Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the “Board”) met in regular session on Tuesday, January 25, 2022 at 1:10 p.m. Central Standard Time, in the Nashville Conference Room of the William R. Snodgrass Tennessee Tower Building, in Nashville, Tennessee.

The following Board members were present and in person: Matt McGauley (Chair), Doree Hicks (for Commissioner Butch Eley), Chris Mustain (for Secretary of State Tre Hargett), Kevin Bradley (for Treasurer David Lillard), Austin McMullen, Erin Merrick, Katie Armstrong (for Comptroller Jason Mumpower) and John Snodderly. Absent was Mike Hardwick, Rick Neal, Tennion Reed, Christine Rhea, and Todd Skelton.

Chair McGauley called the meeting to order, being that there was a quorum of members present. He then called for consideration of the November 16, 2021, minutes that were previously circulated to all Board members. Upon a motion by Mr. McGauley with a second by Mr. Bradley, motion passed to approve the minutes as presented.

Chair McGauley recognized Ralph Perrey, Executive Director of Tennessee Housing Development Agency to present his report:

- We got our preliminary approval to become a Ginnie Mae Issuer on January 13. Our team is working with our assigned Account Manager on preparation and testing, as we prepare to begin delivering loans later this spring.

- We’ve also received formal notification from the Department of Economic & Community Development as our bond capacity. We received the balance of the State’s private activity volume cap in December, $189,388,000, which we carried forward for Multifamily bond issuance this year. In addition, we carried forward another $24 million left over from the bond authority we were awarded earlier in 2021. We start 2022 with 50% of the State’s volume cap, $383,637,000, for a total of $597 million. We propose to make $450 million available in the first round of the multifamily bond program. The remaining $147 million, plus what comes to THDA at mid-year, will be available for the second round. This will far-and-away the most bond authority THDA has ever made available to support multifamily development and preservation.

- We began transitioning responsibility for Contract Administration to CGI in December. Because we have been using CGI software in connection with other programs, data transfer has gone much more smoothly. CGI has already assumed responsibility for Management & Occupancy Reviews, the resident issues contact center, and Special Claims. They will take over all remaining functions by February 1, 2022. I am pleased to report that all of the THDA staff affected by our out-sourcing of this contract have found other employment,
most with THDA, the rest with CGI or other companies. We retain three staff members, who will be responsible for Quality Management and review of the subcontractor’s work.

- As you may recall, during the last financial crisis, THDA administered the Federal Hardest Hit Fund. It was initially focused on foreclosure prevention but ended up covering a number of other things. All told, we handled HHF for about eight years.

At this time, Dr. Hulya Arik, Economist made a presentation on what THDA accomplished for Tennesseans through this program.

- An interesting note – Director of Communications Rebecca Anderson has made a priority of enhancing THDA’s online presence. Last year, THDA’s website attracted 1.8 million unique visitors; 46% more than the year before.

- The Independent Mortgage Bankers Conference is in Nashville this week. It’s where our board Member Chrissi Rhea is this afternoon; she serves on the board for the Mortgage Bankers nationally. In addition, THDA’s West Tennessee Liaison Doreen Graves, will be presenting there tomorrow about THDA’s partnership with the MBA in Convergence Memphis.

- Finally, a reminder that if you plan to join us for the Tennessee Housing Conference – and I hope you will – please let Cindy Ripley know so we can arrange for your registration and logistics, especially if you’ll need lodging.

Chair McGauley recognized THDA’s Chief Legal Counsel, Bruce Balcom, for his report on the Bond Issue 2022-1. Mr. Balcom referenced a memo dated January 18, 2022 noting this report gives basic information on the resolution including the supplemental resolution, and authorizing the reimbursement resolution for Bond Issue 2022-1. With an offer of a motion from Mr. McGauley on behalf of the Committee, motion carried.

Chair McGauley then recognized Mr. McMullen to report on the Grants Committee Meeting. He described the 2018 HOME Extension Recommendation as outlined in the memo dated January 10, 2022 from Cynthia Peraza, Director of Community Programs and Don Watt, Chief Programs Officer. Mr. McMullen noted staff is recommending a 6-month extension of the following 2018 HOME grants in order to complete rehabilitation work on the homes of specific units approved by THDA staff: City of Covington, City of Henning, Lake County, City of Mason, City of Tellico Plains, City of Trenton, and Wilson County. Grantees may not undertake rehabilitation work on any units that have not been approved by this extension by THDA staff. Additionally, staff recommends that Community Development Partners be prohibited from administering any grants for localities in the application to THDA for HOME funds during the 2022 HOME Urban/Rural application round. With an offer of a motion on behalf of the Committee from Mr. McMullen, motion carried.
Chair McGauley recognized Ms. Merrick to report on the Lending Committee Meeting. Ms. Merrick noted the Committee is requesting adoption of the housing cost index for 2022 via the Board Resolution as detailed in the memo from Dr. Hulya Arik, Economist and Dr. Dhathri Chunduru, Director of Research and Planning dated January 20, 2022. Ms. Merrick explained that based on the calculations explained in the documentation in the materials package, the housing cost index for 2022 is 31.44 percent, which is higher than last year’s index of 28.20 percent. Although a lower average interest and a higher median household income slightly improved housing affordability, increased median home purchase prices greatly contributed to the higher cost of owning a home for Tennesseans. By offer of a motion on behalf of the Lending Committee from Ms. Merrick, motion carried.

Chair McGauley recognized Mr. Snodderly to report on the Tax Credit Committee Meeting. Mr. Snodderly noted the only action item for the Board related to the 2022 Multifamily Tax-Exempt Bond Authority Program Description (as updated on January 19, 2022). Mr. Snodderly noted the Committee is seeking approval of the Multifamily Tax-Exempt Bond Authority Draft Program Description for 2022, with the substantive changes as summarized in the memo dated January 10, 202 from Don Watt, Chief Program Officer. The document includes non-substantive housekeeping and conforming changes to the Draft 2022 Program Description and the Low Income Housing Credit 2022 Qualified Allocation Plan. By offer of a motion on behalf of the Tax Credit Committee Meeting from Mr. Snodderly, motion carried.

With no other business to present the board, the meeting was concluded.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved the 17th day of February, 2022.