting – Location TBD**

Sign up for Fahe's Member Newsletter here: www.fahemembers.com/signup

Sign up for Fahe's Blog here: www.fahe.org/signup



Tennessee Caucus Minutes
Feb 16, 2023, 11 am-2 pm ET (10:00-3:00 Central)
Hosted by Clinch-Powell RC&D at:
1907 Brewing Company, 103 W Main St, Morristown, TN 37814

Attendees:

Name	Organization	Name	Organization
Joey Collins	ADFAC	Stephen Sargent	Guest-USDA RD-Virtual
	App. HFH	Stan Johnson	Guest-SEED
Kristina Rowles	ASP-Virtual	Jerome Johnson	Guest-SEED
	Blount Co. HFH	Amanda Scalph	Fahe-Virtual
Victoria Ray	Crossville HA-VIRTUAL	April Pritchard	Fahe
Lindy Turner	Clinch-Powell	Ashton Whitney	Fahe-Virtual
Rebecca Dillow	Clinch-Powell	Diedre Kendall	Fahe
Sabrina Seamon	Clinch-Powell	Drew Pritchard	Fahe-Virtual
Stace Karge	Clinch-Powell-VIRTUAL	Dwain Neeley	Fahe-Virtual
Sarah Halcott	Creative Compassion	Jackie Weiss	Fahe-Virtual
John Dillow	Eastern 8 CDC	Jamie Puckett	Fahe
Kip Parks	Eastern 8 CDC	Janel Lawson	Fahe-Virtual
Sherry Trent	Eastern 8 CDC	Jerri Dyer	Fahe-Virtual
Jackie Mayo	HomeSource etn	John Niederman	Fahe-Virtual
Casey Begley	KHRA-Virtual	Jon Brooks	Fahe-Virtual
Sam Swenson-Reinhold	KLF-Virtual	Joshua Stewart	Fahe-Virtual
Chris Callahan	Loudon Co. HFH	Margaret Riden	Fahe
Julie Keel	Mountain T.O.P (Virtual)	Nicholaus Bormes	Fahe
Mike Feely	Mountain T.O.P.	Nicole Intagliata	Fahe
Jim Ratliff	Oak Ridge HA	Pam Johnson	Fahe
Krystal Keller	TN Comm. Asst. Corp.	Vonda Poynter	Fahe
Lottie Ryans	Guest-1st TN Dev. Dist.	Emily Burleson	PRT/Fahe-Virtual
Bill Lord	Guest-THDA	Essence Smith	PRT/Fahe-Virtual
Russell Catron	Guest-THDA-Virtual	Jose Quinonez	PRT/Fahe-Virtual
Donald Harris	Guest-USDA RD-Virtual		

13 of 15 Members Represented at the Meeting = 87% Attendance

- 1) Welcome; Special Guest Introductions; Meeting Called to Order** – Sherry Trent
 Bill Lord, Cynthia Peraza & Russell Catron(both Virtual) - THDA; Don Harris, Stephen Sargent (both Virtual)- USDA RD; Lottie Ryans, First TN Dev. District; Stan Johnson & Jerome Johnson - SEED
- 2) Membership Business** – Sherry
 - a. Approval of Previous Meeting Minutes and Action Items
 - Motion made to approve minutes, seconded. Motion passed.
 - b. Caucus Discussion – Around the Horn – Share your best fundraising activity
 - Fundraising pages, Amazon Smile, fancy events, raffles or giveaways (must apply through the state first), tax-free contributions from individuals who need tax breaks, movie night.
- 3) Partner Updates**
 - a. **THDA** (Cynthia Peraza, Russell Catron, Bill Lord)
Rent Relief Program ERA2/ARPA/HOME ARPA/Homeowner Assistance Fund
 - Closed to new applicants at this time, working through applications that have been fully submitted to get them completed and paid. Money run out sometimes between June and September, depleting quickly. Covered tenants' portion of the rent only. **3**

- HOME rental plan – not a lot of money, up to 5M, designed to build rental properties. Wanted to make sure rural communities and small towns had ability to use these funds.
- Homeowner Assistance Fund – running as it's supposed to.
- Emergency relief – out of ERA2. Obligations for 75% of money, use the rest for other housing related expenses. On website, available to nonprofits. Funding CIAs, then nonprofits.
- ARPA – Balance will go primarily to types of programs – a home, through a home program. The first round is 60M, it just closed.

Community Programs: HOME, ESG, THTF, NHTF

- Not a lot of changes, HOME in March or April instead of January like normal so can have a better sense of how much money they will have available. ESG just continuing on, fully funded. THTF – Loss for two rounds, folks that have been previously funded but expect those two rounds to be funded this year. NHTF – same thing, conversations about how to better use the money in the future. Only works with project-based vouchers. On the verge of releasing an RFP for everything, streamlining.

Counseling

- Provided services to 1900 clients in fiscal year 2022. Wrapped up 2021, 5 subgrantees, 1 affiliate, in house counselors. 435 houses. Ending program participation February 28th, subgrantees have been notified. All approved housing partners must have HUD certification and property, only one partner has dropped out.

Systems – GMS delays/potential improvements after Bill Lord's review with Members (particularly use with HOME)

b. **USDA Updates** (*Don Harris*)

Update on De-centralized loan process ("Current" pay-stubs created issues with processing times; any improvements)

- Going full bore with applications right now, repairs and loans. Refi's are also happening, almost a separate division now. 69 loans closed, 18 package loans included since fiscal year started October 1st. 70% for allocation, going through it quickly, probably by May. 17 loans over where they did last year with the new system, still tweaking. 87 days from application received until obligation, think it will come down more as they get more staff. 36 package loans on hand, in past 24-month period 268 packages, 131 successfully closed.
- Procedure notice 572 – massive changes, going to send to Jackie, stripped it down to what it means, Jackie will pass on. All-hands meeting but it's training on what the documents mean.
- Difference that just came out, if there is some missing information, supposed to send to the applicant now as well, not just the packager.
- 7 new staff on board, many retired in the last 5 years, originators are training, 80% new staff from 5 years ago. Have two more coming on board, then under hiring freeze until May.
- HPG Partners – the NOSA for FY23 – not many changes, staying basically the same. Last spring/early summer it should be out. 7 grantees right now working. 975,000 total to use across the state last year mainly for disaster funding, hoping for about the same this year.
- New partnership with Habitat for Humanity to work with affiliates who are smaller and use the 502 direct program to direct their loans. Training with them two weeks ago, good partnership.

c. **FHLB Updates** – Vonda reported on what Cassandra had shared at the KY Caucus

Congratulations to AHP Awardees: ASP, Loudon Co. HFH

- Changes on website – helping those who are buying a home, not necessarily first-time home buyer. Went from 5000-7500 and from 10000 to 15000 for veterans. First round opened February 6, second round July 6. Money can be used all in the first round or split it

depending on how want to split it. New this year, seeing how it goes.

- Carol M. Peterson Housing Fund – Several people advocated for program. This year, funding will increase, don't know the exact amount yet. See Information in packet.
- AHP - Hoping to go back to workshops, April 28th in Franklin TN, May 11th in Lexington. More information will be sent out in April. For those who have not received final funding, having some issues with the system, trying to do everything digitally, hoping by end of the year to have all progress reports ready. Zero interest fund – availability is 100k in early costs like acquisition – can use with AHP. Is a Zero interest loan, not a grant.
- DRP – Funds are out there and available, rebuilds or renting. May raise rental amount. Potential program – targeted fund but thinking of potential needs. Centered around mobile homes – how are people currently working, is there anything for mobile homes? Thought would be mobile home replacement, recycle mobile homes. Is this a true need in the area? Concerns about owning the mobile home but not the land underneath, what the financing would look like. Targeted funds? Less regulations than their general funds, more flexibility, more voluntary programs, more user-friendly. Needs to be a substantial amount, not 5-10k.

4) Strength in Numbers - Member Interest/Focus Updates

a. Workforce Development

i. Lottie Ryans, First TN Development District

- a. Help people be able to get the jobs to get into the house. Collaboration between K12 and businesses and nonprofits. People wanted to work but not able to get there. Students in high school need introduced to jobs they can do in their community. CareerQuest, Career Awareness opportunities. Flagship event gives opportunity to talk to professionals, HR people, etc. Hands-on opportunity to learn more about professional possibilities. Creating internships. Event on March 3rd. Careers in accounting, banking, HR, IT, and more. Dress for Success fashion show.
- b. CareerQuest Hospitality Works – focuses on how hospitality is a big part of the state. Internships, learn about business/career, and more.
- c. Caring Workplaces – coming out of recovery into employment, advocate for them, enrolls businesses who are willing to take people on, train businesses on wording to make it welcoming, 54 businesses in their region.
- d. Took over the federal dollars to help people with employment and training to move themselves forward. 2 big barriers are housing and employment. Need for affordable housing, recently sent out survey on topics that people are interested in to fund.

b. Broadband

Break for Lunch

5) Advocacy

a. State

i. State Advocacy Committee Activities – FSAG

- Upcoming spring retreat, need short summary, photos of project you are working on or are proud of, accomplished in the last few years. Send them to Maggie at mriden@fahe.org or advocacy@fahe.org
- If there is anyone specific you want to meet in DC, let them know.
- Feedback about the treasury bonds and how they are used in the community.
- 44.9M dollars for projects statewide, state priorities ballpark of 58M with 8M left. Up against increase. Prioritizing sitting in on the financial meeting, important to use fund to get in front of financial decision makers.
- Sitting down with the governor before the final decision in April. Need to know who your representatives are. Members of Senate and House committees, if highlighted have a session. Groups – if your name is down, request a meeting between 1-5:00 pm on March 1 for visits. Information in packet – get back to Maggie sooner rather than later. **5** Get

- back to her by Wednesday next week (Feb 22nd).
- Will have basic talking points for them as well.
- THDA Conference on 28th and 1st – even if you won't have a funded project, the more cohesive we are to the legislators, the more serious they take us as a whole. Have to be at the table.
- ii. Legislative outreach – [TN List of Key Legislators](#)
- iii. Further engagement
- b. Federal Updates - Josh Stewart
 - i. Big Picture Policy Committee Work
 - ii. Federal Appropriations
 - Funding opportunities – Fahe reaches out to every office in the hill network, more than 25 offices every year, talk about what we think the funding level should be and every program that members think are important. Drawing up that document now with funding level requests, if you think they missed something, let them know. Also need to pick a few to really put an emphasis on, where the opportunities are, or the needs are most heavily located. Let him know what would like to focus on.
 - iii. Spring Retreat Expectations

April 25th and 26th – Advocacy work planning, get feedback. Expecting a good showing, inviting representatives from HUD and USDA, Undersecretary Torres-Small speaking and taking questions. Also, from Rural Affairs in the White House. Prep session with just Fahe/members about what want to hear from representatives, who is asking what questions. Also hill visits, as groups putting together Senate visits for you as TN, supporting you in House of Representatives visits. Having affinity groups, smaller groups of Fahe members around specific topics only important to smaller groups like CDFIs to talk to the Treasury, Dept of Energy about green resilient funds, etc. Any affinity groups that would like to have or folks you want to talk to, let Josh know at jstewart@fahe.org or advocacy@fahe.org

6) Caucus Discussion/Interests

Roll Back to Fundraising from earlier sharing – So many programs aren't working as well with the narrowing range of eligible applicants, what else do you want to try?

- Ideas for events – golf tournament; Black-tie; Christmas affair;
- Board of Directors input and participation
- Is this topic of interest for a separate meeting/webinar across the Membership?

7) Fahe Updates – Memo Attached

- a. October Board Report: Board Members Jackie Mayo, Lindy Turner
 - Reporting – QE 9-30-22/12-31-23 status- Vonda
 - Talked a lot about strategic planning and that process. If not involved in strategic planning, there is a mountain of effort, time, and brain power put into strategic plan and a lot of extra effort to give everyone the opportunity to have input. Read through the plan, can't continue to do things the same way, it's a big bold plan.
 - Handout with timeline for strategic plan.
 - Fahe Strategic Workshop – should be seeing that invite. 10:00 – 12:00 pm Thursday, February 23rd. Came from Sara Ball. Materials today or tomorrow.
 - Training - Jackie – see dates below for NTI's
 - If you sent folks to the VTI, make sure Jackie gets your receipts and certificates of completion to get reimbursement. Hoping to get those processed by end of February.

Two upcoming NTI's from NeighborWorks – May in San Francisco

August in Chicago. Have not gotten any new money for those events, only have a little bit of money left, hoping to get more but haven't yet so if would like to attend, let Jackie know now. Imagine will also do the package of online courses as well in the fall. Take advantages of those courses.

- Business Continuity Plans Update – Diedre Kendall
 - Sent out a survey for members to complete. Please get the surveys back to Diedre as soon as possible.
 - Ballard Collaborative, Trauma Informed Care Training – Nicholas Bormes:
<https://www.eventbrite.com/e/trauma-and-resilience-basic-training-tickets-520028799137>
 - Fahe has been working with Ballard Health as collaboration – community health improvements money – quarterly reporting back to Ballard, second quarter went very well. Keep up momentum. If have any questions, email Nicholas or Jackie. nbormes@fahe.org
 - Reapplication potential – haven't heard anything yet, expect to hear something soon, will let the members know immediately, will set up a meeting to discuss strategy.
 - Opportunities for training – Ballard very interested in trauma informed care – has, is, or will experience some degree of trauma, helps with communication. Share with staff and anyone who might benefit, available to anyone and it is free. Select amount of dates/times for training. Went through one, next is February 21st from 1:00-3:00 pm. Information about upcoming events, 7 more possible trainings until May. Each training is the same so do not have to attend every training, although may have different guest speakers. First hour is the science, second hour is the process, very interactive. Could lead to more training depending on interest. Let Nicholas know if there is any other training you would like.
 - Spring Retreat – www.fahemembers.com/fahe-conferences
 - It's time to advocate for what we need. People don't understand how critical things are. It's not about policy anymore, it's about letting people know and advocating. Can travel together to help with cost, other ways to save money. Josh has the hill staff list, they are doing Senate visits, can also help with House visits. Stace also knows Senator Rose as well and he has always been very receptive to rural housing. Sit down in advance and figure out who will say what in Senate meetings, probably no more than 12 people but technically no limit on how many people.
 - Hotel and food details will be coming out soon.
- b. REED, Research Evaluation Evidence & Data Cmte - Katy Stigers, Camila Moreno
https://www.fahemembers.com/wp-content/uploads/Data-Reference-List_updated-2-14-23.pdf
Katy has updated data source document, there is some state specific information at the beginning but also tons of other information about federal funding.
Reminder that they have open office hours the second Tuesday of every month to help with data, presentation, research, etc. Get in contact with them if you need help.
kstigers@fahe.org or cmoreno@fahe.org
- c. Lending – Community Lending and JustChoice Lending
Janel: Reminders: Affordability is an issue, two down payment programs. Welcome Home opened February 6th, two big changes this year. Amount is usually 5k, increased to 10k, 15k

for veterans. Does have 80% of MRB income limits, flyer in packet. Closing at 5:00 pm tomorrow but opening another round July 6th. Email Janel with any questions. Second program 20% community loan program, 20% down payment program, 502 direct is excluded from using it but most can use it. 80% MRB as well but linked to HUD requirements. On flyer as well. Will be at the TN Housing Conference on Tuesday for questions as well. Got awarded over 4.6M to be able to lend the 20% seconds, will hear from Janel well before that money runs out. jlawson@justchoicelending.com

- We also still have Project Reinvest funds, \$10,500 (100 AMI or less) that can be paired with USDA 502 Direct loans.
 - Offer construction money fixed for 24 months at 6.25% right now, have lots of money available. Still have portion of bond guarantee money as well, 6.75-7% fixed through March 1st of 2049, 80% RTE attached to it. USDA through the relending program available, 4.5-5% range, fixed for 30 years in rural area or towns 20k or below in population.
 - Some additional money coming in the next month or so that may be a bit cheaper, will know about it in a few weeks.
 - Busy, closing loans, pipeline over 50M, spread all over the place. Still moving money out the door, would love to work with more members out of TN, still have referral program, pay member 5% of interest in the first year, some conditions apply.
- d. Partners for Rural Transformation - Jose Quinonez, Essence Smith
- Partners signed USDATA agreement, inclusive of all 6 CDFIs, results in future caucus meetings. 12 articles series with Forbes, are launching new article series with Nonprofit Quarterly 4 articles – Eradicating Poverty, the Power of Cooperation, will post on social media when published. Developing PRT Rural development talking points, engage with decision makers and partners, assess overlap and shared interest, developing policy platform, philanthropy individual in service areas, discussion reference point with federal agencies, private investors, philanthropists in 3-legged strategy. Stories of Rural America, any future interviewees submitted to Essence/Jose. PRT is nationwide and on the national stage. We go further together. Our role at PRT is to amplify your voice so when there is call for comments, PRT responds on behalf of the Fahe network and PRT Partners. Put Appalachia at the same level of attention that others are getting.
- Contacts: Executive inquiries: jose@pfrt.org
Comms/fund development inquiries: essence@pfrt.org
Research/advocacy inquiries: emily@pfrt.org

Upcoming Events

- **Feb. 28-Mar. 1 – TN Housing Conference – (Housing Day at the Hill 2 pm on the 1st)**
- **Wed. March 29 – 11am-12:30 pm ET – Fahe Advocacy Training #2: How to Run an Effective Legislative Meeting (Virtual meeting info to come)**
- **April 11 & 13 - Fahe Advocacy Training #3: By Invitation – Practice Sessions for Hill Visits**
- **April 25-26 (Tues/Wed) – HOLD for [Spring Retreat in DC!](#)**
- **May 1-5 – NeighborWorks America NTI – San Francisco**
- **June 7 (Wed) – TN Caucus Meeting – Location TBD**
- **Aug. 21-25 - NeighborWorks America NTI – Chicago**
- **September 19-21 (Tues-Thur)– HOLD for Fahe Annual Meeting in Charleston!**
- **Nov. 1 (Wed) – TN Caucus Meeting – Location TBD**

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From: Jim King
To: Members
May 31, 2023
RE: Update on Strategic plan, Theory of Change

Greetings friends, I wanted to offer an update on the purpose and then the status of our Theory Of Change (TOC), 5 year Strategic Plan, and FY 24 Goals for Fahe. My hope is that everyone would have a common understanding of our vision together and be able articulate why we do things the way we do and what we're committed to in Appalachia.

The Theory Of Change is meant to express why we do certain work, how we work together so that we address the long term and chronic disinvestment in our region. We have as a vision of our success that we are building Appalachia to be communities that people want to live in, and that they have the kind of opportunities that are similar with the rest of the country. When we work together across Fahe, we create regional level investment that leads to increased capacity, and that helps us all work together to change the narratives in our communities, and create a virtuous cycle of progress.

Regarding the strategic plan, most of you will be familiar with the basic message. We think about the next several years as building the foundation that it takes for that long-term success or that vision I spoke of earlier. The four corners of our foundation are focused on money, capacity, narrative, and people. These provide the direction for our work. It should inform what opportunities we will pursue and which ones we will not.

The goals for fiscal year 2024 fall in line with the strategy and Theory Of Change, we build the goals around the four corners in terms of status and progress. The Theory Of Change, Strategic Plan, FY 2024 goals and budget will be presented at the June 21-22nd board meeting for approval. Once approved, we will have a communication plan so that we all have key messages we can utilize. This will help us be consistent in how we speak about our work together, and when we speak with one voice, we are heard.

I'm inspired with the progress we are making in Appalachia which has faced long disinvestment and our success in this region serves as a source of hope for me when our country is struggling with a growing divide of wealth and quality of life. If we can do it here that makes me belief we can do it everywhere.

We do this with the knowledge that it's our Strength in Numbers that gives us the power to leverage real and lasting change.

MEMORANDUM

DATE: May 31, 2023

TO: Membership Files

FROM: Vonda Poynter, SVP of Membership

RE: Foothills Community Development Corporation

Foothills Community Development Corporation (Foothills or FCDC), Maryville, TN, was previously a Fahe Member from 2004 until after leadership staff retired in December, 2018, and the organization was harbored under Blount County HFH, also a Fahe Member. Although the organization continued to have minor activity under Kathy Jackson who served as the FCDC director until 2020 when the covid pandemic hit, activity then ceased until the Fall of 2022 when a board of directors was appointed and Bobby Eason, previously on staff at Blount County HFH, was hired as the Executive Director.

Fahe membership had a call with Bobby who expressed his desire for FCDC to again become a Fahe Member and asked who he should talk with in the TN Caucus to learn and understand affordable housing development business models. Bobby has visited and talked with several Members since becoming the Executive Director at FCDC. Currently FCDC has one staff member, Bobby as the Executive Director, and the Board of Directors is made up of 3 persons which meet quarterly as a group and intermittently as needed when issues arise or collaboration is needed. The Executive Director is new to his ED position but was with Blount County HFH for 3 years as a project manager and ran his own construction company for 15+ years previously. FCDC is interested in preventing homelessness and developing affordable housing, both single-family and rental. FCDC is working through their One Year Strategic Plan, building one house and building program opportunities by seeking to obtain resources that will allow for expanding capacity for additional new home construction while undertaking available property evaluation.

FDCD Executive Director has been active with the Fahe TN Caucus while at Blount County HFH and since he has been the ED at Foothills, attending the Tennessee Caucus meetings consistently during the last 2 years with Blount County HFH and Foothills CDC; also attended the Spring Retreat in Washington DC in April. FCDC submitted their membership checklist and related application items in April, 2023.

Foothills CDC has met the Requirements laid out in the Membership Criteria and Compliance and have submitted the following required documents for review:
501c3 status confirmation

- Organizational documents
 - Articles of Incorporation – Charter Document (includes a purpose of the organization is to conduct and carry on development for the enrichment of lives, specifically pertaining to housing and economic development through the use of public private partnerships)
 - Bylaws
 - Mission/Vision statement
 - Mission – The primary mission of Foothills Community Development Corporation is to expand affordable housing opportunities for very low to moderate income families and individuals, in rural and urban designated areas, through the development, construction, rehabilitation and finance of homeownership and rental housing units that are safe, decent and affordable. In partnership with allied agencies, FCDC also provides housing counseling and homebuyer education services as well as development and construction services to housing projects designed to serve special needs populations.
 - Vision – Foothills Community Development's vision is for all households to find prosperity as an integral part of a diverse community.
 - Goals and Objectives – Operational Plan 2022-2023
 - Annual Plan for 2023 Includes strategies for Funding, Programs, Development, and Community Education committed to by the Board and Executive Director.
 - Service Area Map – identifies 4 county service area: Sevier, Blount, Loudon, and Monroe Counties
- Organization's commitment to housing identified by previous development of over 100 homes and current construction of their first "pilot" house since 2018, planning for rehabilitation activities, and considering opportunities to develop rental housing.
 - Staff with housing responsibilities include the Executive Director Bobby Eason. As the Board continues to develop and the program expertise gained during this first year's Operational Plan, efforts will include the expansion of the Board and staff to further FCDC's commitment to housing.
- Organization Requirements for prospective Members were provided which includes Board of Director information, minutes (noting that suspended activity, covid, and restructuring as the reason minutes are not available for 24 months), financial documentation for the past 24 months (available although activity suspended in 2020). The documents have been reviewed and filed.

Dwain Neeley of Community Lending has reviewed the financial documentation and has provided an analysis that Foothills CDC is financially sound with good accounting practices. The Financial Analysis is included with the Fahe staff review which includes comments from Hope Community Capital under contract with Fahe. They spoke with Bobby in detail on his plans for Foothills and made recommendation for membership:

"We are recommending that fahe approves the membership of Foothills Community Development Corporation; due to the alignment with fahe's mission and values, a competent and likeable Executive Director, a healthy financial position, and fahe's unique ability to provide a small organization, like FCDC, the ability to leverage a vast network and see growth and impact that otherwise couldn't have happened."

Fahe membership recommends Foothills CDC for Membership based on the financial analysis, the organizational documents, governance structure and best practices, and commitment to affordable housing in their service area and in the caucus network. Working with the Caucus Chair, Foothills CDC will be asked to present to the Tennessee Caucus on June 7, 2023. The caucus will vote to determine if a recommendation will be made to the Fahe Board for Foothills CDC to be considered for Fahe Membership.



Author:	Dwain Neeley – VP of Community Lending Carrie Sanders and Joseph Dokken – Hope Community Capital
Date Prepared:	5/24/2023

Subject

Borrower Name:	Foothills Community Development Corp - https://foothillscdc.org
Address:	1019 Hampshire Dr Maryville, TN 37801
Phone Number:	865 982-8692
Contact:	Bobby Eason – Executive Director - bobby@foothillscdc.org

Profile

Background, Management, Experience:	<p>Foothills Community Development Corp. (FCDC) is a 501c3 non-profit organization headquartered in Maryville, Tennessee. FCDC has been recognized by the United States Department of Housing and Urban Development (HUD) and the Tennessee Housing Development Agency (THDA) as a Community Housing Development Organization (CHDO). The organization provides affordable and workforce housing opportunities through their homeownership program to a 4-county area including Blount, Sevier, Loudon, and Monroe counties. Chartered in 2002, FCDC has served these communities for over 20 years and has built over 100 homes.</p> <p>FCHC seeks to become a member of fahe for its unique ability to provide a small organization like FCDC a large, vast network of people to leverage and lean on to grow and expand the organization's mission.</p> <p>FCDC's Homeownership Program provides the opportunity for qualified applicants to purchase a new or renovated home using an affordable home loan or be pre-qualified for a low-interest mortgage which can be used to purchase a home on the open market. FCDC typically works with the USDA mortgage program for its homebuyers, which is packaged by a local bank and serviced by fahe. FCDC requires HUD homeownership counseling for homebuyers. FCDC may provide a soft second mortgage, which is forgivable. Please refer to figure 1.2 in appendix for terms of forgiveness.</p> <p>Between 2019 and 2022, FCDC laid dormant due to the retirement of the founding leadership of the organization and the impacts of the pandemic. It wasn't until 2022 that Mr. Eason was hired as the Executive Director (ED) to take over the responsibility of FCDC. Mr.</p>
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Eason is the only employee of this organization. The board includes 3 board members.

Key Leadership

Executive Director: Bobby Eason

Mr. Eason graduated college with a degree in Art at Vernon College. He then went to Habitat for Humanity where he was a construction manager. In 2022, he was hired as the Executive Director for FCDC. He is committed to improving affordable homeownership opportunities in the counties served by FCDC and brings his construction knowledge to bear

Board President: David Connor - SmartBank

David serves as Senior Vice President and Market Executive for Blount County. After graduating from Maryville College in 2000 with a bachelor's degree in Business Administration, David joined The Home Bank and has been in banking for 22 years. Since joining SmartBank in 2019 via merger with Foothills Bank & Trust, David has overseen the Blount County Market. David is passionate about helping clients with their banking needs and providing excellent customer service. David is a graduate of Leadership Blount (2005) and is the Board Chair for Foothills Community Development Corporation.

Board Secretary: Larry Johnston – Real Estate Developer (Retired)

Larry Johnston currently serves as Foothills Community Development's Board Secretary and has served on the board since 2005. Larry is a Blount County native who graduated from Maryville High School. He earned a Bachelor of Science degree from the University of Tennessee in Economics before moving to Chicago to work in the Chicago Mercantile Exchange. After his time in Chicago he briefly spent a few years managing the Crescent H Ranch in Wyoming before moving back to Maryville. Back in his hometown, he has enjoyed becoming a "serial entrepreneur" who has gained insight from a wide range of different opportunities and investments. He chooses to use these experiences to help further the development of affordable housing by serving on the board of Foothills Community Development Corp.

Board Member: Sandra Earls – First Horizon Bank

Sandra Earls joined the Foothills Community Development Board of Directors in 2022. She serves as the low-income representative for FCDC. She was the recipient of a home built with THDA administered HOME funds by Blount County Habitat for Humanity, as such, she understands the transformational power that housing non-profits and federal programs such as HOME, can have on a

	household. After working for many years in the hospitality industry, she recently changed career paths and found employment with First Horizon Bank as a Teller.
Executive Summary	<p>fahe recommends the approval of membership for Foothills Community Development Corporation. FCDC is well-aligned with fahe's focus on leadership, housing, education, health and social services, and economic opportunity, fahe empowers the people and communities of Appalachia with the resources, opportunities, and tools needed to build a better life.</p> <p>Though dormant for four years, FCDC brought on a strong Executive Director, Mr. Eason, who is rebuilding their board leadership, and is in a strong financial position (cash position) to be able to re-engage and "pilot" their affordable homeownership business model. As a member of fahe, FCDC can accelerate its mission to provide quality, affordable homeownership opportunities.</p>
General	<p><u>Current Operations</u></p> <p>After 4 years of no activity, FCDC has recently begun the build out of a two-story, 3-bedroom, 2.5-bathroom house (with garage) as a pilot to assess the viability of FCDC signature program. At the writing of this memo, this project is 50% complete and is expected to be complete and sold before calendar year end 2023. According to Mr. Eason, this project is far enough along to give FCDC a clear picture of the hard costs and market for the home. FCDC plans to break ground on the next 3 homes by September of 2023. FCDC acts as the general contractor on its projects and sub-contracts locally and in the Knoxville market.</p> <p><u>New Line of Business – Affordable Rental Units</u></p> <p>FCDC is exploring a new line of business to construct new affordable rental units, which Mr. Eason sees as a potential growth opportunity for the organization and community. FCDC has provided a 2023 Operational Plan which clearly describes the organization's plans for the remainder of 2023.</p> <p><u>Grant Revenue</u></p> <p>Grant revenue is important to FCDC's ability to achieve their desired mission and growth objectives. FCDC is currently targeting the HOME grant (FCDC qualifies due to its CHDO designation) and FHLB Affordable Housing Program funds. The goal of these funds is to get revenue back to and beyond that of \$1.35M in 2019.</p>
Alignment Assessment	<p><u>Alignment Assessment Summary</u></p> <p>With the goal of being a fahe Member, FCDC exemplifies empowerment of the people and community through the</p>

development of affordable housing in their 4-county service area. This is shown through the commitment of the executive leadership and board to a vision and commitment to their 2023 Strategic plan. Please refer to Figure 1.1.

fahe Commitments		FCDC Alignment	
Leadership		FCDC is positioned to be a leader in the development and sale of affordable housing in its multi-county service area.	
Housing		FCDC's main source of program revenue comes from the development and sale of affordable homes for the low-income residents of Tennessee. Coupled with homeownership counseling, FCDC positions its product as a foundation for homeowners to access leadership, education, health & well-being, and economic opportunities.	
Education		FCDC partners with HUD to provide homeowners with pre-purchase counseling education.	
Health & Well-Being		FCDC's program is aligned with the principle that housing is a foundational element of a household's health and well-being.	
Economic Opportunity		While FCDC is the General Contractor on the deals moving forward to cut costs, 95% of the construction is being sub-contracted out to residents of the 4-county geographic area FCDC serves, creating economic opportunity through construction jobs. Homeowners also experience wealth building through the equity in their homes over time.	
fahe's Membership Goal		FCDC Alignment	
Strengthen the network by connecting the members in		When asked why FCDC wanted to be a member of	

	order to provide access to specialized training, information sharing, financial resources, and a stronger combined political voice that supports positive change in their communities.	fahe, Executive Director Mr. Eason stated, "I want FCDC to be a member of fahe because access to fahe's staff and the fahe network provides will help us grow." Mr. Eason particularly thanked Vonda Poynter for her assistance to FCDC over the years.
	fahe's Mission Statement	FCDC's Mission Statement
	"Fahe empowers the people and communities of Appalachia with the resources, opportunities, and tools needed to build a better life." -fahe.org	To expand affordable housing opportunities to very low and moderate income households, in rural and urban areas, through the development of safe, decent, and affordable housing.
<i>Figure 1.1 – Alignment Diagram</i>		
Organizational Financial Analysis	<p>Financial Analysis Summary (Audited Financials FYE 6/30 for '19, '20, '21, '22 and Company Prepared Balance Sheet and P&L for Q4 of 2022): Although dormant for 4 years, FCDC exhibits a strong cash position (\$850K in cash and \$100K LOC) and owns 8 parcels of land. While FCDC has access to a \$100K construction LOC which has not been drawn, the organization has no current debt obligations. The main financial risk to the organization is their ability to secure land for future home-building at a reasonable cost. FCDC cites increasing land cost as its greatest threat to be able to continue to provide affordable homeownership opportunities. Ideally, FCDC would like to purchase a subdivision of 8 – 10 lots; however, this is not currently available in their service area.</p> <p>As mentioned previously, FCDC has not generated significant program revenue since 2019. With current cash on hand of about \$850k and no new land acquisitions or real debt obligations FCDC is using its cash to build a "pilot" home to test the market in 2023 and to compensate its staff, Mr. Eason. The expectation is that following the pilot house, the organization will engage in three more builds in 2023 / 2024.</p> <p>Since 2019, FCDC has been at an operating loss each year and operations have been funded out of organizational cash reserves. Even though they have been operating at a deficit for the last 4 years their Total Net Assets have only modestly changed while being dormant. Prudent money management has allowed FCDC to use the organizational cash and assets to pursue the pilot build and then work through its 2023 operational plan.</p>	

Paid staff at FCDC consists of 1 individual, the ED, Mr. Eason. He is new to the role since the previous leadership left in 2019. The payroll expense item line of Q4 '22 was \$12,848. This wage is very close to the living wage of \$22.30 in Blount County for a dual-income household with 2 children. Given company prepared projections, in FYE 06/30/2024 FCDC is projecting 90k payroll expenses which means that Mr. Eason will get more appropriately compensated in the near future. There is also risk in the company's ability to find and purchase land with the growth of land values in their geography.

Income

Income has remained stagnant since FCDC stopped building homes. In 2019 program revenue consisted of \$1.35M and program expense was \$1.4M which left change in net assets -\$68k. Beginning balance of net assets was \$1.6M in 2019, thus allowing FCDC to afford the operating loss. Since 2019, there has been minimal interest income each year the past four years that has made up the majority of income. The change in net assets has been around -1% of total net assets each year. In 2022 income revenue was \$1.8k and change in net assets was -\$36k. Please refer to figure 1.4 in the appendix.

Expenses

During FYE 06/30/2022 program expenses consisted of insurance, land maintenance, payroll, professional services, property taxes and miscellaneous. Payroll expenses were around \$15k due to the ED stepping in during the year. In Q4 of 2022 the payroll was \$12k. Provided by FCDC, FYE 06/30/24 is projected to have \$1.1M in expenses with the purchase of rental units and 3 homes completed and sold. Please refer to figure 1.4 in the appendix.

	FY19 Audit	FY20 Audit	% Change	FY21 Audit	FY22 Audit	% Change	EDF - Q4 2022
Mgt., Gen & Fundraising	\$ 32,887	\$ 13,343	-59.4%	\$ 10,058	\$ 7,003	-24.6%	\$ 19,546
All other Operating Expense	\$ 1,901	\$ -	-100.0%	\$ -	\$ -		\$ 366
Program Expense	\$ 1,379,958	\$ 45,593	-96.7%	\$ 11,758	\$ 31,613	-74.2%	\$ 365
Total Expense	\$ 1,414,746	\$ 58,936	-95.8%	\$ 21,816	\$ 38,616	-63.0%	\$ 20,276

Figure 1.6 – Total Expenses for FY19, '20, '21, '22 and Q4 of '22

	Program Services	Management and General	2022 Total Expense	2021 Total Expense
Depreciation	\$ -	\$ -	\$ -	\$ 364
Insurance	2,662	-	2,662	-
Land maintenance	6,189	-	6,189	-
Miscellaneous	1,018	-	1,018	1,080
Occupancy	-	4,350	4,350	4,500
Payroll	15,619	-	15,619	-
Professional services	4,927	2,653	7,580	14,651
Property taxes	1,198	-	1,198	1,221
Total expenses	\$ 31,613	\$ 7,003	\$ 38,616	\$ 21,816

Figure 1.7 – FY21 and FY22 Total Expenses By Item Line

	<p><u>Assets</u></p> <p>In 2022 FCDC had 8 parcels of land as assets on the balance sheet. They are currently using one parcel of land for the pilot project and plan to use three more for the other projects they hope to start by September of 2023. These parcels are held by FCDC free and clear with no debt. FCDC plans to use a mix of cash, grants, and debt to make acquisitions, including land.</p> <p><u>Liabilities</u></p> <p>As of Q4 of 2022, accounts payable consisted of 4k. This is the only debt outstanding that the business has. As FCDC plans to grow and expand their debt obligations will increase in order to fund land acquisition, the purchase of existing homes/rental units, and construction costs of building new homes. Please refer to figure 1.3 (located in the appendix).</p>
2023 Strategic Plan	<p><u>Funding</u></p> <p><u>Strategy #1 – Research and identify funding opportunities for the organization that are compatible with existing or planned programming:</u> The management team has expressed the goal to achieve Federal Home Loan Bank (FHLB) grant funds (Affordable Housing Program – AHP) to expand and build more homes.</p> <p><u>Strategy #2 – Secure for Homeownership Program:</u> FCDC is a Community Housing Development Organization (CHDO) which means that they have a unique access to HOME grants. It is FCDC's goal to win HOME grants for both their development of new houses but also to build out their new line of business in affordable rental units. In 2016 FCDC won a 500k HOME grant that was drawn over a 4-year period ending in 2019. FCDC has already applied for one HOME grant this year and plan to continue applying for more in the near future.</p> <p><u>Programs</u></p> <p><u>Strategy #1 – Successfully complete Pilot Project:</u> Since Mr. Eason has become the ED of this organization, FCDC has started the construction of their first property since 2019 to “pilot” the feasibility of the organization. They are currently funding this project through the cash they have on hand and they already owned the land outright. They also have access to a \$100k CITC LOC with SmartBank to help with construction financing if need be. The permanent financier on this project is USDA 502 loan. fahe is providing a silent forgivable secondary loan, please refer to figure 1.2 in the appendix for more details on those terms. FCDC took on the pilot build project before finding a buyer because they wanted to use this project as a true pilot to understand the market, the feasibility, and the demand for the product provided. The house</p>

will hit the market at no more than 10% less than the fair market value which will put the sale price of this house in the mid \$200k range. Management thinks that this will be a high price; however, it still is within the requirements of affordable housing in Blount County (affordable to a household earning up to 80% AML).

Can FCDC successfully complete this pilot project? – Given their financial position, access to a LOC, and the need for affordable housing in this area, even though the house will be priced in the mid \$200k range, FCDC believes it will find a buyer for the home.

Strategy #2 – Standardize Homeownership Program: FCDC is currently planning to build out the next two houses exactly the same as the pilot house. 3-bedroom, 2.5-bathroom, and attached garage. From there, the next buildout will be a new architectural design to test another type of house in order to best understand what works best for the community and for FCDC.

Strategy #3 – Build Pipeline of Eligible Applicants: FCDC started their pilot project without finding a homeowner applicant for their house. Given the financial position they are in and given their 4-year dormant period, this was reasonable. However, going forward they are hoping to have applicants ready to purchase the home before they start construction. This will allow FCDC to leverage the USDA 502 loan which allows them to draw 50% of the loan at 60% completion. In order to get to this point, the management team is looking to build out a pipeline of applicants to find and sustain buyers for future houses. Right now, as a team of one, building out a pipeline of applicants may pose as a challenge. FCDC will need to reengage its marketing efforts to cultivate a pipeline of ready homeowners.

Strategy #4 – Create Affordable Rental Program (Community Input Initiative): When asked, 'what are you most excited for in the near future?' ED, Mr. Eason explained "I am most excited for the growth potential of affordable rental units. There is a huge need and gap for this in our serviced counties and I see a great opportunity for our organization in this new line of business"

Development

Strategy #1 – Continue Land Acquisition: FCDC currently has 8 parcels of land and they are looking to have 3 additional houses after the pilot house by 2023/2024. This leaves the corporation with 4 un-developed parcels. With their hope of expansion and growth they will need to continue land acquisitions. This is a challenge due to the high current price of land in FCDC's geography.

	<p>Strategy #2 – Start Rehabilitation Acquisitions (Community Input Initiative): Given that FCDC would like to offer homes that are more affordable than the mid \$200k range as with the pilot house, they may look to expand their line of business into the rehabilitation of existing homes. This will allow them to cut costs on the construction and help to bring down the price of these homes.</p> <p>Community Education</p> <hr/> <p><i>Strategy #1 – Education of local municipal governments (Community Input Initiative)</i></p> <p><i>Strategy #2 – Education of local and industrial community</i></p> <p>This provides great alignment with fahe in what they are looking to accomplish as an organization in terms of educating the community about the benefits of affordable homeownership (and, perhaps, rental in the future).</p>
<p>Summary & Recommendation:</p>	<ol style="list-style-type: none"> 1. Approval of membership application. 2. They have good leadership, but will need to grow staff into the future and increase the board. Construction Manager is planned to be hired. 3. They are in a pilot phase right now – a \$260K sale price seems high to FCDC, however, they are getting a baseline for what can be built, to meet market expectations in terms of design, etc., and they were good stewards for 3 years of organizational dormancy, and therefore are not in a position to leverage their ~\$1M accumulated net assets (CASH) to rebuild for future success. 4. FCDC is aligned with the vision of fahe and what they are looking for in a member relationship.

Appendix

2023 Strategic Plan

Figure 1.2



1019 Hampshire Dr.
Maryville, TN 37801
Phone: 865-233-9108
FAX: 865-982-3895

Memo to File

Pilot Homeownership Program Underwriting Policy

February 22nd, 2023

To Whom it May Concern,

Due to the fact that Foothills Community Development Corporation has not provided homeownership services for an extended period of time, the following temporary policies will apply to the homeownership program to help the organization re-start the program. These policies will be in place for the home to be constructed at 2612 Morganton Rd. Maryville, TN 37801 and can be extended or modified for further projects depending on the success of the first project and the funding sources being utilized for the future projects.

Temporary Policies:

- ☐ Household's gross income must be at or less than the USDA 502 Direct program income limits
- ☐ Minimum 1st mortgage of estimated Total Development Cost (TDC) plus 10%
- ☐ Applicants are underwritten to a maximum 29% Front End Ratio (FER)
- ☐ Maximum 1st mortgage of the lesser between Fair Market Value (FMV) minus 10% or USDA area loan limit.
- ☐ Silent subordinate second mortgage will be executed as necessary to capture equity subsidy (difference between 1st mortgage and contract sales price) if buyer's 29% FER is reached at an amount equal to or greater than the specified minimum 1st mortgage, but less the contract sales price.
- ☐ Equity Subsidy is forgiven based on the amount in which is subsidized. Forgiveness schedule is as follows:
 - o Less than \$10,000 – fully forgiven upon 5 years from closing in one lump sum
 - o \$10,000 – \$50,000 – start forgiveness after 5 years, forgives at a rate of 20% per year after that
 - o More than \$50,000 – start forgiveness after 5 years, forgives at a rate of 10% per year after that

Regards,

A handwritten signature in blue ink, appearing to read "Bobby Eason".

Bobby Eason

Executive Director



We are pledged to the letter and spirit of U.S. policy for achievement of equal housing opportunity. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing regarding race, color, national origin, religion, sex, familial status, marital status, income from public assistance, handicap or because a right was exercised under the Consumer Credit Protection Act.

Figure 1.3

FINANCIAL STATEMENT SPREAD SHEET									
Date Audit Received ==>	6/30/19	6/30/20		6/30/21	6/30/22		EOY - Q4 2022		
Year ==>	FY '19 Audit	FY '20 Audit	%	FY '21 Audit	FY '22 Audit	%	Internal		%
Statement Type ==>			Change			Change			Change
Balance Sheet									
Cash (Unrestricted)	\$ 967,571	\$ 722,360	-25.3%	\$ 406,556	\$ 369,483	-9.1%	\$ 339,067		-16.6%
Certificates of Deposit	\$ -	\$ -	0.0%	\$ 508,477	\$ 509,514	0.2%	\$ 509,865		0.3%
Acct's Receivable	\$ 23,667	\$ -	-100.0%	\$ 2,304	\$ 1,619	-29.7%	\$ 1,619		-29.7%
Land for Houses	\$ 82,404	\$ 82,404	0.0%	\$ 82,404	\$ 82,404	0.0%	\$ 82,404		0.0%
Other Current Assets	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -		0.0%
Total Current Assets	\$ 1,073,642	\$ 804,764	-25.0%	\$ 999,741	\$ 963,020	-3.7%	\$ 932,955		-6.7%
Investments	\$ -	\$ -		\$ -	\$ -		\$ -		
Fixed Assets									
Office Equipment	\$ 4,527	\$ 4,527	0.0%	\$ 4,527	\$ 4,527	0.0%	\$ 5,312		17.4%
Accumulated Depreciation	\$ (4,164)	\$ (4,164)	0.0%	\$ (4,527)	\$ (4,527)	0.0%	\$ (4,527)		0.0%
All other Assets									
Deposit	\$ 3,500	\$ -		\$ -	\$ -		\$ -		
Construction in Progress	\$ -	\$ -		\$ -	\$ -		\$ 6,281	628083.0%	
Total Other Assets	\$ 3,863	\$ 363	-90.6%	\$ -	\$ -	0.0%	\$ 7,066	706582.0%	
Total Assets *	\$ 1,077,505	\$ 805,127	-25.3%	\$ 999,741	\$ 963,020	-3.7%	\$ 940,021		-6.0%
Accounts Payable	\$ 4,041	\$ 165	-95.9%	\$ 75	\$ 150	-54.5%	\$ 4,126	5401.1%	
Deferred Revenue	\$ -	\$ -		\$ -	\$ -		\$ -		
Other Current Liabilities	\$ -	\$ -		\$ -	\$ -		\$ -		
Total Current Liabilities	\$ 4,041	\$ 165	-95.9%	\$ 75	\$ 150	-54.5%	\$ 4,126	5401.1%	
Long Term Debt	\$ -	\$ -		\$ -	\$ -				
Total Liabilities	\$ 4,041	\$ 165	-95.9%	\$ 75	\$ 150	-54.5%	\$ 4,126	5401.1%	
Unrestricted Net Assets	\$ 1,073,464	\$ 804,962	-25.0%	\$ 999,666	\$ 962,870	-3.7%	\$ 935,895		-6.4%
Retained Earnings	\$ -	\$ -		\$ -	\$ -		\$ (26,975)		
Net Income	\$ -	\$ -		\$ -	\$ -		\$ (26,975)		
Net Assets	\$ 1,073,464	\$ 804,962	-25.0%	\$ 999,666	\$ 962,870	-3.7%	\$ 935,895		-6.4%
Total Liabilities + Net Assets	\$ 1,077,505	\$ 805,127	-25.3%	\$ 999,741	\$ 963,020	-3.7%	\$ 940,021		-6.0%

Figure 1.4

FINANCIAL STATEMENT SPREAD SHEET									
Date Audit Received ==>	6/30/19	6/30/20		6/30/21	6/30/22		EOY - Q4 2022		
Year ==>	FY '19 Audit	FY '20 Audit	%	FY '21 Audit	FY '22 Audit	%	Internal		%
Statement Type ==>			Change			Change			Change
Income & Expense									
Revenue and Support									
Interest Income	\$ 5,005	\$ 14,010	179.9%	\$ 8,979	\$ 1,820	-35.9%	\$ 1,015	-88.7%	-100.0%
Sales to Homeowners	\$ 1,300,000	\$ -	-100.0%	\$ -	\$ -		\$ -		
Sale of Land for RD Homeowners	\$ 7,517	\$ -	-100.0%	\$ -	\$ -		\$ -		
Grant Income - THDA Admn	\$ 31,503	\$ -	-100.0%	\$ -	\$ -		\$ -		
Insurance - Audit Refunds	\$ -	\$ -		\$ 2,612	\$ -		\$ -	-100.0%	
Rebates/Reimbursements	\$ 2,241	\$ 4,443	98.3%	\$ 4,929	\$ -	-100.0%	\$ -	-100.0%	
Rental Income	\$ -	\$ -		\$ -	\$ -		\$ -		
Total Revenue	\$ 1,346,266	\$ 18,453	-98.6%	\$ 16,520	\$ 1,820	-10.5%	\$ 1,015	-93.9%	4258.4%
Mgt., Gen & Fundraising	\$ 32,887	\$ 13,343	-59.4%	\$ 10,058	\$ 7,003	-24.6%	\$ 19,546	94.3%	794.8%
All other Operating Expense	\$ 1,901	\$ -	-100.0%	\$ -	\$ -		\$ 366		
Program Expense	\$ 1,379,958	\$ 45,593	-96.7%	\$ 11,758	\$ 31,613	-74.2%	\$ 365	-96.9%	6406.2%
Rental Unit Development Expenses	\$ -	\$ -		\$ -	\$ -		\$ -		
Rental Financing Expenses	\$ -	\$ -		\$ -	\$ -		\$ -		
Total Expense	\$ 1,414,746	\$ 58,936	-95.8%	\$ 21,816	\$ 38,616	-63.0%	\$ 20,276	-7.1%	4827.9%
Nonoperating Income									
Contribution to Habitat for Humanity		\$ (200,000)				-100.0%			
Change in Net Assets	\$ (68,480)	\$ (40,483)	-40.9%	\$ (5,296)	\$ (36,796)	-86.9%	\$ (19,262)	263.7%	6604.3%
Total Change in Net Assets	\$ (68,480)	\$ (240,483)	251.2%	\$ (5,296)	\$ (36,796)	-97.8%	\$ (19,262)	263.7%	6604%
Interest Expense	\$ -	\$ -		\$ -	\$ -		\$ -		
Depreciation Expense	\$ -	\$ -		\$ 364	\$ -		\$ -		
Beg. Net Assets	\$ 1,607,518	\$ 1,073,464		\$ 804,962	\$ 999,666		\$ 962,870		
Prior Year Correction	\$ (465,574)	\$ (28,019)		\$ 200,000	\$ -		\$ -		
Beg. Net Assets as Restated	\$ 1,141,944	\$ 1,045,445		\$ 1,004,962	\$ 999,666		\$ 962,870		
Net Assets	\$ 1,073,464	\$ 804,962		\$ 999,666	\$ 962,870		\$ 962,870		

Figure 1.5

FINANCIAL STATEMENT SPREAD SHEET										
Date Audit Received ==>	6/30/19	6/30/20		6/30/21	6/30/22		EOY - Q4 2022			
Year ==>	FY '19 Audit	FY '20 Audit	%	FY '21 Audit	FY '22 Audit	%	Internal	%	Est	%
Statement Type ==>			Change			Change		Change	FYE 06/30/24	Change
SHORT TERM SOLVENCY										
Current Ratio (CA/CL)	>=1.25	265.69	4,877.36	13,329.88	6,420.13		226.12		#DIV/0!	
Quick Ratio (Cash+Securities/CL)	>0.15	245.30	4,377.94	12,231.16	5,870.77		206.15		#DIV/0!	
Cash to Working Capital (Cash/(CA-CL)	>=.50	0.93	0.90	0.92	0.91		0.92		#DIV/0!	
Fixed Asset Mix (FA/TA)	<=.86	-	-	-	-		-		#DIV/0!	
Fixed Assets to Net Assets (FA/NA)	<=.66	-	-	-	-		-		#DIV/0!	
Net Asset Ratio (NA/TA)	>=.20	1.00	1.00	1.00	1.00		1.00		#DIV/0!	
Operating Liquidity (URCash/(Op. Exp/12)) *	> 3	333.76	649.65	485.05	633.13		204.35		-	
Operating Liquidity (Cash/(Total Exp/12)	>3	8.21	147.08	503.32	273.15		502.42		-	
AP Turns (AP/(Rev./365)	<30	1.10	3.26	1.66	30.08		1484.28		0.00	
LONG TERM SOLVENCY										
Current to Non-Current Liabilities (CL/LTD)	<=.50	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!		#DIV/0!	
Current to Total Liabilities (CL/TL)	<=.33	1.00	1.00	1.00	1.00		1.00		#DIV/0!	
Debt to Equity (TL/NA)	<=2.5	0.00	0.00	0.00	0.00		0.00		#DIV/0!	
Long Term Debt to Net Assets (LTD/NA)	<=.8	-	-	-	-		-		#DIV/0!	
Debt Ratio (TL/TA)	<.50	0.00	0.00	0.00	0.00		0.00		#DIV/0!	
Debt Coverage (EBITD/Interest)	>2	#DIV/0!	#DIV/0!	#REF!	#DIV/0!		#DIV/0!		#DIV/0!	
EFFICIENCY AND PROFITABILITY										
Reliance (Grant Rev./Total Rev.)	<.40	-	-	-	-		-		-	
Efficiency (M&G+Fundraising/ Op Exp)	<.25	0.02	0.23	0.46	0.18		0.96		0.08	
Profit Margin (Change in NA/Revenue)	>.05	(0.05)	(2.19)	(0.32)	(20.22)		(18.98)		(0.49)	
Self Sufficiency (Earned Inc./ Op. Expense)	>.40	38.70	1.38	1.64	0.26		0.05		8.00	
Self Sufficiency (Earned Inc + Dep./ Op. Expense)		38.70	1.38	1.68	0.26		0.05		8.00	
Self Sufficiency (Earned Inc./ Tot. Expense)	>.40	0.95	0.31	0.76	0.05		0.05		0.67	

Fahe MEMBERSHIP

Thank you for your interest in becoming a Member of Fahe. Fahe is building hope, building relationships, strengthening communities, and nurturing families through housing and support systems. By building on trusted relationships in Appalachia, we make more happen together. We work together and openly share brand, influence, and successful strategies. We speak with a strong voice and create dynamic impact, gathering expertise from each other. We envision Appalachia as a place proud of sustaining its culture and environment, where growth, opportunity and hope are balanced so that all people fulfill their potential with regard to housing, employment, education opportunity and quality of life.

Below you will find additional details regarding Membership benefits and responsibilities, the Membership application process and Membership criteria.

Membership Benefits

<u>Collaboration</u>	<u>Advocacy</u>	<u>Innovation</u>	<u>Communication</u>	<u>Financing</u>
Opportunity to benefit from shared experience of Member Network through annual meetings, events and peer-to-peer conversations and issue-specific working group participation. Access to program/project planning services and engage with cross-discipline partners and facilitate opportunities with municipalities.	Representation at the state and national level focused on increasing visibility to national funders, building relationships with housing finance agencies and helping craft state-level advocacy plans.	Opportunity to participate in strategic initiatives, Member driven compacts, access training opportunities with potential discounted pricing and receive pass-through funding as available.	Strong communication of shared narrative and assistance in amplifying Members' impact while boosting our message to influencers within the public and private sectors.	Access to financing for single family home mortgages through broker and loan packager (USDA-RD) relationships. Access to capital to include commercial loan products, lines of credit, multifamily construction & permanent financing.

Membership Responsibilities

<u>Mission & Values</u>	<u>Attendance</u>	<u>Member Dues</u>	<u>Reporting</u>
Support Fahe's mission and values and adhere to Fahe's Code of Ethics as further described in Exhibit A	Attendance at two annual Membership meetings (Spring Retreat and Fall Annual Meeting) and bi-monthly state caucus meetings 3 times/year. Minimum compliance = 65% attendance of which one is an annual meeting	Annual Membership Dues payable no later than July 31 st	Quarterly Production Reports Annual Membership Materials

Fahe full Membership meetings occur twice a year, and individual state caucuses, (Alabama, Kentucky, Tennessee, Virginia, West Virginia) meet three additional times yearly.

Membership Application Process

- Prospective Members are introduced to the corresponding state caucus and invited to attend caucus meetings and events
- Fahe Member Services initiates call and/or site visit with prospective Member's executive director and key personnel
- Prospective Member submits a formal letter of request to join Fahe to Fahe Membership staff
- Fahe Membership staff extends invitation to submit application materials to prospective Members who demonstrate preliminary alignment with Fahe Membership criteria
- Prospective Member submits application and supporting documentation as detailed in the Fahe Membership Application (**Exhibit B**)
- Fahe Membership staff reviews application materials and provides a summary to the state caucus chair for presentation to the state caucus
- Prospective Member is invited to make a presentation to the state caucus
- State caucus conducts a discussion without prospective Member present
- If the caucus Members are in agreement, the caucus makes a recommendation for approval to Fahe's board of directors
- Prospective Member may be asked to make a presentation to Fahe's board of directors
- Fahe's board of directors acts upon the caucus recommendation at a regularly scheduled board meeting

Please note that Fahe's application process is intentional and patient; allowing the prospective Member, state caucus Members and Fahe Membership staff ample time to ensure a mutually beneficial relationship.

Exhibit A

FAHE MISSION, VISION, IDENTITY AND CORE VALUES

Mission

Fahe brings people, organizations, and resources together to build homes, communities and a thriving Appalachia through expanding economic opportunity and security for all. As leaders we speak with a unified voice to influence policy, philanthropy and systems change.

Vision

We envision Appalachia as a place proud of sustaining its culture and environment, where growth, opportunity and hope are balanced so that all people fulfill their potential with regard to housing, employment, educational opportunity, and quality of life.

Identity

Fahe is building hope, building relationships, strengthening communities, and nurturing families through housing and support systems. By building on trusted relationships in Appalachia, we make more happen together. We work together and openly share brand, influence, and successful strategies. We speak with a strong voice and create dynamic impact, gathering expertise from each other.

Mission Purpose

Fahe believes that in implementing our mission we must maintain the integrity of individuals and families in terms of their physical, financial and socio-cultural needs as a whole and build the healthy communities they need to thrive, while empower them to create lasting change in their own lives and communities.

Our Core Values

- Fahe values a culture of warmth and belonging, where everyone is welcome. In doing so, we are commitment to individual and organizational efforts to build respect, dignity, fairness, caring, equity, and self-esteem.
- Fahe values a culture of excellence where everyone has the freedom to pursue knowledge through innovation and creativity. In doing so, we are committed to develop a highly-skilled, dedicated, and diverse workforce that is empowered to achieve outstanding results.
- Fahe values a culture of accountability and transparency, where everyone is expected to act responsibly to guarantee integrity, trustworthiness, reliability and dependability. In doing so, we are committed to create a strong sense “organizational health and integrity” by holding everyone accountable to their duties, responsibilities, and commitments.
- Fahe values a culture of collaboration and partnership where everyone engages with respect, openness and trust in pursuit of a common purpose. In doing so, we are committed to do no harm to the communities we serve, act with political, ideological, and religious neutrality having regard for individuals, ideals, and the institution as a whole.
- Fahe values a culture of trust where everyone is being honest and ethical in all interactions, maintaining the highest ethical standards in public engagement and service. In doing so, we are committed to earn the trust of our staff, leaders, customers, Members and Partners through a pattern of unquestioned honesty and humility.

EXHIBIT B
Fahe Membership Application

ENTITY LEGAL NAME								
PHYSICAL ADDRESS				MAILING ADDRESS				
PHONE NUMBER				WEBSITE				
EXEC. DIR./CEO				E-MAIL ADDRESS				
ORGANIZATIONAL TYPE (Check all that apply)	<input type="checkbox"/>	CAA	<input type="checkbox"/>	CDC	<input type="checkbox"/>	CDFI	<input type="checkbox"/>	NWO
	<input type="checkbox"/>	HOUSING AUTHORITY	<input type="checkbox"/>	HABITAT AFFILIATE	<input type="checkbox"/>	HUD CERTIFIED		
SERVICE AREA	Appalachian States			ARC Counties				

Changes to the above information should be shared with Fahe as they occur

MEMBERSHIP CRITERIA & APPLICATION SUBMISSION REQUIREMENTS

CATEGORY	CRITERIA	SUPPORTING DOCUMENTATION	Must include w/ application	Required for yearly renewal
Organizational Documents	Duly Organized 501 (c)3 Nonprofit or other organization such as community action agency, housing authority, etc. as may be approved by Fahe's board of directors	Formation Documents, i.e., Articles of Incorporation, Certificate of Formation, etc.		
		IRS 501 (c)3 Determination Letter		
Service Area	Must have a focus on serving and investing in Appalachia	Please list Appalachian states and ARC counties served in the area above		Changes only
		Map of Service Area		Changes
Affordable Housing Commitment	Demonstrated commitment to affordable housing	Check all that apply		Changes
		<input type="checkbox"/> Development		
		<input type="checkbox"/> Preservation		
		<input type="checkbox"/> Counseling		
		<input type="checkbox"/> Financing/Lending		
		<input type="checkbox"/> Other		
Governance	Evidence of commitment to and implementation of governance best practices	Governing Documents, i.e., Bylaws, Operating Agreement, etc.		Changes
		Mission/Vision Statement		Changes
		Strategic Plan/Goals & Objectives		Changes
		Board Minutes – past 24 months		Past 2 meetings
		Executive Evaluation Policy & Most Recent CEO Annual Evaluation		
		List of Board Committees		

		Conflict of Interest Policy			
		Duties & Responsibilities of Board Members			
		Board Member Contacts		Yearly	
Financial Stability	Evidence of commitment to and implementation of best practices for fiscal responsibility	Most recent 3 Years Audited Financial Statements w/Management Letter		Yearly	
		Most recent Form 990		Yearly	
		Current Year Operating Budget			
		Quarterly Internal Financial Statements for past 24 months to include Balance Sheet, Income & Expense Statement & Budget vs. Actual			
		Please indicate method of financial record keeping below			
		<input type="checkbox"/> Internal Staff			
		<input type="checkbox"/> External Bookkeeper			
		<input type="checkbox"/> External CPA/Accounting Firm			
Operational Standards	Employ and/or contract with qualified professionals dedicated to housing efforts of the corporation (at least 1 FTE equivalent)	Complete following page of activities/programs			
		List of Goals & Objectives			
		Details regarding any pending litigation		As it occurs	
		List of organizational affiliations, i.e., NeighborWorks® Amer., etc.		Changes, additions	
Staffing	Staff Directory & Resumes for Key leadership				
Volunteers	% of business activity accomplished w/volunteers				
Strategic Plan	Provide 3-yr. Projections and Strategic/Business Plan				
References Used to verify performance/assure compliance	Organization		Name/Title	Email	Phone

Describe the activities/programs your organization provides, how long you have been providing them and the positive impact in the communities you serve.

(This might include education/training, affordable housing, social/health services, leadership, economic security/development, etc.)

In exchange for membership benefits, Fahe expects its Members to comply with any reasonable request that furthers Fahe's ability to provide resources. By signing below, **WE AFFIRM** support for Fahe's Mission and Standard of Practice and our organization's responsibility to the Network.

I understand and accept the terms of Membership with Fahe as outlined above. Furthermore, I certify that all of the information reported in these documents are true and accurate to the best of my knowledge as of this date.

Organization Name

President/CEO/ED (please **print** name) Signature

Date

2022-2023 Continuity Planning Report and Overview

Diedre Kendall

Fahe Disaster Response Coordinator
AmeriCorps Vista

About Me:

- I am 6 courses away for my Bachelors in Emergency Management. In the Spring of 2022 I took a course in Business Continuity and Crisis Management.
- I have completed over 30 Emergency Management related FEMA courses. Some of these courses include: Emergency Planning, Introduction to Continuity Planning, Introduction to Continuity Planning for Pandemics, Mitigation Planning for Local and Tribal communities, and Emergency Planning.
- I have always believed Preparedness and Mitigation are the most important steps in Emergency Management and if done well will lessen the time spent in response and recovery.

“By failing to prepare, you are preparing to fail” – Benjamin Franklin

Tennessee/Virginia BCP Update

Tennessee Caucus

- 8 of our Tennessee Members have completed the survey
- 1 of our Tennessee Members has an existing Business Continuity Plan in review.
- 1 of our Tennessee Members has updated their Business Continuity Plan
- 2 of our Tennessee Members have completed a new Business Continuity Plan

Virginia Caucus

ALL of our Virginia Members have completed the survey!

- 1 Virginia Member is working on completing their Business Continuity Plan

If you have not already completed the survey, please do so today so we can begin working on your agencies Business Continuity Plan!

If you have completed the survey please be on the lookout for emails from me!

Resources and Reporting

Have you looked at the Fahe Members website lately? Under Member Resources there is a Disaster Response Resources page that includes:

- Continuity Plan development divided into three easy-to-follow steps.
- Templates, resources, and up-to-date news.
- Business Continuity and Disaster Planning related courses
- Reporting form used to contact Fahe in the event of a disaster.

Looking Forward

We are working on a Personal Preparedness webinar. This webinar will provide you with information about why personal preparedness is so important for the clients you serve and how you can help your clients prepare for the next disaster. The webinar will be held in early August. We will send out the details for this webinar in the next few weeks.

Diedre Kendall

dkendall@fahe.org

Work: 859-756-6268

Cell: 256-375-6872

Welcome Home

BROUGHT TO YOU BY:

JustChoice Lending



JustChoice Lending and the Federal Home Loan Bank of Cincinnati have partnered to offer a \$10,000 or \$15,000 grant for down payment and closing cost assistance to qualified buyers.

- Product opening begins February 6 and July 6, 2023.
- Applicants must contribute no less than \$500 towards the closing, but up to \$300 of that may be a gift.
- \$15,000 grant available for honorably discharged veterans, active duty military, reservists, and surviving spouses of service personnel.
- Applicants need not be a 1st time homebuyer; 1st time buyers must complete a Homebuyers Education Course.
- 5-year deed restriction
- Allow 4–6 weeks for approval
- Subject to restrictions and funds availability

Household income must be under the county income limits to be eligible.

FOR MORE INFORMATION, CONTACT:
Jamey Jessee, Loan Officer NMLS# 2395952
(859) 756-6325 | jjessee@justchoicelending.com



JustChoice Lending is an Equal Housing Opportunity Provider and does not discriminate on the basis of handicap, race, color, national origin, religion, sex, familial status, or age.