



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

**Committee and Board Meeting Materials  
July 19, 2022**



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

**TO:** THDA Board of Directors  
**FROM:** Ralph M. Perrey, Executive Director  
**SUBJECT:** May Committee and Board Meetings  
**DATE:** July 5, 2022

THDA Board Members –

We look forward to welcoming you to Nashville July 19 for THDA committee and board meetings, beginning at 10am. With a short agenda, I anticipate we will conclude our business before Noon, as we did in May.

On the agenda (**action items in bold**):

- Bond Finance Committee will take up **authorization for bond Issue 2022-3**, which we expect to price in September if current production trends hold. All related documents may be found behind the Bond Finance Committee tab.
- Grants Committee will take up **THDA's annual submission to administer the Low Income Home Energy Assistance Program (LIHEAP)**, as well as the **approval of a Challenge Grant**. Details of both are provided behind the Grants Committee tab.
- Audit & Budget Committee will review the proposed Internal Audit Plan for 2023, proposed by Internal Audit Director Gay Oliver. This matter is entirely within the committee's jurisdiction; no board action is required. Audit & Budget will also receive the annual Financial Status update from CFO Trent Ridley. Both presentations may be found behind the Audit & Budget Committee tab.
- Rental Assistance Committee will be briefed on THDA's plans to project-base some of our Housing Choice Vouchers, beginning next year. Details follow the Rental Assistance Committee tab.



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- Tax Credit Committee will review the detailed draft of proposed changes and updates to the Qualified Allocation Plan. Supporting materials may be found behind the Tax Credit Committee tab.

In the Appendix, you will find a list of grants awarded through Emergency Solutions, HOME, and the National Housing Trust Fund.

Please feel free to contact me if you have questions about anything in the board packet. Contact Britny Booth for assistance with travel and lodging. See you on the 19<sup>th</sup>.



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# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
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Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## THDA Board of Directors Committee Meetings Agendas

Tuesday, July 19, 2022 at 10 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

### AUDIT & BUDGET COMMITTEE

- A. Approval of Minutes from November 16, 2021
- B. Action Items
  - 1. FY 2023 Internal Audit Plan
  - 2. Financial Status Update

### BOND FINANCE COMMITTEE

- A. Approval of Minutes from May 24, 2022 meeting
- B. Action Item
  - 1. Authorization for Bond Issue 2022-3

### GRANTS COMMITTEE

- A. Approval of Minutes from May 24, 2022 meeting
- B. Action Items
  - 1. 2023 LIHEAP Model Plan Submission Authorization
  - 2. 2023 Challenge Grant Award Recommendation

### RENTAL ASSISTANCE COMMITTEE

- C. Approval of Minutes from September 28, 2021 meeting
- D. Action Item
  - 1. Discussion of Proposed Implementation of Project Based Vouchers

### TAX CREDIT COMMITTEE

- A. Approval of Minutes from May 24 2022 meeting
- B. Action Item
  - 1. 2023 Discussion of Preliminary Proposed Changes for the 2023 Qualified Allocation Plan



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**THDA Board of Directors Board Meeting Agenda**  
**Tuesday, July 19, 2022 at 11 AM CST**  
**The Nashville Room – Tennessee Towers**  
**312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor**  
**Nashville, TN 37243**

**A. Approval of Minutes from May 24, 2022 meeting**

**B. Executive Director’s Report**

**C. Board Action Items**

1. Authorization for Bond Issue 2022-3
2. 2023 LIHEAP Model Plan Submission Authorization
3. 2023 Challenge Grant Award Recommendation

**D. APPENDIX**

1. 2022 Emergency Solutions Grants Program Funding Awards
2. 2022 HOME Program Urban/Rural Round Funding Awards
3. 2022 National Housing Trust Fund Program Funding Awards



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## **Board of Directors Meeting**



# Tennessee Housing Development Agency

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Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## THDA Board of Directors Meeting Agenda

Tuesday, July 19, 2022 at 11 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Approval of Minutes from May 24, 2022 meeting
- B. Executive Director's Report
- C. Board Action Items
  - 1. Authorization for Bond Issue 2022-3
  - 2. 2023 LIHEAP Model Plan Submission Authorization
  - 3. 2023 Challenge Grant Award Recommendation
- D. APPENDIX
  - 1. 2022 Emergency Solutions Grants Program Funding Awards
  - 2. 2022 HOME Program Urban/Rural Round Funding Awards
  - 3. 2022 National Housing Trust Fund Program Funding Awards



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TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
May 24, 2022

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, May 24, 2022, at 11:10 AM CST in the Nashville Room of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following board members were present in person: Chair, Matt McGauley, Chris Mustain (for Secretary of State Tre Hargett), Kevin Bradley (for Treasurer David Lillard), Alex Schuhmann (for Commissioner of F&A Butch Eley), Erin Merrick, Rick Neal, John Snodderly, Tennion Reed, Todd Skelton. Those absent were: Austin McMullen, Chrissi Rhea and Comptroller Jason Mumpower.

Recognizing a quorum present, Chair McGauley called the Board meeting to order and asked for consideration of the March 29, 2022 meeting minutes. Upon motion by Mr. Mustain and a second by Mr. Neal the motion carried and the minutes were approved.

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

- Applications for THDA mortgage loans remain strong - topping \$35 million in May. He believes that this reflects that borrowers, who are financially able to do so, are rushing to close before housing prices and interest rates rise further. At some point this summer, the combination of limited supply of homes for purchase, rising house prices, and rising interest rates is expected to impact first-time buyers, and THDA is revising production estimates downward with that in mind.
- THDA is working with the City of Waverly and Appalachia Service Project to provide assistance through our Rebuild & Recover program to help those affected by last fall’s flood.
- THDA will be featured in an upcoming edition of *Affordable Housing News*.

Chair McGauley then recognized Mr. Perrey to present the Extension of Temporary Authority to Modify Established Program Deadlines Associated with Program Requirements due to COVID 19. He referenced the Extension of Temporary Authority to Modify Established Program Deadlines Associated with Program Requirements due to COVID 19 as outlined in the memo dated May 9, 2022 from Don Watt, Chief Programs Officer. He highlighted the continued challenges with supply chains and accessibility of construction supplies and asked the committee to approve the Extension of Temporary Authority to Modify Established Program Deadlines



Associated with Program Requirements due to COVID 19 as presented and outlined in the board materials. Upon motion by Mr. Snodderly and a second by Ms. Merrick, the motion carried.

Chair McGauley then asked for motion to authorize Bond Issue 2022-2, the Authorizing Resolution including the form of the Supplemental Resolution, and the Reimbursement Resolution as presented in the Bond Finance Committee and outlined in the board materials. Upon motion by Ms. Merrick and a second by Mr. Neal, the motion carried.

Chair McGauley then asked for motion to approve the Schedule of Financing for FY 2022-2023 as presented in the Bond Finance Committee and outlined in the board materials. Upon motion by Mr. Neal and a second by Ms. Reed, the motion carried.

Chair McGauley then asked for motion to authorize the procurement of an additional line of credit as presented in the Bond Finance Committee and outlined in the board materials. Upon motion by Mr. Bradley and a second by Ms. Merrick, the motion carried.

Chair McGauley then asked for motion to approve Single Family Mortgage Loan Income Limits as presented in the Lending Committee and outlined in the board materials. Upon motion by Mr. Neal and a second by Mr. Skelton, the motion carried.

Chair McGauley then asked for motion to approve Ginnie Mae signature verification and authority as presented in the Lending Committee and outlined in the board materials. Upon motion by Mr. Skelton and a second by Ms. Merrick, the motion carried.

Chair McGauley then asked for motion to approve the 2022 Emergency Repair Program Description as presented in the Grants Committee and outlined in the board materials. Upon motion by Mr. Mustain and a second by Mr. Neal, the motion carried.

Chair McGauley then asked for motion to approve the REVISED 2022-2023 Challenge Grant Program Description as presented in the Grants Committee and outlined in the board materials. Upon motion by Mr. Mustain and a second by Mr. Neal, the motion carried.

Chair McGauley then asked for motion to the Rebuild and Recover Disaster Program Description as presented in the Grants Committee and outlined in the board materials. Upon motion by Ms. Merrick and a second by Mr. Neal, the motion carried.

Chair McGauley then asked for motion approve the COVID 19 Extensions for 2019 HOME program grants as presented in the Grants Committee and outlined in the board materials. Upon motion by Ms. Reed and a second by Ms. Merrick, the motion carried.

Chair McGauley then asked for motion, on the last action item, to approve the 2017 HOME Grant Extension Request by the City of Gatlinburg as presented in the Grants Committee and

outlined in the board materials. Upon motion by Mr. Skelton and a second by Ms. Merrick, the motion carried.

Chair McGauley then asked for motion to approve the Amendment to the Multifamily Tax-Exempt Bond Authority Program Description as presented in the Tax Credit Committee and outlined in the board materials. Upon motion by Mr. Skelton and a second by Ms. Merrick, the motion carried.

With no further business, the meeting was adjourned at 11:35 AM CST.

DRAFT



## **Audit & Budget Committee**



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## Audit & Budget Committee Meeting Agenda

Tuesday, July 19, 2022 at 1000 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Approval of Minutes from November 16, 2021 meeting
- B. Action Items
  - 1. FY 2023 Fiscal Year Audit Plan
  - 2. THDA Financial Update

### **Committee Members:**

Treasurer David Lillard (Chair)  
Secretary Tre Hargett  
Matt McGauley  
Austin McMullen  
Rick Neal  
Chrissi Rhea



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TENNESSEE HOUSING DEVELOPMENT AGENCY  
AUDIT & BUDGET COMMITTEE MEETING  
November 16, 2021

Pursuant to the call of the Chairman, the Audit & Budget Committee of the Tennessee Housing Development Agency Board of Directors met on Tuesday, November 16, at 10:00 a.m., in the Nashville Room of the William R. Snodgrass Tennessee Tower Building; Nashville, Tennessee.

The following Committee members were present: Rick Neal, Austin McMullen, and Kevin Bradley (for State Treasurer David Lillard). Present via WebEx was Secretary of State Tre Hargett (Chairman). Ms. Christine Rhea was absent.

Recognizing a quorum present, Chairman Hargett called the meeting to order, and asked for approval of the minutes for the meeting held on September 28, 2021. Upon motion by Secretary of State Hargett and second by Mr. McMullen, and following a roll call vote with all committee members identified as present voting “yes” (4 ayes), the motion carried to approve the minutes.

Chairman Hargett recognized Ms. Gay Oliver, Director of Internal Audit to present the Internal Audit Updates. Ms. Oliver referenced the Internal Audit External Quality Assessment report that was emailed to the Committee. She added that the Internal Audit division did receive an opinion of “Generally Conforms” with the Standards. Ms. Oliver explained that the review team concluded that the structures, policies, procedures, and processes of the Internal Audit division comply with the requirements of the Institute of Internal Auditors “IIA” Standards and Code of Ethics. In addition, she referenced the memo and documentation discussed at the September meeting which was not approved by the Committee. Ms. Oliver requested approval of the documents and one small edit to the Internal Audit Charter, which is that the professional standards section only include the IIA Standards as the authoritative auditing standards. Upon motion by Mr. Bradley and second by Mr. McMullen, and following a roll call vote with all committee members identified as present voting “yes” (4 ayes), the motion carried to approve the Internal Audit Updates.

Chairman Hargett recognized Ms. Oliver to present an update on the Enterprise Risk Management (ERM) analysis. Ms. Oliver pointed out that the Financial Integrity Act requires that a system of internal controls be established and maintained. She noted that the ERM Report documents whether THDA’s system of accounting and administrative controls comply with the statute. She explained that each THDA division director conducted a self-assessment of the division, listing the objectives, identifying any risks and assessing the risks in terms of likelihood and magnitude of impact on THDA, if the risks were to occur. She also noted that if a control activity was not in place or not efficient, the division director will develop a Management Action Plan to mitigate the risk and ensure controls operate effectively. She further explained that Internal Audit staff also conducted meetings with each THDA division director to discuss their risk assessments and to assess any potential risks associated with future projects. She indicated that the Director of Internal Audit and the Executive Director reviewed each division’s ERM. Ms. Oliver added that necessary documentation will be presented to the Commissioner of Finance and

Administration and the Comptroller by December 31. Ms. Oliver noted that the ERM does not require Committee or Board approval.

Chairman Hargett recognized Ms. Oliver, to discuss the disclosure analysis reports for THDA Board members and THDA staff. Ms. Oliver noted that THDA's enabling legislation, the THDA Conflict of Interest Policy, the Board Disclosure Policy and the Staff Disclosure Policy require Board members, their representatives and all THDA staff to disclose annually any direct or indirect involvement in activities that do or could involve THDA or THDA programs including the federally funded programs. She explained that (1) disclosure forms were received from all Board members, Board designees and all THDA staff; (2) the original Board disclosure forms are located at THDA offices and are available for public inspection upon request; and (3) staff disclosures were completed electronically and are available for public inspection upon request. Ms. Oliver explained that even if no conflict of interest exists, the Code of Conduct applies and Board members and THDA staff should refrain from any activity that would give the appearance of impropriety or a conflict of interest.

Chairman Hargett recognized Bruce Balcom, THDA Chief Legal Counsel, who noted the following:

*“Certain Committee members will be participating in this meeting by telephone as authorized by Tennessee Code Annotated Section 8-44-108. Notice was posted stating that this meeting would be conducted in this fashion. This meeting is being conducted in this manner because the matters to be considered by the Committee today require timely action and the physical presence of a sufficient number of Committee members to constitute a quorum is not possible within the timeframe in which action is required and also because of COVID-19. Therefore, it is necessary for some members to participate via telephone. Committee members participating by telephone were sent documents relevant to today's meeting.”*

Upon motion by Mr. McMullen and second by Chairman Hargett, and following a roll call vote with all committee members identified as present voting “yes” (4 ayes), the motion carried to approve continuing to conduct the meeting in this manner and ratifying all motions already passed.

Upon motion by Chairman Hargett and second by Mr. Mullen and following a roll call vote with all committee members identified as present voting “yes” (4 ayes), the motion carried to accept the Board and the Staff Disclosure Analysis.

Chairman Hargett called for consideration of the annual performance evaluation for the Director of Internal Audit, Gay Oliver. (*Ms. Oliver and Mr. Perrey left the room*) Chairman Hargett noted that Ms. Oliver's average overall evaluation was outstanding performance, and that she is to receive an increase in salary and an associated bonus, which will be the same as provided to THDA staff who received the same rating, effective January 1, 2022. Upon motion by Chairman Hargett and second by Mr. McMullen, and following a roll call vote with all members identified as present voting “yes” (4 ayes), the motion carried to approve Ms. Oliver's performance rating, any increase in salary, and associated bonus.

Chairman Hargett called for consideration of the annual performance evaluation for the Executive Director of THDA, Mr. Ralph Perrey. He noted that Mr. Perrey received an evaluation

rating of advanced. Upon motion by Chairman Hargett, second by Mr. McMullen, and following a roll call vote with all members identified as present voting “yes” (4 ayes), the motion carried to recommend an advanced performance rating for Mr. Perrey with a recurring salary adjustment and one-time bonus to be the same as provided to THDA staff who received the same rating, effective January 1, 2022.

With no other issues or reports to be presented, Chairman Hargett adjourned the meeting.  
Respectfully submitted,

Gathelyn Oliver  
Director of Internal Audit

Approved this 19<sup>th</sup> day of July 2022.

DRAFT



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Audit and Budget Committee  
**FROM:** Gathelyn Oliver, Director of Internal Audit  
**SUBJECT:** Fiscal Year Audit Plan  
**DATE:** July 5, 2022

### Recommendation

Staff recommends the Audit and Budget Committee approve the Fiscal Year 2023 Annual Audit Plan.

### Key Points

The Internal Audit Plan outlines the priorities of the Internal Audit Division. For Fiscal Year 2023, the plan was derived primarily from the results of the Internal Audit risk assessment. Many of the projects are required to be performed and are on the plan each year. Additional projects on this year's plan include:

- Quality Review of THDA's Purchasing and Procurement Processes
- Quality Review of THDA's Procurement Contract Process
- COVID-19 Rent Relief Program Review
- Single Family Mortgage Assistance Fund Program Review
- Quality Review of THDA's Multifamily Programs Application Process

### Background

The FY 2023 audit plan and a listing of projects in progress as of July 1, 2022 were required to be submitted to the Comptroller's office this year by July 8. We submitted the documents on July 5. A copy of our submission is included in your packet. The plan was developed using input from management and results of our risk assessment. The draft plan was emailed to Audit and Budget Committee members on June 16 for review. While this is our work plan for fiscal year 2023 projects may change as priorities change throughout the year.

Feel free to contact me with any questions or concerns.



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Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

TO: Ms. Kathy Stickel, CPA, Director  
Office of the Comptroller, Division of State Audit

FROM: Ms. Gathelyn Oliver, CPA  
Director of Internal Audit

DATE: July 5, 2022

SUBJECT: Audit Projects in Progress and Internal Audit Plan

According to TCA Section 4-3-304(7), copies of all reports issued during the fiscal year are filed with your office at the time of completion. We have enclosed a copy of our annual Internal Audit Plan (IAP) for the fiscal year ended June 30, 2023 and a listing of all internal audits, reviews and investigations currently in progress as of July 1, 2022.

The Internal Audit Plan (IAP) outlines the priorities of the Internal Audit Division. The 2023 Fiscal Year priorities were derived primarily from the results of the Internal Audit risk assessment. The Internal Audit risk assessment was developed in consultation with Senior Management and the THDA Audit and Budget Committee to obtain a current understanding of the Department's key programs/process areas. The risk assessment was conducted by assigning risk scores to criteria for each key program/process area identified within the Department. The criteria included, but were not limited to, strategic, operational, financial, regulatory/compliance, and reputational risks. Utilizing the average risk scores assigned to the criteria, program/process areas were identified/prioritized for audit plan inclusion, with consideration for the limited resources within Internal Audit. Detailed risk assessment documentation is on file with Internal Audit and is available for review upon request.

In addition to the priorities identified from the risk assessment, the IAP also includes reviews, audits, and other activities as required by statute, rules, and Department policies. The IAP may also include reviews, assessments, or audits resulting from external audit(s) recommendations or findings. The IAP may include consulting engagements and other activities designed to help improve the management of



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risk, add value to the Department, and/or improve departmental operations. The IAP may be modified throughout the year, based on changes in the organization, audit resources, and/or additional risk considerations.

Audit reports are provided to the Audit and Budget Committee of the THDA Board of Directors after audit engagements are completed. Hopefully, these items will enable the Division of State Audit to adequately coordinate audit efforts for the State.

If you have any questions or need additional information, please feel free to contact me.

Enclosures

C: Audit and Budget Committee Members and Representatives of the THDA Board of Directors  
Mr. Ralph M. Perrey, Executive Director



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**TENNESSEE HOUSING DEVELOPMENT AGENCY**  
**INTERNAL AUDIT PROJECTS IN PROCESS**  
**As of July 1, 2022**

Development District Review – NWTDD 4/1/2020 – 12/31/2021  
ERA QCR 7/1/2021 – 12/31/2021  
HQS Inspections/CGI  
HAF Program Review 1/1/2022 – 3/31/2022  
ERA Program Review 1/1/2022 – 3/31/2022  
Southwest TN Human Resource Agency Follow-up Review



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# Tennessee Housing Development Agency

## Internal Audit Plan

### For The Fiscal Year Ended June 30, 2023

Based on an assessment of risk of all THDA activities and programs, and on discussions with THDA management, the following audits are planned for the Fiscal Year Ended June 30, 2023.

1. **Financial Integrity Act/Enterprise Risk Management Assessment** – Lead THDA in the preparation of the self-assessments and compilation of the reports required to comply with the Financial Integrity Act due by December 31, 2022.
2. **Quality Review of Procurement Processes and Procedures** - This project involves a review of internal controls, and processes in place for procurement of goods and services within THDA.
3. **Quality Review of Contract Process** - This project involves a review of internal controls and processes in place for procurement developing and executing contracts for goods and services within THDA.
4. **Hardest Hit Fund (HHF) Review** – Perform a limited review of the internal controls established for THDA programs funded by the Hardest Hit Fund, including review of loan documentation, funding process and follow-up activities performed by Community Programs division staff to ensure compliance with US Department of Treasury and THDA requirements. This review will be performed semi-annually.
5. **Subrecipient Monitoring** – These projects involve a review of internal controls, expenditure of awards and delivery of services by subrecipients of federal and State awards in accordance with Central Procurement Office Grant Management and Subrecipient Monitoring Policy and Procedures.
6. **Staff and Board Disclosure Analysis** – This project will involve a review of annual disclosure forms submitted by all THDA staff, board members and representatives for compliance with the disclosure policy and THDA’s enabling legislation.
7. **Quality Review of Development District** – This project involves a review of internal controls, expenditure of awards and delivery of services by one development district that has been awarded funds by THDA.
8. **Quality Review of THDA’s Administration of the Emergency Solutions Grant Program** – This project will involve a review of internal controls and agency performance relative to projects funded from the Emergency Solutions Grant.
9. **Section 8 HQS Inspection Quality Control Review** - This project involves a regular review of internal controls, quality and delivery of services by the contractor performing HQS inspections for the Housing Choice Voucher program.



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10. **Administer the Compliance Management System for Mortgage Loan Servicing** – To ensure compliance with federal regulators and THDA policy, this responsibility includes reviewing all aspects of servicing THDA mortgages including monthly quality control reviews, as specified in the Quality Control Plan for Mortgage Loan Servicing.
11. **Administer the Compliance Management System for Mortgage Loan Originations** – To ensure compliance with regulatory requirements and THDA policy, this responsibility includes reviewing all aspects of originating THDA mortgages including monthly quality control reviews, as specified in the Quality Control Plan for Mortgage Loan Originations.
12. **Compliance Review of Intranet Content** - This project involves a review of internal controls, and data posted on internal data systems.
13. **CARES Act Review** – This project will involve a limited review of the internal controls established for THDA programs funded by the CARES Act, including LIHEAP, Emergency Solutions Group, and Section 8 Rental Assistance funding.
14. **COVID-19 Rent Relief Program Review** – This project will involve a limited review of the internal controls established for THDA rent relief programs funded by the Consolidated Appropriations Act 2021, including review of required documentation, funding process and follow-up activities performed by the Community Programs division staff and third party vendors to ensure compliance with US Department of Treasury and THDA requirements. This review is generally performed on a quarterly basis.
15. **Single Family Homeowner Assistance Fund Review** – This project will involve a limited review of the internal controls established for THDA mortgage relief programs funded by the Consolidated Appropriations Act 2021, including review of loan documentation, funding process and follow-up activities performed by Single Family staff to ensure compliance with US Department of Treasury and THDA requirements. This review is generally performed on a quarterly basis.
16. **THDA Data Security Internal Control Review** - This project involves a review of internal controls related to the security of sensitive data managed by THDA and THDA Third Party Vendors.
17. **Quality Review of THDA’s Administration of Multifamily Programs** – This project will involve a review of internal controls and agency performance relative to projects administered in the Multifamily Programs division including Internal Revenue Code Compliance and the application process.
18. **Various Audit and Investigative Projects** – As THDA programs have increased in size and complexity over the years, additional items arise that require either audit or investigative attention. THDA takes these items seriously with the intent to maintain the utmost transparency and integrity throughout our organization. Therefore, we will continue to spend an increased amount of our time and resources in performing reviews and investigations of potential fraud, waste, and abuse situations, or other matters requiring audit attention as they may arise during the period.



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**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

TO: THDA Board of Directors  
FROM: Trent Ridley, Chief Financial Officer  
SUBJECT: Financial Update – May 31, 2022 (Unaudited)  
DATE: July 5, 2022

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Attached is a financial update consisting of a Schedule of Net Position and Operating Income Statements as of May 31, 2022 (Unaudited). It should be noted that these statements are “unaudited” and may not include accruals and adjustments normally reflected in THDA’s quarterly/annual financial statements. The following are highlights of the schedules:

1. **Schedule of Net Position** – THDA’s assets total \$3.53 billion and primarily consist of first and second mortgages of \$2.68 billion and \$48 million respectively. Under the Bond Resolutions, we have approximately \$493 million in current cash and investments consisting of Debt Service Reserves (\$127), Loan Repayments/Prepayments (\$119), Bond Proceeds (\$113), and BFC Set-aside (\$25), with the remainder dedicated for funding board-approved purposes (Down Payment Assistance, Housing Trust Fund, New Start, Servicing Release Premiums, THDA Operations, etc.). These funds are restricted under the bond indentures. THDA also has approximately \$46 million in cash restricted for Servicing Escrows and Refundable Multifamily Fees.
2. **Operating Income** – As of May 31, 2022, overall Operating Income of \$13 million is tracking with the annual FY22 Operating Income Budget of \$16.3 million but is less than \$20.5 million at this time last year. Preliminarily, the drivers for the decrease from FY21 are reduced MRB Net Interest (\$1.5) to portfolio runoff, increased Personnel (\$2.0) from State Raises, and increases in both Servicing Release Premium Amortization (\$1.2) and DPA Forgiveness (\$1.0). Additionally, Multifamily Fees are down (\$2.0) but expected recover in June.

**Mortgage Revenue Bonds (MRB)** - Mortgage Interest of \$100.2 million is down 9.6% over this same time last year, while Bond Interest of \$64 million is decreased of approximately 12.5%. Although Investment Income is still low, it showed a modest increase of \$466,000 over last year.

**Federal and Administrative** – Federal Revenue of \$31.8 million is ahead of last year’s \$14.3 million due to administering COVID programs. Other Revenue of \$14.9 million is slightly ahead of last year, and we expect a \$5 million boost in June from LIHTC and MTBA Fees.

If you have any questions regarding the comprehensive budget or need additional information, please do not hesitate to contact me at (615) 815-2012 or via e-mail at [tridley@thda.org](mailto:tridley@thda.org).

TENNESSEE HOUSING DEVELOPMENT AGENCY  
SCHEDULE OF NET POSITION (\$000)  
MAY 31, 2022  
(UNAUDITED)

	MRB	OTHER	TOTAL
<b>ASSETS</b>			
First Mortgages	\$ 2,676,856	\$ 0	\$ 2,676,856
Second Mortgages	47,943	0	47,943
Loans held for resale	0	929	929
Cash and Investments	492,511	209,047	701,558
Other Assets	58,723	40,138	98,861
Total	<u>3,276,033</u>	<u>250,114</u>	<u>3,526,147</u>
<b>LIABILITIES</b>			
Bonds and Interest Payable	\$ 2,758,440	\$ 0	\$ 2,758,440
Escrow Deposits	52	46,394	46,446
Other	6,849	175,287	182,136
Total	<u>2,765,341</u>	<u>221,681</u>	<u>2,987,022</u>
<b>NET POSITION</b>			
Invested In Capital Assets	\$ 0	\$ 5,171	\$ 5,171
MRB Restricted	420,066	0	420,066
Other Restricted	17,890	3,383	21,273
Unrestricted	72,728	19,886	92,614
Total	<u>\$ 510,684</u>	<u>\$ 28,440</u>	<u>\$ 539,124</u>

TENNESSEE HOUSING DEVELOPMENT AGENCY  
 OPERATING INCOME (\$000)  
 MAY 31, 2022  
 (UNAUDITED)

	Revenue	Expenses	Oper Inc
<b>MORTGAGE REVENUE BONDS</b>			
Mortgage Interest	\$ 100,201		
Investment Income	1,423		
Other Revenue	2,787		
	<u>\$ 104,411</u>		
Bond Interest		\$ 64,002	
Cost of Issuance		3,097	
DPA Forgiveness		4,550	
Other		1,078	
		<u>\$ 72,727</u>	
			<u>\$ 31,684</u>
<b>FEDERAL AND ADMINISTRATIVE</b>			
Federal Revenue	\$ 31,852		
Multifamily Fees	10,025		
Servicing Fees	1,050		
Interest Income	202		
Other	1,053		
	<u>\$ 44,182</u>		
Personnel		\$ 23,461	
Contractual services		27,628	
Computer and Other Supplies		1,446	
Direct Servicing Expenses		7,253	
Other		3,058	
		<u>\$ 62,846</u>	
			<u>\$ (18,664)</u>
<b>GRAND TOTAL</b>	<u><u>\$ 148,593</u></u>	<u><u>\$ 135,573</u></u>	<u><u>\$ 13,020</u></u>





## **Bond Finance Committee**



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## Bond Finance Committee Meeting Agenda

Tuesday, July 19, 2022 at 1005 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Approval of Minutes from May 24, 2022 meeting
- B. Action Items
  - 1. Authorization for Bond Issue 2022-3

### **Committee Members:**

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



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

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TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOND FINANCE COMMITTEE  
May 24, 2022

Pursuant to the call of the Chairman, the Bond Finance Committee of the Tennessee Housing Development Agency Board of Directors (the “Committee”) met on Tuesday, May 24, 2022, at 10:01 AM CST at the William R. Snodgrass Tennessee Tower, Nashville Room, 312 Rosa Parks Blvd; Nashville, TN 37243.

The following Committee members were present in person: Chair Mathew McGauley, Kevin Bradley (for Treasurer David Lillard), Alex Schuhmann (for Commissioner of F&A Butch Eley), and Chris Mustain (for Secretary of State Tre Hargett). Those absent were: Comptroller Jason Mumpower.

Recognizing a quorum present, Chair McGauley called the meeting to order at 10:01 AM CST. For the first order of business, Chair McGauley called for consideration and approval of the March 29, 2022, Bond Finance Committee Meeting Minutes. Upon motion by Mr. Bradley, second by Mr. Schuhmann, and following a vote with all members identified as present voting “yes”, the motion carried to approve the March 29, 2022, minutes.

Chair McGauley recognized Bruce Balcom, THDA Chief Legal Counsel to present the Bond Issue 2022-2 Plan of Financing. Bruce Balcom referenced the memorandum regarding Issue 2022-2 as outlined in the memo dated May 9, 2022 from himself. He described the documents to be considered, explained how the authorization for Bond Issue 2022-2, in an amount not to exceed \$200,000,000, complied with THDA's Debt Management Policy, and included recommendations regarding bookrunning senior manager and rotating co-manager based on information provided in a separate memo dated May 9, 2022, by CSG Advisors incorporated (“CSG”), financial advisor for THDA. Upon motion by Mr. Bradley, second by Mr. Mustain, and a vote with all members identified as present voting “yes”, the motion carried to recommend the approval of the plan of financing, authorizing the resolution including supplemental resolution and authorizing the reimbursement resolution of up to \$50,000,000 for Bond issue 2022-2.

Chair McGauley recognized Bruce Balcom, THDA Chief Legal Counsel, to present the Schedule of Financing for Fiscal Year 2022-2023 as outlined in a memo dated May 9, 2022 from himself. He highlighted that this document described THDA’s best estimate with respect to the financings for fiscal year 2022-2023. Upon motion by Mr. Bradley, second by Mr. Schuhmann, and a vote with all members identified as present voting “yes”, the motion carried to recommend the approval of the Schedule of Financing of Fiscal Year 2022-2023.

Chair McGauley recognized Trent Ridley, THDA Chief Financial Officer, to present the last item for consideration – a request to procure an additional line of credit as outlined in a memo dated May 9, 2022 from himself, Bruce Balcom, THDA Chief Legal Counsel, and Lindsay Hall, THDA Chief Operation Officer of Single Family Programs. He highlighted the business reasons for authorization to competitively procure an additional Warehouse Line of Credit (LOC) not to exceed \$75,000,000 and delegate approval of such procurement and provider selection to the Bond Finance Committee. Upon motion by Mr. Bradley, second by Mr. Schuhmann, and a vote with all members identified as present voting “yes”, the motion carried to recommend the approval of procuring a second line of credit.

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

Respectfully submitted,

Sandi Thompson,  
Assistant Secretary  
Approved this 19<sup>th</sup> day of July, 2022



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors

**FROM:** Bruce Balcom, Chief Legal Counsel

**SUBJECT:** Approval of Issue 2022-3

**DATE:** July 5, 2022

### Recommendation

Approval of the Plan of Financing by the Bond Finance Committee, with recommendation to the Board to approve, and subsequent Board approval, of the Authorizing Resolution, including the form of the Supplemental Resolution, and the Reimbursement Resolution.

### Key Points

THDA still has approximately \$160,000,000 in 2019 volume cap remaining which must be used by the end of the year or it will be lost. There may also be an opportunity to take advantage cost savings by refunding bonds from prior issues, depending upon market conditions at the time of pricing.

### Background

Attached please find the following documents in connection with the requested authorization of the THDA bond issue, Issue 2022-3:

1. Memo from CSG Advisors Incorporated (“CSG”) recommending authorization in the maximum principal amount of \$200,000,000 for a bond issue under the General Residential Finance Program Bond Resolution adopted in 2013. Staff expects this bond issue to be priced at the earliest in September 2022 and closed not later than December 2022. The final size and structure will be determined by the Authorized Officer.
2. THDA Plan of Financing for Issue 2022-3 Residential Finance Program Bonds, which the Bond Finance Committee will be asked to approve.



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3. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing the Issuance and Sale of Residential Finance Program Bonds, Issue 2022-3, that includes the form of Supplemental Resolution for Issue 2022-3 and that authorizes the referenced bond issue and delegates authority to the Authorized Officer to determine all final terms and conditions. The Bond Finance Committee will be asked to recommend this resolution and the transaction to the THDA Board of Directors.
4. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing Reimbursement of THDA from Proceeds of Issue 2022-3 in an amount not to exceed \$50,000,000. The Bond Finance Committee will be asked to recommend this resolution to the Board of Directors.

### COMPLIANCE WITH THDA DEBT MANAGEMENT POLICY

Issue 2022-3 complies with the Tennessee Housing Development Agency Debt Management Policy adopted on November 28, 2011, as amended (the “Debt Management Policy”). In particular, Issue 2022-3 complies with the Debt Management Policy as follows:

Part III - by allowing THDA “...to maintain a steadily available supply of funds to finance its mortgage loan programs at cost levels that provide competitive, fixed interest rate mortgage loans that benefit low and moderate income families, while maintaining or improving THDA’s overall financial strength and flexibility...”

Part VIII - the issuance of this debt will not cause THDA to exceed the statutory debt limit contained in TCA Section 13-23-121, assuming the bill currently on the Governor’s desk is not vetoed.

Part X - the factors and items listed to be considered in planning, structuring and executing a bond issue have been and will be considered as planning, structuring and executing this bond issue moves forward.

Part XIV - serial bonds, terms bonds and PAC bonds are being considered for the structure of the bond issue.

Parts XV – authorization of a potential refunding component is expected to result in present value savings and/or preserve volume cap and will further THDA program objectives of providing competitive, fixed interest rate mortgage loans that benefit low and moderate income families.

Parts XVIII, XIX, XX and XXI are not applicable as authorization requested for Issue 2021-1 does not include interest rate and forward purchase agreements, conduit debt, or variable rate debt.



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**MEMORANDUM**

**TO:** THDA Board of Directors and THDA Bond Finance Committee

**FROM:** Tim Rittenhouse, David Jones, and Eric Olson

**SUBJECT:** Bond Issue Authorization Recommendation

**RE:** Residential Finance Program Bonds, Issue 2022-3

**DATE:** July 1, 2022

**Executive Summary**

- CSG recommends that the THDA Board of Directors and THDA Bond Finance Committee authorize a \$200 million Issue 2022-3 under the Residential Housing Finance Program Bond Resolution as new money bonds to fund THDA’s mortgage loan pipeline and a potential economic refunding of Issue 2013-2, if economically beneficial. The exact issue size will be evaluated closer to the bond sale date based on THDA’s mortgage pipeline and interest rates at the time.
- Issue 2022-2 closed on June 22, 2022, and 40% of the proceeds have already been committed.
- Issue 2022-3, if authorized, is expected to be sold in September for a closing in October.

**Background**

On June 22<sup>nd</sup>, THDA closed its \$149.99 million Residential Finance Program Bonds, Issue 2022-2 (Non-AMT). 40% of the funds available for purchasing new loans have been obligated.

Once the Issue 2022-2 proceeds are fully originated, THDA would purchase mortgage loans using available THDA funds, expecting that such advances will be reimbursed with proceeds of Issue 2022-3. Based on current projections, staff expects THDA has sufficient available funds on hand to continue purchasing mortgage loans through the anticipated closing of Issue 2022-3, assuming a closing in October.

THDA’s outstanding Homeownership Program Bonds, Issue 2013-1 and Issue 2013-2 will become optionally redeemable at par on January 1, 2023. These bonds may be refunded by Issue 2022-3 anytime within 90 days prior to January 1, 2023 under a common plan of finance with the “new money” portion of the Issue 2022-3 transaction. Based on current bond rates, only Issue 2013-2 would be economically



beneficial to refund. As the anticipated date of pricing draws closer for the Issue 2022-3 bonds, the merits of refunding the Issue 2013-2 bonds will be further evaluated.

### **Proposed Sizing and Structure**

Authorizing a bond issue of not to exceed \$200 million is expected to allow THDA to continue purchasing mortgage loans through the end of 2022 and perhaps beyond. The ultimate size of the issue will depend on mortgage loan demand until pricing, on interest rates, on whether a refunding of the Issue 2013-2 bonds is beneficial, and on an assessment of negative reinvestment costs (the cost of investing bond proceeds at lower interest rates than the bond interest rate before the proceeds can be used to purchase mortgage loans).

After Issue 2022-2, THDA has unused volume cap carried forward from 2019 totaling approximately \$160.7 million that must be used by December 31, 2022. Including potential replacement refunding of non-AMT bonds, Issue 2022-3 is expected to consist entirely of non-AMT bonds given the amount of 2019 carry forward volume cap that will expire if not used.

Based on current market conditions and investor appetite, structuring Issue 2022-3 to include planned amortization class bonds (“PACs”) to be sold at a premium would significantly lower the issue’s bond yield. PACs are often priced at a premium and most frequently designed with an expected five-year average life, assuming future prepayment speeds over a broad range. Prepayments up to 100% PSA would be directed first to redeeming the PACs until they are completely retired. Due to the projected short and stable average life and the high coupon on the PACs, institutional investors accept much lower yields than for conventional term bonds with the same maturity.

A possible concern with the use of PACs is that actual prepayments could occur at a sustained speed slower than 100% PSA, causing the PACs to remain outstanding longer than projected and potentially extending the period during which THDA would pay the high coupon on these bonds. However, THDA’s average historical prepayment speed is greater than 150% PSA. (Recent prepayment speeds are significantly faster.) Also, if the actual sustained prepayment speed is less than 100% PSA, at its option THDA could choose to redeem the PACs up to 100% PSA experience with other available funds in order to maintain the short average life of the PACs.

Three alternative bond structures are shown in Exhibit A and summarized below. In each case after calculating an estimated bond yield, the spread for tax compliance purposes between the mortgage loan yield and the bond yield was determined. Then, the amount of zero participation loans needed to achieve a tax-exempt yield spread of 1.125% was computed, based on current bond market interest rates and THDA’s mortgage rates.

- **Scenario 1** shows a level-debt issue with no PAC bonds and a tax-exempt yield spread of 0.980%. \$4.795 million of zero participation loans would be consumed to bring the issue up to 1.125% spread.
- **Scenario 2** includes PAC bonds, with the PAC bond repayments spread throughout the overall maturity structure of the issue. The lower yield on the PAC reduces the overall bond yield by approximately 0.12%. This results in an aggregate yield spread of 1.102%. \$0.24 million of zero participation loans would be consumed to bring the issue up to 1.125% spread.
- **Scenario 3** also includes PAC bonds, but with the scheduled PAC repayments fully back-loaded within the overall maturity structure of the issue. Compared to Scenario 2, this lowers the overall bond yield by 0.06%. This results in an aggregate yield spread of 1.161%. \$1.93 million of zero participation loans would be created to bring the issue down to 1.125% spread.

Each of the scenarios summarized above and listed in Exhibit A assumes mortgage rates of 5.50% and 5.00%, respectively, for future Great Choice and Homeownership for the Brave loan originations, without funding any existing pipeline of loans at past rates. Year-to-date, both bond rates and mortgage rates have increased rapidly, and remain subject to additional adjustments until the pricing date of the bonds and beyond. For these preliminary scenarios, we have not shown any premium non-callable serial bonds, however we will evaluate their benefits in subsequent analysis.

With the recent issuance of the Issue 2022-2 bonds and based on current lending rates, THDA has approximately \$68 million in zeros that can be used to subsidize new bond issues, such as Issue 2022-3. The amount of zero participation loans that THDA accumulated helps mitigate for THDA the risk of higher bond rates on future transactions, particularly with fewer economic refunding opportunities over the next few years than in the recent past as well as higher current interest rates that could reduce the attractiveness of economic refunding opportunities.

As the financing is developed, production needs will be refined, and as the proposed pricing date approaches, CSG will continue to evaluate the benefits of including PACs and other premium or discount bonds, or super-sinker bonds, to assess if further refinement of the structure could offer improvement in the pricing of Issue 2022-3.

Issuing the Issue 2022-3 Bonds under the 2013 General Resolution avoids a state moral obligation pledge on the bonds.

### **Method of Sale**

In the current market for housing bonds THDA will continue to benefit from offering its bonds via negotiated sale, rather than by competitive bid. Factors favoring a negotiated sale include:

Retail Sales / In-State Selling Group – THDA has enjoyed strong demand for its bonds among Tennessee retail investors with retail buyers often helping to set prices for institutions. Underwriting syndicate members with strong in-state marketing and distribution networks for bonds to retail investors have been an important component of support for THDA's issues. Bonds not subject to the AMT have been and are expected to continue to appeal to retail investors. The presence of selling group members, who only earn a fee on bonds they sell, helps assure that competitive forces work in THDA's interest during a negotiated sale. When housing bonds are sold via competitive bid, the winning bidder has little time or incentive to market bonds to retail investors or to involve smaller Tennessee-based broker-dealers. THDA's practice of elevating a top-performing member of the selling group to co-manager status on the next offering has reinforced retail support.

Market Volatility – A competitively bid bond issue requires that the timing and, to a significant extent, the final bond structure be established well in advance of the bid date. Continued market volatility makes it unlikely THDA could structure its bonds to obtain the lowest possible cost of debt in advance of pricing. A negotiated sale provides flexibility to price on shorter notice, to adjust the bond structure through the pricing period in response to market factors and investor indications, or to delay or accelerate the pricing as conditions warrant.

Complexity and Credit – While investors are familiar with bonds issued by housing finance agencies, a negotiated sale provides greater opportunity to communicate with investors about the more complex structure, program experience, and the credit features of THDA's bonds.

Bond Structure – Though Issue 2022-3 is expected to be relatively straightforward for a traditional housing bond, it may be desirable to make changes to the structure close to the time of the bond sale in order to cater

to the interests of certain investors, such as those interested in the PACs, to add additional maturities or features, or to use bonds priced at a premium or discount (such as lockout premium serial bonds as recently utilized). A negotiated sale facilitates greater flexibility to make structural changes, as reflected in a number of THDA's offerings in which negotiated long-dated serial bonds allowed THDA to realize savings versus the higher cost of an intermediate term bond.

Pricing Oversight – THDA's policies and practices for negotiated bond sales – including the review of co-manager price views, consensus scales, comparable pricings, historic and current spreads, other current market data, and concurrent monitoring by the Division of State Government Finance and CSG – provide THDA with the basis for confirming that its bonds are priced fairly at time of sale. In advance of the offering CSG also provides a pre-pricing memo with information related to general bond market conditions, the housing bond market, and projected interest rate levels based on recent housing bond issues, previous THDA offerings, pending statistical releases, and candid independent discussions with uninvolved third-party underwriting desks. In order to manage incentives for the syndicate members and investors, CSG also advises on syndicate rules and procedures, proposed holdbacks of specific maturities, and allotments of bonds.

### **Current Market Conditions**

While the overall fixed income markets and the municipal bond market have continued functioning, both taxable and tax-exempt bond market rates rose exceptionally fast during the first half of 2022 and continue to remain volatile. The Federal Reserve's tightening monetary policy, Russia's attacks on Ukraine, continued higher-than-forecast inflation and supply-chain bottlenecks have raised expectations of higher interest rates, eroding support for municipal bonds and driving competitive mortgage rates sharply higher. Short-term rates are expected to continue to rise throughout the rest of 2022 as the Federal Reserve tightens its rate policy, while longer-term rates will be determined by a variety of economic factors and resulting market expectations for economic activity.

### **Recommendations**

CSG Advisors recommends that the THDA Board of Directors and THDA Bond Finance Committee:

- Authorize the sale and issuance of Residential Finance Program Bonds, Issue 2022-3, with a par amount not to exceed \$200 million;
- Delegate to the Authorizing Officer authority to:
  - Establish the principal amount of Issue 2022-3;
  - Establish the structure, sub-series and pricing schedule of Issue 2022-3;
  - Approve fixed-rate serial and term bonds in any combination with maturities no longer than 32 years; and
  - Refund any combination of bonds that are optionally callable on January 1, 2023, based upon projected benefits under market conditions at the time of sale.
- Based on current market conditions and for the reasons described above, authorize Issue 2022-3 via a negotiated sale; and
- Select Citigroup to serve as book-running senior manager for Issue 2022-3, in view of the continuing value they have provided as a member of THDA's underwriting syndicate. (See our Underwriter Recommendation Memo for additional information.)

**EXHIBIT A:  
PRELIMINARY STRUCTURING ANALYSIS**

## EXHIBIT A: STRUCTURING SCENARIOS

Tennessee Housing Development Agency Issue 2022-3

Prepared by CSG Advisors 6/30/22

	1	2	3
		<b>PAC</b>	
	<b>No PAC</b>	<b>Throughout Maturity Schedule</b>	<b>PAC Fully Backloaded</b>
<b>Key Structuring Variables</b>			
Great Choice Loan Rate	5.50%	5.50%	5.50%
Including PAC Bonds	No	Yes	Yes
PAC Bond Maturity Years	N/A	2023 - 2053	2048 - 2053
<b>Bond Series and Amounts</b>			
New Money	Non-AMT	200,000,000	200,000,000
<b>Bond Structure (at full yield spread)</b>			
Non-AMT	Coupon / Yield		
Par Serials	1.900% - 4.200%	50,950,000 25%	34,100,000 17%
7/1/2037 Term	4.300%	17,355,000 9%	11,620,000 6%
7/1/2042 Term	4.450%	34,460,000 17%	23,055,000 12%
7/1/2047 Term	4.600%	43,085,000 22%	28,835,000 14%
7/1/2052 Term	4.650%	54,150,000 27%	36,245,000 18%
1/1/2053 PAC Term	5.00% / 3.70%	- 0%	66,145,000 33%
Total		200,000,000 100%	200,000,000 100%
<b>Yields If No Loan Participations In or Out</b>			
Mortgage Yield	5.402%	5.402%	5.402%
Bond Yield	4.422%	4.300%	4.241%
Yield Spread	0.980%	1.102%	1.161%
<b>GC Loan Rate to Achieve 1.125% Yield Spread</b>			
	5.65%	5.53%	5.47%
<b>Loan Particip. to Achieve 1.125% Yield Spread</b>			
0% Loans (Consumed) from Past Issues	(17,550,000)	(17,550,000)	(17,550,000)
0% Loans Created from 2022-3	12,755,000	17,310,000	19,480,000
Net Zero Percent Loans (Consumed) / Created	(4,795,000)	(240,000)	1,930,000
<b>New Volume Cap Needed</b>			
2022-3 (Non-AMT)	200,000,000	200,000,000	200,000,000
Plus PAC Premium	-	3,836,410	3,194,721
Total	200,000,000	203,836,410	203,194,721
<b>Added Ratings Stress from Backloaded PAC</b>			
	Not applicable	Not applicable	25,100,000

TENNESSEE HOUSING DEVELOPMENT AGENCY  
PLAN OF FINANCING  
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2022-3  
July 19, 2022

Pursuant to TCA Section 13-23-120(e)(4):

AMOUNT:

The bonds may be sold in one or more series to be known as Residential Finance Program Bonds, Issue 2022-3 (the “Bonds”), to be issued under the General Residential Finance Program Bond Resolution adopted by THDA on January 29, 2013, as amended (the “General Resolution”).

The aggregate principal amount of the Bonds shall not exceed \$200,000,000. The actual aggregate principal amount shall be determined by the Authorized Officer appointed by the THDA Board of Directors (the “Authorized Officer”) upon the recommendation of the Financial Advisor, Executive Director, Assistant Secretary of the Bond Finance Committee and approved by THDA’s Bond Counsel and may take into account the following limitations and other factors:

- (1) the amount of Bonds which may be issued pursuant to the Act and the total amount of bonds outstanding under the General Resolution; and
- (2) the amount of Bonds which may be issued to refund bonds or notes outstanding under the General Resolution, the General Homeownership Program Bond Resolution (the “1985 Resolution”); or under the General Housing Finance Resolution (the “2009 Resolution”) to provide economic savings, additional opportunities for interest rate subsidies with respect to THDA Program Loans or as a result of prepayments, proceeds on hand, excess revenues, or maturing principal; and
- (3) the amount of Bonds that may be issued, the proceeds of which are necessary to reimburse THDA for Program Loans financed from available THDA funds prior to the availability of proceeds from the Bonds; and
- (4) the amount of Bonds which may be issued, the proceeds of which are necessary to meet demand for Program Loans; and
- (5) the availability of THDA’s funds, subject to the review of the Authorized Officer, for the purpose of providing for the payment of the costs of issuance of the Bonds, paying capitalized interest with respect to the Bonds, funding the Bond Reserve Fund, providing additional security for the Bonds, and achieving a lower rate of interest on the Program Loans; and
- (6) the amount of resources (loans and cash) available under the 1985 General Resolution to over collateralize the Bonds, if needed, to improve yield, reduce the amount of other subsidies and to increase the program asset debt ratio under the General Resolution.

APPLICATION  
OF PROCEEDS:

Proceeds of the Bonds will be applied to (i) redemption and payment at maturity of certain of THDA's bonds or notes outstanding under the General Resolution, the 1985 Resolution, and/or the 2009 Resolution; (ii) finance Program Loans by the direct purchase thereof; and (iii) other uses as specified below in approximately the following amounts:

- 90% for single-family first lien mortgage loans, refinancing outstanding bonds;
- 8% for bond reserve;
- 1% for capitalized interest; and
- 1% for cost of issuance and underwriter's discount/fee.

DATE, METHOD AND  
TERMS OF SALE:

The sale of the Bonds will take place by competitive or negotiated sale, including private placement, and will occur no later than December 31, 2022. THDA will prepare for the sale with the aid of its financial advisor, CSG Advisors Incorporated, and its bond counsel, Kutak Rock.

MATURITIES:

The Bonds may be any combination of tax-exempt and/or taxable long and/or short term serial, term, and/or discounted or premium bonds as may be determined by the Authorized Officer. The Bonds shall have a maturity not to exceed 34 years from the date of original issuance.

BOND INTEREST RATES:

The interest rates on the Bonds shall be fixed long term rates and shall not result in a net interest cost in excess of 9% per annum.

REDEMPTION TERMS:

The Bonds may be subject to redemption prior to maturity on such terms as are to be determined by the Authorized Officer.

LOAN INTEREST RATES AND  
COST OF ADMINISTRATION:

Unless otherwise permitted under the Internal Revenue Code, the blended effective interest rate on Program Loans financed with proceeds of tax-exempt Bonds (including any transferred loans upon the refunding of any outstanding bonds) will not exceed 112.5 basis points over the yield on such tax-exempt bonds, as calculated in accordance with the Internal Revenue Code, from which all of THDA's costs of administration for the Bonds may be paid. The minimum spread necessary to finance the Issue 2022-3 Program Loans may be as low as 60 basis points.

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY  
AUTHORIZING THE ISSUANCE AND SALE OF  
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2022-3  
July 19, 2022

WHEREAS, pursuant to the Tennessee Housing Development Agency Act (the “Act”), the Bond Finance Committee of the THDA Board of Directors (the “Committee”), on July 19, 2022, approved a plan of financing for Residential Finance Program Bonds, Issue 2022-3 (the “Bonds”) in an aggregate par amount not to exceed \$200,00,000 (the “Plan of Financing”); and

WHEREAS, the Plan of Financing provides for the Bonds to be issued as additional series of long term and/or short term tax-exempt and/or taxable bonds, with fixed interest rates, under the General Residential Finance Program Bond Resolution adopted by THDA on January 29, 2013, as amended (the “General Resolution”) and to be sold by competitive or negotiated sale, all at the election of the Authorized Officer; and

WHEREAS, THDA on January 25, 2022, adopted a Housing Cost Index, as defined in Section 13-23-103(7) of the Act, which shows that, as of January 10, 2022, primary housing costs exceed 25% of an average Tennessee household’s gross monthly income; and

WHEREAS, pursuant to Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”), THDA must conduct a public hearing regarding the issuance of the Bonds and submit the results of the public hearing to the Governor of the State of Tennessee for approval; and

WHEREAS, THDA proposes to distribute a preliminary official statement (the “Preliminary Official Statement”) to prospective purchasers and has proposed to make available to the respective purchasers a final official statement (the “Official Statement”) with respect to the Bonds; and

WHEREAS, the Board wishes to authorize the Authorized Officer to proceed with the issuance and sale of the Bonds to provide funds for THDA’s programs in accordance with the Plan of Financing and this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY AS FOLLOWS:

1. The Secretary of the Committee, or in the absence of the Secretary of the Committee, an officer designated by the Secretary of the Committee is appointed as the authorized officer (the “Authorized Officer”) and is authorized to sell the Bonds and to fix the details of the Bonds in accordance with the Plan of Financing and this Resolution.
2. The issuance and sale of the Bonds, in an aggregate par amount not to exceed \$200,000,000, with the final terms, all as determined by the Authorized Officer pursuant to the Plan of Financing and upon the recommendation of THDA’s Financial Advisor, and the Executive Director, with the approval of THDA’s Bond Counsel, is hereby authorized.
3. The resolution titled “A Supplemental Resolution Authorizing the Sale of Residential Finance Program Bonds, \$ \_\_\_\_\_ Issue 2022-3” (Non-AMT), (the “Supplemental Resolution”), in the form attached hereto, is adopted, subject to the provisions contained herein.
4. THDA is authorized and directed to conduct a public hearing prior to the issuance of the Bonds, to the extent required by the Code, with reasonable public notice and to submit the results of the public hearing to the Governor to obtain the Governor’s written approval.
5. The Authorized Officer is authorized to (a) select the manner of sale; (b) designate multiple series or sub-series, as needed; (c) designate AMT, non-AMT or taxable components; (d) designate fixed interest rates; (e) approve a final structure for the Bonds; (f) approve a final principal amount or amounts, not to exceed a par amount of \$200,00,000; (g) authorize bond insurance, if determined necessary; (h) determine



all other final terms of the Bonds, in accordance with this Resolution, the Plan of Financing and the Supplemental Resolution; (i) approve the final version of the Supplemental Resolution, with such additional changes, substitutions, deletions, additions, completions or amendments therein as determined by the Authorized Officer, upon the recommendation of the Executive Director with the approval of Chief Legal Counsel of THDA and Bond Counsel, as the Authorized Officer shall determine to be necessary or appropriate to establish the final terms of the Bonds and their manner of sale; (j) select the senior bookrunning manager and the rotating co-manager upon the recommendation of the Financial Advisor and THDA staff; and (k) award the Bonds in accordance therewith. At the discretion of the Authorized Officer, the Bonds may include new volume cap and any combination of amounts needed to refund all or any part of bonds or notes outstanding under the General Resolution, under the General Homeownership Program Bond Resolution or under the General Housing Finance Resolution, including, without limitation, to produce proceeds for new mortgage loans or to produce economic savings or opportunities for interest rate subsidies. In addition, the Authorized Officer, at their discretion, may elect to transfer resources from the General Homeownership Program Bond Resolution and/or the General Housing Finance Resolution to the General Resolution in connection with the issuance of the Bonds upon recommendation of the Executive Director or Secretary of the Committee with the approval of Bond Counsel, Financial Advisor and Chief Legal Counsel.

6. The Assistant Secretary of the Committee, with the assistance of Bond Counsel, the Financial Advisor, and the Executive Director and Chief Legal Counsel of THDA, is authorized to prepare a Preliminary Official Statement and a final Official Statement for printing and distribution in connection with the issuance and sale of the Bonds.

7. The Assistant Secretary of the Committee, with the assistance of Bond Counsel and the Executive Director and Chief Legal Counsel of THDA, is authorized to prepare all documents determined to be necessary or appropriate for the competitive sale of all or any portion of the Bonds or all documents, including, without limitation, a purchase agreement or purchase agreements in a form appropriate for a negotiated sale, including a private placement, of all or any portion of the Bonds, as determined to be necessary or appropriate, for a negotiated sale of all or any portion of the Bonds.

8. The Authorized Officer is hereby authorized to execute (i) the proposal submitted by the lowest bidder or bidders in the event of a competitive sale of all or any portion of the Bonds or (ii) purchase agreements in the event of a negotiated sale, including a private placement, of all or any portion of the Bonds, the form of which has been approved by the Authorized Officer, upon the recommendation of the Financial Advisor and Bond Counsel, and (iii) to deliver the Bonds as appropriate.

9. The Authorized Officer, and the Chair, the Vice-Chair, the Executive Director, the Director of Finance and the Chief Legal Counsel of THDA and other appropriate officers and employees of THDA are hereby authorized to do and perform or cause to be done and performed, for or on behalf of THDA, all acts and things (including, without limitation, execution and delivery of documents) that constitute conditions precedent to the issuance and sale of the Bonds or that are otherwise required to be done and performed by or on behalf of THDA prior to or simultaneously with the issuance and sale of the Bonds.

10. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Supplemental Resolution, as the context indicates.

11. This resolution shall take effect immediately.

This Resolution was adopted by the affirmative vote of no fewer than eight (8) members of the THDA Board of Directors at its meeting on July 19, 2022.

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**TENNESSEE HOUSING DEVELOPMENT AGENCY**

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**A Supplemental Resolution**  
**Authorizing the Sale of**  
**Residential Finance Program Bonds**  
**\$ \_\_\_\_\_ Issue 2022-3A (Non-AMT)**  
**\$ \_\_\_\_\_ Issue 2022-3B (AMT)**

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Adopted July 19, 2022  
as approved in its amended and supplemented form  
by its Designated Authorized Officer  
on \_\_\_\_\_, 2022

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**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF  
RESIDENTIAL FINANCE PROGRAM BONDS  
\$ \_\_\_\_\_ ISSUE 2022-3A (Non-AMT)  
\$ \_\_\_\_\_ ISSUE 2022-3B (AMT)**

BE IT RESOLVED by the Board of Directors of the **TENNESSEE HOUSING DEVELOPMENT AGENCY** (“THDA”) as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORITY**

**Section 1.01. Short Title.** This resolution may hereafter be cited by THDA as the Issue 2022-3 Supplemental Residential Finance Program Bond Resolution.

**Section 1.02. Definitions.**

(a) All terms which are defined in Section 1.2 of the resolution of THDA adopted January 29, 2013, as amended and supplemented by the Bond Finance Committee on April 18, 2013, and entitled “General Residential Finance Program Bond Resolution” (the “General Resolution”) have the same meanings in this Resolution as such terms are given in Section 1.2 of the General Resolution.

(b) In addition, as used in this Resolution, unless the context otherwise requires, the following terms have the following respective meanings:

[“*400% PSA Prepayment Amount*” means the cumulative amount of principal prepayments on the Program Loans allocable to the Issue 2022-3 Bonds (including Program Securities [and the Transferred Program Loans]) at a rate equal to 400% PSA, as set forth in Exhibit B hereto.]

“*Bond Purchase Agreement*” means the contract for the purchase of the Issue 2022-3 Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.

“*Business Day*” shall mean any day except for a Saturday, Sunday or any day on which banks in Tennessee or New York are required or authorized to be closed.

“*Co-Managers*” means [\_\_\_\_\_].

“*Code*” shall mean the Internal Revenue Code of 1986, as amended.

“*Designated Authorized Officer*” means the Secretary of the Bond Finance Committee or, in the absence of the Secretary of the Bond Finance Committee, an officer designated by the Secretary of the Bond Finance Committee.

“DTC” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*Excess 2022-3 Principal Payments*” means, as of any date of computation, 100% of all regularly scheduled principal payments and prepayments on Program Loans, or portions thereof, allocable to the Issue 2022-3 Bonds (including Program Securities [and the Transferred Program Loans]) to the extent such regularly scheduled principal payments and prepayments are not required to make regularly scheduled principal payments, including Sinking Fund Payments, on the Issue 2022-3 Bonds.

“*Issue 2022-3 Bonds*” means, together, the Issue 2022-3A Bonds and the Issue 2022-3B Bonds.

“*Issue 2022-3A Bonds*” means the Issue 2022-3A Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2022-3A PAC Bonds*” means the Issue 2022-3A Bonds in the aggregate principal amount of \$\_\_\_\_\_ maturity on \_\_\_\_\_.]

[“*Issue 2022-3A PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2022-3A PAC Bonds expected to be redeemed upon the receipt of Excess 2022-3 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2022-3A Serial Bonds*” means the Issue 2022-3A Bonds which are not Issue 2022-3A Term Bonds.

“*Issue 2022-3A Term Bonds*” means, collectively, the Issue 2022-3A Bonds maturing \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

“*Issue 2022-3B Bonds*” means the Issue 2022-3B Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2022-3B PAC Bonds*” means the Issue 2022-3B Bonds in the aggregate principal amount of \$\_\_\_\_\_ maturity on \_\_\_\_\_.]

[“*Issue 2022-3B PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2022-3B PAC Bonds expected to be redeemed upon the receipt of Excess 2022-3 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2022-3B Serial Bonds*” means the Issue 2022-3B Bonds which are not Term Bonds.

“*Issue 2022-3B Term Bonds*” means, collectively, the Issue 2022-3B Bonds maturing \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

“*Issue Date*” means the date on which the Issue 2022-3 Bonds are issued by THDA and delivered to the Underwriters, expected to occur on \_\_\_\_\_, 2022.

“*MSRB*” means the Municipal Securities Rulemaking Board by operation of its Electronic Municipal Market Access System.

“*Official Statement*” means the Official Statement dated \_\_\_\_\_, 2022 used in connection with the sale of the Issue 2022-3 Bonds.

[“*PAC Bonds*” means, collectively, the Issue 2022-3A PAC Bonds and the Issue 2022-3B PAC Bonds .]

[“*PAC Bonds Planned Amortization Amount*” means, collectively, the Issue 2022-3A Planned Amortization Amount and the 2022-3B Planned Amortization Amount.]

“*Preliminary Official Statement*” means the Preliminary Official Statement dated \_\_\_\_\_, 2022 used in connection with the offering of the Issue 2022-3 Bonds.

“*Rating Agency*” shall mean Moody’s Investors Service, Inc. (or any successor thereto), and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLP business (or any successor thereto).

[“*Refunded Bonds*” means, the THDA bonds [listed in Exhibit D hereto][set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2022-3 Bonds.]

“*Resolution*” means this Supplemental Resolution adopted by THDA on July 19, 2022, as approved in its amended and supplemented form by the Designated Authorized Officer on \_\_\_\_\_, 2022.

“*Serial Bonds*” means, collectively, the Issue 2022-3A Serial Bonds and the Issue 2022-3B Serial Bonds.

“*Term Bonds*” means, collectively, the Issue 2022-3A Term Bonds and the Issue 2022-3B Term Bonds.

[“*Transferred Investments*” means amounts on deposit in certain funds and accounts of THDA allocated to the Refunded Bonds which are allocated to the Issue 2022-3 Bonds upon the refunding of the Refunded Bonds.]

[“*Transferred Proceeds*” means the sum of \$\_\_\_\_\_ on deposit in the Issue 2022-3 Bond Subaccount of the Loan Fund subsequent to the refunding of the Refunded Bonds.]

[“*Transferred Program Loans*” means the Program Loans allocable to the Refunded Bonds which are allocated to the Issue 2022-3 Bonds upon the refunding of the Refunded Bonds.]

“Underwriters” means, collectively, [\_\_\_\_\_], their respective successors and assigns, and the Co-Managers as purchasers of the Issue 2022-3 Bonds.

(c) Unless the context otherwise indicates, words of the masculine gender will be deemed and construed to include correlative words of feminine and neuter genders, words importing the singular number include the plural number and vice versa, and words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms as used in this Resolution refer to this Resolution and such terms used in the form of registered bond herein refer to such bonds.

(e) [Unless the context otherwise indicates, the term “Program Loan” as used herein shall include Transferred Program Loans, as well as new Program Loans, and, without duplication, Program Securities, and the phrase “Program Loans allocable to the Issue 2022-3 Bonds” shall include the Transferred Program Loans as well as any new Program Loans and Program Securities acquired with proceeds of the Issue 2022-3 Bonds.]

**Section 1.03. Authority for this Resolution.** This Resolution is adopted pursuant to the provisions of the Act and the General Resolution.

## ARTICLE II

### TERMS AND ISSUANCE

**Section 2.01. Issue Amount and Designation.** In order to provide funds necessary for the Residential Finance Program in accordance with and subject to the terms, conditions and limitations established herein and in the General Resolution, Residential Finance Program Bonds, Issue 2022-3A are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_, and Residential Finance Program Bonds, Issue 2022-3B are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_. In addition to the title “Residential Finance Program Bond,” the Issue 2022-3 Bonds will bear the additional designation “Issue 2022-3A [(Non-AMT)] and “Issue 2022-3B [(AMT)],” as appropriate. The Issue 2022-3 Bonds shall be issued only in fully registered form. The Issue 2022-3A Bonds will consist of \$\_\_\_\_\_ principal amount of Serial Bonds and \$\_\_\_\_\_ principal amount of Term Bonds. The Issue 2022-3B Bonds will consist of \$\_\_\_\_\_ principal amount of Serial Bonds and \$\_\_\_\_\_ principal amount of Term Bonds.

**Section 2.02. Purposes.** [The Issue 2022-3A Bonds and [a portion of] the Issue 2022-3B Bonds are being issued to refund the Refunded Bonds. As a result of such refunding, the Transferred Program Loans, [Transferred Proceeds] and the Transferred Investments will become allocated to the Issue 2022-3 Bonds.] [A portion of] the Issue 2022-3B Bonds are being issued (a) to finance Program Loans (including Program Securities), or participations therein, on single family residences located within the State, (b) if required, to pay capitalized interest on the Issue 2022-3 Bonds, (c) if required, to make a deposit in the Bond Reserve Fund, and (d) if required, to



pay certain costs of issuance relating to the Issue 2022-3 Bonds. [As a result of the refunding of the Refunded Bonds, the Transferred Proceeds will become allocated to the Issue 2022-3 Bonds.]

The proceeds of the Issue 2022-3 Bonds [and the [Transferred Proceeds and the] Transferred Investments] shall be applied in accordance with Article IV hereof.

**Section 2.03. Amounts, Maturities and Interest Rates.**

(a) The Issue 2022-3 Bonds will mature on the dates, in the principal amounts and bear interest from their Issue Date, calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on each January 1 and July 1, commencing [\_\_\_\_\_, 2023], at the rate set opposite such date in the following tables:

**Issue 2022-3A Bonds**

**Serial Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%		\$	%

**Term Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%

**Issue 2022-3B Bonds**

**Serial Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%		\$	%

**Term Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%

(b) Whenever the due date for payment of interest on or principal of the Issue 2022-3 Bonds or the date fixed for redemption of any Issue 2022-3 Bond shall be a day

which is not a Business Day, then payment of such interest, principal or Redemption Price need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date for payment of principal, interest or Redemption Price and no additional interest shall be payable on such Business Day which, merely by operation of this paragraph, may have accrued after the original due date.

#### **Section 2.04. Denominations, Numbers and Letters.**

(a) The Issue 2022-3 Bonds of each series maturing in each year are to be issued in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of Issue 2022-3 Bonds of each series maturing in such year. The Issue 2022-3 Bonds are to be lettered “R-3A,” or “R-3B,” as applicable, and numbered separately from 1 consecutively upwards.

(b) The Issue 2022-3 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Only one Issue 2022-3 Bond will be outstanding for each maturity and interest rate of each series of the Issue 2022-3 Bonds in the aggregate principal amount of such maturity, interest rate and series. Subject to the provisions of the General Resolution, purchases of ownership interests in the Issue 2022-3 Bonds will be made in book-entry form only in authorized denominations set forth in Section 2.04(a). Beneficial owners of the Issue 2022-3 Bonds will not receive certificates representing their interest in the Issue 2022-3 Bonds. So long as Cede & Co. shall be the registered owner of the Issue 2022-3 Bonds, THDA will deem and treat Cede & Co. as the sole and exclusive owner of the Issue 2022-3 Bonds and THDA will have no responsibility to any DTC participant or beneficial owner thereof.

**Section 2.05. Paying Agent.** The Trustee is hereby appointed as paying agent for the Issue 2022-3 Bonds pursuant to Section 11.2 of the General Resolution. The Trustee may appoint an agent for presentation of transfers in New York, New York and DTC may act as such agent.

**Section 2.06. Execution of Bonds.** The Issue 2022-3 Bonds shall be executed by the manual or facsimile signature of the Chair or Vice Chair and the seal of THDA or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Issue 2022-3 Bonds and attested by the manual or facsimile signature of the Executive Director or Secretary of THDA. The Issue 2022-3 Bonds shall be delivered to the Trustee for proper authentication and delivered to DTC pursuant to the DTC FAST delivery program, as the registered owner of the Issue 2022-3 Bonds upon instructions from THDA to that effect.

**Section 2.07. Place of Payment; Record Date.** While the Issue 2022-3 Bonds are registered in book-entry only form in the name of Cede & Co. as nominee of DTC, payments of principal, Redemption Price and interest on the Issue 2022-3 Bonds shall be made in accordance with the procedures of DTC. In the event the Issue 2022-3 Bonds are no longer held in book-entry only form, the principal and Redemption Price of all Issue 2022-3 Bonds shall be payable at the designated corporate trust office of the Trustee. Interest on the Issue 2022-3 Bonds will be paid by check mailed by the Trustee to the registered owner thereof. Any registered owner of the Issue 2022-3 Bonds in a principal amount equal to or exceeding \$1,000,000 may receive payments of interest by wire transfer if written notice is given to the Trustee at least ten Business Days before an applicable Interest Payment Date. The Record Date for payment of interest on the Issue 2022-3 Bonds shall be the 15th day of the month next preceding an Interest Payment Date.

**Section 2.08. Sinking Fund Redemption Provisions.**

(a) The Issue 2022-3 Bonds that are Term Bonds are subject to redemption in part by lot on the dates set forth below for such maturity of Issue 2022-3 Bonds at a Redemption Price equal to 100% of the principal amount thereof from mandatory Sinking Fund Payments in the principal amounts for each of the dates set forth below:

**Issue 2022-3A Term Bonds due \_\_\_\_\_**

<b>Date</b>	<b>Amount Due</b>	<b>Date</b>	<b>Amount Due</b>
	\$		\$

\_\_\_\_\_  
\*Maturity

**Issue 2022-3B Term Bonds due \_\_\_\_\_**

<b>Date</b>	<b>Amount Due</b>	<b>Date</b>	<b>Amount Due</b>
	\$		\$

\_\_\_\_\_  
\*Maturity

(b) Upon the purchase or redemption of Issue 2022-3 Bonds of any series and maturity for which Sinking Fund Payments have been established other than by application of Sinking Fund Payments, each future Sinking Fund Payment for such Issue 2022-3 Bonds of such series and maturity will be credited by an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Issue 2022-3 Bonds of such series and maturity to be purchased or redeemed bears to the total amount of all Sinking Fund Payments for such series and maturity of Issue 2022-3 Bonds, unless otherwise directed by THDA in accordance with the General Resolution.

**Section 2.09. Optional Redemption.** The Issue 2022-3 Bonds maturing on and after [\_\_\_\_\_] [other than the PAC Bonds], are subject to redemption at the option of THDA prior to their respective maturities, either as a whole or in part at any time, on or after [\_\_\_\_\_] (any such date to be determined by THDA or selected by the Trustee subject to the provisions of and in accordance with the General Resolution, and when so determined or selected will be deemed and is hereby set forth as the redemption date), upon notice as provided in Article VI of the General

Resolution, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

[[The PAC Bonds are subject to redemption at the option of THDA, either as a whole or in part at any time or on or after [ ] (any such date to be determined by THDA or selected by the Trustee subject to the provisions of and in accordance with the General Resolution, and when determined or selected will be deemed and is hereby set forth as the redemption date), upon notice as provided in Article VI of the General Resolution, at the respective Redemption Prices set forth below (expressed as a percentage of the principal amount of such PAC Bonds to be redeemed), plus accrued interest to the redemption date:

<u>Period</u>	<u>PAC Bond Redemption Price</u>
[ ] to [ ]	[ ]%
[ ] and thereafter	[ ]

**Section 2.10. Special Optional Redemption.** The Issue 2022-3 Bonds are subject to redemption, at the option of THDA, as a whole or in part at any time prior to maturity, in accordance with the provisions of the General Resolution in an amount equal to amounts available for such purpose from (i) proceeds of the Issue 2022-3 Bonds not expected to be applied to the financing of Program Loans, (ii) repayments and prepayments of Program Loans (including Program Securities [and the Transferred Program Loans]) allocated to the Issue 2022-3 Bonds not otherwise required to be applied to the special mandatory redemption of the Issue 2022-3 Bonds as described in Sections 2.11(b) or 2.11(c) hereof or to make regularly scheduled principal payments, including Sinking Fund Payments, on the Issue 2022-3 Bonds, (iii) repayments and prepayments of Program Loans made with the proceeds of any other Bonds issued under the General Resolution, subject to limitations contained in the Code, (iv) other amounts on deposit in the Revenue Fund in excess of the amounts required for the payment of Debt Service and Program Expenses, and (v) amounts on deposit in the Bond Reserve Fund in excess of the Bond Reserve Requirement; provided however, that the PAC Bonds (A) are only subject to redemption as described in clause (ii) above as described in Section 2.11(b) hereof [, and] (B) shall not be subject to redemption as described in clauses (iii), (iv) and (v) above if such redemption would cause amortization of a PAC Bond to exceed the Planned Amortization Amount.

The date of redemption pursuant to this Section 2.10 shall be determined by the Trustee upon the direction of THDA subject to the provisions of and in accordance with the General Resolution (and when so determined such date will be deemed and is hereby set forth as the redemption date). The Issue 2022-3 Bonds to be so redeemed shall be redeemed at a Redemption Price of 100% of the principal amount thereof, plus interest accrued to the redemption date, if applicable; provided, however, that the Redemption Price for the PAC Bonds in the event of a redemption described in clause (i) of the paragraph above shall be the issue price thereof (par plus premium), plus accrued interest to the redemption date.

The Issue 2022-3 Bonds to be redeemed pursuant to this Section 2.10 shall be selected by THDA in its sole discretion; provided, however, that the PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2022-3 Bonds then Outstanding in the event of any redemption pursuant to clause (i) of the first paragraph of this Section 2.10.

## Section 2.11. Special Mandatory Redemptions.

(a) ***Unexpended Proceeds.*** The Issue 2022-3 Bonds are subject to mandatory redemption on \_\_\_\_\_ in the event and to the extent that there are unexpended proceeds of the Issue 2022-3 Bonds on deposit in the Issue 2022-3 Subaccount of the Loan Fund on \_\_\_\_\_; provided that such redemption date may be extended, at the option of THDA, and subject to the satisfaction of the conditions set forth in Section 4.01 hereof.

Notwithstanding any extension of the redemption date described above, in order to satisfy requirements of the Code, the Issue 2022-3 Bonds are subject to mandatory redemption on \_\_\_\_\_, \_\_\_\_\_, to the extent any amounts remain on deposit in the Issue 2022-3 Subaccount of the Loan Fund on \_\_\_\_\_, \_\_\_\_\_.

The redemption price of the Issue 2022-3 Bonds to be so redeemed shall be 100% of the principal amount thereof plus interest accrued to the date of redemption, if applicable; provided, however, that the redemption price for the PAC Bonds shall be the issue price thereof (par plus premium) plus accrued interest to the redemption date. The Issue 2022-3 Bonds to be redeemed shall be selected by THDA in its sole discretion; provided, however, that the PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2022-3 Bonds then Outstanding.

(b) ***[Excess 2022-3 Principal Payments (PAC Bonds).*** The PAC Bonds are subject to redemption prior to their maturity, in whole or in part at a Redemption Price of 100% of the principal amount of such PAC Bonds to be redeemed, plus interest accrued to the date of redemption, from amounts transferred to the Redemption Account representing Excess 2022-3 Principal Payments. Any Excess 2022-3 Principal Payments so deposited in the Redemption Account shall be applied to the redemption of PAC Bonds on any Interest Payment Date commencing [\_\_\_\_\_, 2023]; provided that PAC Bonds may be redeemed between Interest Payment Dates on the first Business Day of any month for which adequate notice of redemption may be given.

While any PAC Bonds remain Outstanding, Excess 2022-3 Principal Payments shall be used as follows:

FIRST, if principal prepayments on the Program Loans allocable to the Issue 2022-3 Bonds (including Program Securities [and the Transferred Program Loans]) are equal to or less than the 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2022-3 Principal Payments shall first be applied to redeem the PAC Bonds up to an amount correlating to the PAC Bonds Planned Amortization Amount, and, subject to Section 2.11(c) below, the remainder may be applied by THDA for any purpose permissible under the Resolution, including the redemption of any Bonds under the Resolution, other than the PAC Bonds.

SECOND, if principal prepayments on the Program Loans allocable to the Issue 2022-3 Bonds (including Program Securities [and the Transferred Program Loans]) are in excess of the 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2022-3 Principal Payments shall first be applied to redeem PAC Bonds up to an amount correlating to the PAC Bonds Planned Amortization Amount (as set forth in "FIRST" above) and, subject to Section 2.11(c) below, the remainder may be applied by

THDA for any purpose permissible under the Resolution, including the redemption of any Bonds issued under the Resolution, including the PAC Bonds (any such remainder used to redeem PAC Bonds being an “Excess Principal PAC Bond Redemption”); provided, however, that (i) the source of an Excess Principal PAC Bond Redemption is restricted to that portion of available Excess 2022-3 Principal Payments which is in excess of 400% PSA, and (ii) the principal amount of an Excess Principal PAC Bond Redemption may not be an amount in excess of the PAC Bonds’ proportionate amount of all Issue 2022-3 Bonds then Outstanding.

The PAC Bonds Planned Amortization Amount and the 400% PSA Prepayment Amount set forth in Exhibit B hereto are each subject to proportionate reduction to the extent PAC Bonds are redeemed from amounts on deposit in the Issue 2022-3 Subaccount of the Loan Fund which are not applied to finance Program Loans in accordance with Section 2.11(a) hereof.]

**(c) Ten Year Rule.**

(i) To the extent not required to make regularly scheduled principal payments on the Issue 2022-3 Bonds (including Sinking Fund Payments) or otherwise required to be used to redeem the PAC Bonds as described in Section 2.11 (b) above, repayments and prepayments of principal on the Program Loans, or portions thereof, allocable to the Issue 2022-3 Bonds (including Program Securities [and the Transferred Program Loans]) received more than ten years after the Issue Date of the Issue 2022-3 Bonds (or the date of original issuance of the bonds refunded by the Issue 2022-3 Bonds, directly or through a series of refundings) shall be applied to redeem the Issue 2022-3 Bonds on or before the next Interest Payment Date with respect to the Issue 2022-3 Bonds, which Interest Payment Date is at least six months from the date of receipt of such Program Loan principal payments, in such principal amounts as required to satisfy requirements of the Code. The Redemption Price of Issue 2022-3 Bonds so redeemed shall be 100% of the principal amount thereof, plus interest accrued to the redemption date, if applicable.

(ii) THDA shall advise the Trustee of the appropriate Redemption Date for any redemption pursuant to this Section 2.11(c). The Issue 2022-3 Bonds to be redeemed shall be selected by THDA in its sole discretion; provided however, that the PAC Bonds may be redeemed in an amount that exceeds the PAC Bonds Planned Amortization Amount only if there are no other Issue 2022-3 Bonds Outstanding.

**Section 2.12. Selection by Lot.** If less than all of the Issue 2022-3 Bonds of like Series and maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in accordance with Section 6.4 of the General Resolution.

**Section 2.13. Purchase of Bonds by THDA or Trustee.** Whenever moneys are available for redemption of Bonds under Sections 2.08, 2.09, 2.10 or 2.11 above, THDA or the Trustee is authorized to purchase Bonds at a price not to exceed the applicable Redemption Price.

## ARTICLE III

### SALE AND DELIVERY

#### Section 3.01. Sale.

(a) The Issue 2022-3 Bonds are hereby authorized to be sold to the Underwriters at the prices and on the terms and conditions set forth in the Bond Purchase Agreement and upon the basis of the representations, warranties and agreements therein set forth. The Board of Directors of THDA hereby authorizes the Designated Authorized Officer to approve the purchase price of the Issue 2022-3 Bonds and to execute the Bond Purchase Agreement.

(b) The Designated Authorized Officer of THDA is hereby authorized to make public and to authorize distribution of the Official Statement relating to the Issue 2022-3 Bonds in substantially the form presented to THDA with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Chair, Vice Chair, Executive Director and Designated Authorized Officer are hereby authorized to sign and deliver such Official Statement to the Underwriters. The distribution of the Preliminary Official Statement relating to the Issue 2022-3 Bonds to the public is hereby authorized and approved.

(c) The Issue 2022-3 Bonds shall be delivered to the Underwriters in accordance with the terms of the Bond Purchase Agreement and this 2022-3 Supplemental Resolution.

## ARTICLE IV

### DISPOSITION OF PROCEEDS AND OTHER MONEYS

**Section 4.01. Loan Fund; Bond Reserve Fund Requirement.** Upon receipt of the proceeds of the sale of the Issue 2022-3 Bonds, THDA shall deposit such proceeds, together with any contribution from THDA of available THDA funds, in the Issue 2022-3 Bond Subaccount of the Loan Fund and in the Bond Reserve Fund, if applicable, as shall be set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2022-3 Bonds. Amounts on deposit in the Issue 2022-3 Bond Subaccount of the Loan Fund in excess of \$\_\_\_\_\_, [together with the Transferred Proceeds,] shall be applied to (i) the financing of Program Loans (including Program Securities), or participations therein, in accordance with the provisions of the General Resolution and Section 4.03 hereof, (ii) deposits to the Bond Reserve Fund and the Debt Service and Expense Account of the Revenue Fund, (iii) payment of Costs of Issuance and (iv) payment of capitalized interest to the extent, if any, specified by written instructions of an Authorized Officer.

Amounts on deposit in the Issue 2022-3 Subaccount of the Loan Fund shall be withdrawn therefrom and applied to the mandatory redemption of Issue 2022-3 Bonds as described in Section 2.11(a) hereof. The date of such redemption provided in Section 2.11(a) may be extended upon the delivery by THDA to the Trustee and the Rating Agency of a Projected Cash Flow Statement which satisfies the requirements of Section 7.11 of the General Resolution; provided further that

the date of such redemption shall not be extended beyond the date set forth in the second paragraph of Section 2.11(a) unless THDA is in receipt of an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Issue 2022-3 Bonds from the income of the owners thereof for federal income tax purposes. The amount of funds on deposit in the Issue 2022-3 Bond Subaccount of the Loan Fund to be used to pay Costs of Issuance with respect to the Issue 2022-3 Bonds shall not exceed 2% of the proceeds of the Issue 2022-3 Bonds.

THDA hereby covenants that an amount equal to twenty percent (20%) of the funds deposited in the Issue 2022-3 Bond Subaccount of the Loan Fund which are to be used to finance Program Loans (including Program Securities) (or other available funds of THDA), shall be made available for owner financing of “targeted area residences” (as defined in Section 143(j) of the Code) until \_\_\_\_\_, 2023.

The Bond Reserve Fund Requirement with respect to the Issue 2022-3 Bonds shall be [an amount equal to 3% of the then current balance of Program Loans (other than Program Loans underlying Program Securities) allocable to the Issue 2022-3 Bonds plus the amount on deposit in the Issue 2022-3 Subaccount of the Loan Fund which has not been designated to provide for the payment of Costs of Issuance or capitalized interest. On the Issue Date, THDA shall deposit an amount in the Bond Reserve Fund to satisfy the Bond Reserve Requirement.]

**Section 4.02. Proceeds of Issue 2022-3A Bonds and Issue 2022-3B Bonds.** Proceeds of the Issue 2022-3A Bonds and Issue 2022-3B Bonds, together with any contribution from THDA of available THDA funds, initially shall be deposited in the Issue 2022-3 Bond Subaccount of the Loan Fund. On the Issuance Date, \$\_\_\_\_\_ of the amount on deposit in the Issue 2022-3 Bond Subaccount of the Loan Fund (representing [the principal] [a portion of] the proceeds of the Issue 2022-3A Bonds and the [entire proceeds of the] Issue 2022-3B Bonds [in the aggregate amount of \$\_\_\_\_\_ [and available funds of THDA in the amount of \$\_\_\_\_\_]]) shall be applied to the refunding of the Refunded Bonds. [On such date, the Transferred Program Loans [and the Transferred Proceeds] shall be credited to the Issue 2022-3 Bond Subaccount of the Loan Fund and the Transferred Investments shall be deposited in such Funds or Accounts as shall be set forth in a certificate of THDA delivered on or prior to the Issuance Date.]]

**Section 4.03. Program Loan Determinations.** No Program Loan shall be financed with proceeds of the Issue 2022-3 Bonds [(including the Transferred Proceeds)] unless (i) such Program Loan is made for the acquisition of residential housing for occupancy by not more than four families and (ii) the deed of trust securing such Program Loan shall constitute and create a first lien subject only to Permitted Encumbrances, on the fee simple or leasehold estate, of real property located in the State or on the interest in the real property constituting a part of the residential housing with respect to which the Program Loan secured thereby is made and on the fixtures acquired with the proceeds of the Program Loan attached to or used in connection with such residential housing.

In addition, the Program Loan must either:

- (a) have been pooled into a Program Security; or
- (b) have been insured or guaranteed or have a commitment for insurance or guaranty by (i) the United States or any instrumentality thereof (inclusive of the Federal Housing Administration, the Farmers Home Administration, the Veteran’s Administration,



or another agency or instrumentality of the United States or the State to which the powers of any of them have been transferred, or which is exercising similar powers with reference to the insurance or guaranty of Program Loans; or (ii) any agency or instrumentality of the State authorized by law to issue such insurance; or

(c) be made to borrowers who have an equity interest of at least 22% in the property based on the lesser of appraised value (as determined in an appraisal by or acceptable to THDA), or the sale price of the property securing the Program Loan; or

(d) be made in an amount not exceeding the value, as determined in an appraisal by or acceptable to THDA, or sale price of the property securing the Program Loan, whichever is less, but only if (i) THDA is issued a mortgage insurance policy by a private mortgage insurance company, qualified to issue such insurance or guarantee in the State and approved by THDA, and the claims paying ability of which private mortgage insurer is rated by each Rating Agency in a rating category at least as high as the then current rating assigned to the Bonds, under which the insurer, upon foreclosure of the property securing the Program Loan, must pay the holder of the Program Loan the unrecovered balance of a claim including unpaid principal, accrued interest, taxes, insurance premiums, and expenses of foreclosure, if any, or in lieu thereof may permit the holder of the Program Loan to retain title and may pay an agreed insured percentage of such claim; and (ii) the insured percentage of the Program Loan equals the amount by which the original principal amount of the Program Loan exceeds 78% of the value, as determined by an appraisal by or acceptable to THDA or sale price of the property securing the Program Loan, whichever is less.

## ARTICLE V

### FORM OF BONDS, AND TRUSTEE'S CERTIFICATE OF AUTHENTICATION

**Section 5.01. Form of Bonds.** Subject to the provisions of the General Resolution, the Issue 2022-3 Bonds in fully registered form shall be in substantially the form attached hereto as Exhibit C, with such variations as shall be appropriate in order to conform to the terms and provisions of the General Resolution and this Resolution.

**Section 5.02. Form of Trustee's and Authenticating Agent's Certificate of Authentication.** The Issue 2022-3 Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication in substantially the following form:

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the within-mentioned Resolutions and is one of the Residential Finance Program Bonds, [Issue 2022-3A (Non-AMT)] [Issue 2022-3B (AMT)] of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

## ARTICLE VI

### MISCELLANEOUS

**Section 6.01. No Recourse Against Members or Other Persons.** No recourse may be had for the payment of principal of or premium or interest on the Issue 2022-3 Bonds or for any claim based thereon or on this Resolution against any member of THDA or any person executing the Issue 2022-3 Bonds and neither the members of THDA nor any person executing the Issue 2022-3 Bonds may be liable personally on the Issue 2022-3 Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

**Section 6.02. Bonds not Debt, Liability or Obligation of the State or the United States of America.** The Issue 2022-3 Bonds are not a debt, liability or the obligation of the State or any other political subdivision thereof. Neither the full faith and credit nor the taxing power of the State, or of any other political subdivision thereof, is pledged for the payment of the principal of or interest on the Issue 2022-3 Bonds. The Issue 2022-3 Bonds are not a debt, liability or obligation of the United States of America or any agency thereof. Neither the full faith and credit nor the taxing power of the United States of America is pledged for payment of the principal of or interest on the Issue 2022-3 Bonds.

**Section 6.03. Delivery of Projected Cash Flow Statements.** THDA shall deliver such Projected Cash Flow Statements at the times and on the occasions set forth in the General Resolution or this Resolution.

**Section 6.04. Authorized Officers.** The Chair, Vice Chair, Executive Director, General Counsel, Deputy Executive Director and Secretary of THDA and the Secretary and any Assistant Secretary of the Bond Finance Committee and any other proper officer of THDA, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the General Resolution and the Official Statement.

**Section 6.05. Authorized Trustee.** THDA authorizes and directs the Trustee to perform any and all acts contemplated to be performed by the Trustee pursuant to the terms and provisions of this Resolution.

**Section 6.06. Covenant to Comply with Federal Tax Law Requirements.** THDA hereby covenants to comply with all applicable requirements of the Code so that interest on the

Issue 2022-3 Bonds will be excluded from gross income of the holders thereof for federal income tax purposes, including the rebate requirement of Section 148(f) of the Code. THDA also covenants to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements. In accordance with the rebate requirement, THDA agrees that there will be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Issue 2022-3 Bonds from time to time.

**Section 6.07. Continuing Disclosure Undertaking.**

(a) THDA shall deliver to the MSRB, within 210 days after the end of each Fiscal Year:

(i) a copy of the annual financial statements of THDA prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board; and

(ii) an annual update of the type of information in the Official Statement (A) contained in Appendix E, (B) regarding annual required contributions for employee pension plan and other post-employment benefits to the extent not included in annual financial statements and (C) of the nature disclosed under the following headings (including, without limitation, information with respect to the outstanding balances of Program Loans, by mortgage type, delinquency information, acquisition costs and income limits):

(A) Residential Finance Program Bonds; and

(B) Residential Finance Program Loans.

The information described in this subsection (a) may be provided by specific reference to documents (including official statements, to the extent the official statements include the information described in this subsection (a)) previously provided to the MSRB or filed with the Securities and Exchange Commission.

If unaudited financial statements are provided as part of the information required to be delivered under this subsection (a) within the time period specified above, THDA shall provide, when and if available, a copy of THDA's audited financial statements to the MSRB.

(b) THDA shall deliver to the MSRB and the Trustee, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events (if applicable) with respect to the Issue 2022-3 Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on the Bond Reserve Fund (or other debt service reserves) reflecting financial difficulties;

(iv) unscheduled draws on any credit enhancements reflecting financial difficulties;

(v) substitution of any credit or liquidity provider, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issue 2022-3 Bonds, or other material events affecting the tax status of the Issue 2022-3 Bonds;

(vii) modifications to rights of the holders of the Issue 2022-3 Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Issue 2022-3 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of THDA (which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for THDA in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of THDA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of THDA);

(xiii) The consummation of a merger, consolidation or acquisition involving THDA or the sale of all or substantially all of the assets of THDA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation of THDA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of THDA, any of which affect Bondholders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of THDA, any of which reflect financial difficulties.

For the purposes of the events identified in clauses (xv) and (xvi) above, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Issue 2022-3 Bonds or defeasance of any Issue 2022-3 Bonds need not be given pursuant to this Section 6.07 any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Issue 2022-3 Bonds pursuant to the Resolution.

(c) THDA shall give notice to the Trustee and the MSRB in a timely manner of any failure by THDA to provide any information required pursuant to subsection (a) above within the time limit specified therein.

(d) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) THDA agrees that the provisions of this Section 6.07 shall be for the benefit of the beneficial owners of the Issue 2022-3 Bonds whether or not the Rule applies to such Issue 2022-3 Bonds.

(f) THDA may amend this Resolution with respect to the above agreements, without the consent of the beneficial owners of the Issue 2022-3 Bonds (except to the extent required under clause (iv)(B) below), if all of the following conditions are satisfied: (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of THDA or the type of business conducted thereby; (ii) these agreements as so amended would have complied with the requirements of the Rule as of the date of this Resolution, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (iii) THDA shall have delivered to the Trustee an opinion of counsel, addressed to THDA and the Trustee, to the same effect as set forth in clause (ii) above; (iv) either (A) THDA shall deliver to the Trustee an opinion of or determination by a person unaffiliated with THDA (which may include the Trustee or bond counsel), acceptable to THDA and the Trustee, addressed to THDA and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Issue 2022-3 Bonds or (B) the holders of the Issue 2022-3 Bonds consent to the amendment pursuant to the same procedures as are required for amendments to the General Resolution with consent of the holders of Bonds pursuant to the General Resolution as in effect on the date of this Resolution; and (v) THDA shall have delivered copies of such opinion(s) and the amendment to the MSRB.

(g) THDA's obligations with respect to the beneficial owners of the Issue 2022-3 Bonds under these agreements as set forth above terminate upon a legal defeasance pursuant to the General Resolution, prior redemption or payment in full of all of the Issue 2022-3 Bonds. THDA shall give notice of any such termination to the MSRB.

(h) Failure by THDA to comply with this Section 6.07 shall not constitute an Event of Default under the General Resolution but the undertaking in this Section 6.07 may be enforced by any beneficial owner of the Issue 2022-3 Bonds exclusively by an action for specific performance. The obligations of THDA in this Section 6.07 shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of the obligations under this Section 6.07 shall be instituted in a court of competent jurisdiction in the State.

**Section 6.08. Confirmation and Adjustment of Terms by Designated Authorized Officer.** The terms of the Issue 2022-3 Bonds are herein established subject to confirmation by the Designated Authorized Officer upon the approval of the sale of the Issue 2022-3 Bonds by the Designated Authorized Officer. The Designated Authorized Officer is hereby authorized to make such changes or modifications in the principal amounts, maturities and interest rates for the Issue 2022-3 Bonds and in the application of the proceeds thereof, paying agents, terms of redemption and the schedule of prepayment amounts to be used for accrued principal installments in such manner as the Designated Authorized Officer determines to be necessary or convenient to better achieve the purposes of the Act and in the best interests of THDA.

**Section 6.09. Effective Date.** This Resolution will take effect immediately.

**EXHIBIT A**

**BOND PURCHASE AGREEMENT**

**EXHIBIT B**

**[PLANNED AMORTIZATION AMOUNTS FOR PAC BONDS]**

**Date**

**PAC Bonds  
Planned Amortization Amount**



**[[400]% PSA PREPAYMENT AMOUNTS  
FOR ISSUE 2022-3 BONDS]**

<b>Date</b>	<b>Cumulative Amount</b>	<b>Date</b>	<b>Cumulative Amount</b>
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**EXHIBIT C**

**FORM OF BOND**

**REGISTERED**

**R- [3A][3B]**

**\$[\_\_\_\_\_]**

**TENNESSEE HOUSING DEVELOPMENT AGENCY  
RESIDENTIAL FINANCE PROGRAM BOND  
ISSUE 2022-3[A][B] [(Non-AMT)][(AMT)]**

<b>Interest Rate</b>	<b>Dated Date</b>	<b>Maturity Date</b>	<b>Cusip</b>
[_____]%	[____], 2022	[_____]	880461[_____]

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM: [\_\_\_\_\_]**

**TENNESSEE HOUSING DEVELOPMENT AGENCY** (hereinafter sometimes called “THDA”), a body politic and corporate and a political subdivision of the State of Tennessee (herein called the “State”), created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner (shown above), or registered assigns, the principal sum (shown above), on the maturity date specified above, and to pay interest on said principal sum to the Registered Owner of this Bond from the dated date hereof until THDA’s obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above payable on each January 1 and July 1 commencing [\_\_\_\_\_, 2023]. The principal of and interest on this Bond are payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee in any coin or currency of the United States of America, which, on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

This Bond is one of the bonds of THDA designated “Residential Finance Program Bonds” (herein called the “Bonds”) authorized to be issued in various series under and pursuant to the Tennessee Housing Development Agency Act, Sections 13-23-101 et seq., of the Tennessee Code Annotated, as amended (herein called the “Act”), a resolution of THDA adopted January 29, 2013, as amended and supplemented by the Bond Finance Committee on April 18, 2013, and entitled “General Residential Finance Program Bond Resolution” (herein called the “General Resolution”) and a supplemental resolution authorizing each issue. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series of various principal amounts, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds

issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This bond is one of a series of bonds additionally designated “Issue 2022-3[A][B]” (herein called the “Bonds”) issued in the aggregate principal amount of \$ \_\_\_\_\_ under the General Resolution, a resolution of THDA adopted on July 19, 2022, as approved in its amended and supplemented form by the Designated Authorized Officer on \_\_\_\_\_, 2022 (collectively with the General Resolution, the “Resolutions”). Copies of the Resolutions are on file at the office of THDA in Nashville, Tennessee and at the principal corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as trustee under the General Resolution (said trustee under the General Resolution being called herein the “Trustee”) and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the bearers or registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds have been issued and may be issued thereunder.

To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by THDA with the written consent of the holders of at least two-thirds in principal amount of the Bonds then outstanding, and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the holders of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding. If such modification or amendment will by its terms not take effect so long as any Bonds of any specified like series and maturity remain outstanding, however, the consent of the holders of such Bonds shall not be required. In addition, certain other modifications or amendments to the Resolutions can be made which are not contrary to or inconsistent with the Resolutions without the consent of the Bondholders.

The holder of this Bond shall have no right to enforce the provisions of the Resolutions, to institute actions to enforce the provisions of the Resolutions or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the General Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the General Resolution, the principal of all the Bonds issued thereunder and then outstanding, together with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

This Bond is transferable, as provided in the Resolutions, only upon the books of THDA kept for that purpose at the office of the Trustee by the registered owner hereof in person or by such owner’s attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner’s attorney duly authorized in writing, and thereupon a new registered Bond or Bonds in the same aggregate principal amount and of the same subseries and maturity shall be issued to the transferee in exchange therefor as provided in the General Resolution and upon the payment of the charges, if any, therein prescribed. THDA and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving

payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a special limited obligation of THDA payable solely from the revenues and assets pledged therefor pursuant to the General Resolution.

The Bonds are issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof.

The Bonds are subject to optional, mandatory and sinking fund redemption as described in the Resolutions.

This Bond does not constitute a debt, liability or other obligation of the State or any political subdivision thereof other than THDA and neither the State nor any political subdivision thereof shall be obligated to pay the principal of the Bonds or the interest thereon. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

This Bond shall not be valid or become obligatory for any other purpose or be entitled to any security or benefit under the Resolutions until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Act provides that neither the members of THDA nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution or statutes of the State and the Resolutions to exist, to have happened or to have been performed precedent to or in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of the Bonds, together with all other indebtedness, of THDA, is within every debt and other limit prescribed by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, TENNESSEE HOUSING DEVELOPMENT AGENCY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Executive Director, all as of the dated date shown above.

TENNESSEE HOUSING DEVELOPMENT  
AGENCY

By \_\_\_\_\_  
[ ]  
Chair [SEAL]

Attest:

By \_\_\_\_\_  
Ralph M. Perrey  
Executive Director

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the within-mentioned Resolutions and is one of the Residential Finance Program Bonds, Issue 2022-3[A][B] [(Non-AMT)][(AMT)] of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_, 2022

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____	Custodian _____
(Cust)	(Minor)
	under Uniform Gifts to Minors
	Act _____
	(State)

Additional Abbreviations may also be used though  
not in the above list

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the bond register, with full power of substitution in the premises.

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

Social Security Number or  
Employer Identification  
Number of Transferred: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

**EXHIBIT D**  
**REFUNDED BONDS**



A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY  
AUTHORIZING REIMBURSEMENT OF THDA  
FROM PROCEEDS OF ISSUE 2022-3  
July 19, 2022

WHEREAS, the Tennessee Housing Development Agency (“THDA”) is financing mortgage loans for eligible borrowers to purchase single family residences in compliance with the Internal Revenue Code of 1986, as amended (the “Code”), and the General Residential Finance Program Bond Resolution, (the “2013 General Resolution”); and

WHEREAS, THDA expects to use its own funds to continue its mortgage loan programs prior to the availability of proceeds from the issuance of the General Residential Finance Program Bonds, Issue 2022-3, if and when issued and sold (the “Bonds”), through the direct purchase of eligible mortgage loans; and

WHEREAS, THDA will continue to commit and purchase mortgage loans prior to the closing date for the Bonds (the “Closing”); and

WHEREAS, THDA expects that up to \$50,000,000 in mortgage loans may be purchased prior to Closing; and

WHEREAS, it is in the best interest of THDA to reimburse itself from the proceeds of the Bonds for THDA funds expended to purchase mortgage loans prior to the Closing.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THDA THAT:

1. Use of proceeds from the Bonds in an amount not to exceed \$50,000,000 shall be used to reimburse THDA for the actual amounts expended to purchase mortgage loans made to eligible borrowers who purchased single family residences in accordance with the requirements of the Code and the 2013 General Resolution.
2. This resolution shall take effect immediately.



## **Grants Committee**



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## Grants Committee Meeting Agenda

Tuesday, July 19, 2022 at 1010 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Approval of Minutes from May 24, 2022 meeting
- B. Action Items
  - 1. 2023 Low Income Home Energy Assistance Program (LIHEAP) Model Plan
  - 2. 2023 Challenge Grant Award Recommendation

### **Committee Members:**

Austin McMullen (Chair)  
Secretary Tre Hargett  
Comptroller Jason Mumpower  
Rick Neal  
Tennion Reed



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TENNESSEE HOUSING DEVELOPMENT AGENCY  
GRANTS COMMITTEE MEETING MINUTES  
May 24, 2022

Pursuant to the call of the Chairman, the Grants Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, May 24, 2022, at 10:15 AM CST in the Nashville Room of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following committee members were present in person: Acting Chair, Tennion Reed, Chris Mustain (for Secretary of State Tre Hargett) and Rick Neal. Those absent were: Austin McMullen and Comptroller Jason Mumpower.

Recognizing a quorum present, Chair Reed called the Grants Committee meeting to order and asked for consideration of the January 25, 2022 meeting minutes. Upon motion by Mr. Mustain and a second by Mr. Neal the motion carried and the minutes were approved.

Chair Reed recognized Cynthia Peraza, Director of Community Programs, to present the 2022-2023 Emergency Repair Program Description. She referenced the 2022-2023 Emergency Repair Program Description as outlined in the memo dated May 5, 2022 from herself and Don Watt, Chief Programs Officer, as well as the Redlined Program Description in the board materials. She highlighted the change to the grant period for this year and asked the committee to approve the Emergency Repair Program for 2022-2023 as presented and outlined in the board materials. Upon motion by Mr. Neal and a second by Mr. Mustain the motion carried.

Chair Reed recognized Cynthia Peraza, Director of Community Programs, to present the REVISED 2023 Challenge Grant Program Description. She referenced the REVISED 2023 Challenge Grant Program Description as outlined in the memo dated May 23, 2022 from herself and Don Watt, Chief Programs Officer, as well as the Redlined Program Description in the board materials. She highlighted the updated application schedule and asked the committee to approve the REVISED 2023 Challenge Grant Program Description as presented and outlined in the board materials. Upon motion by Mr. Neal and a second by Mr. Mustain the motion carried.

Chair Reed recognized Cynthia Peraza, Director of Community Programs, to present the Rebuild and Recover Disaster Program Description. She referenced the Rebuild and Recover Disaster Program Description as outlined in the memo dated May 5, 2022 from herself and Don Watt, Chief Programs Officer, as well as the Redlined Program Description in the board materials. She highlighted the addition of nonprofit agencies to the list of possible applicants and asked the committee to approve the Rebuild and Recover Disaster Program Description as presented and outlined in the board materials. Upon motion by Mr. Neal and a second by Mr. Mustain the motion carried.

Chair Reed recognized Cynthia Peraza, Director of Community Programs, to present COVID 19 Extensions of 2019 HOME program grants. She referenced the COVID 19 Extensions of 2019 HOME program grants as outlined in the memo dated May 5, 2022 from herself and Don Watt, Chief Programs Officer. She highlighted the continuing challenges the program Grantees are experiencing due to the pandemic and asked the committee to approve the COVID 19 Extensions of 2019 HOME program grants as presented and outlined in the board materials. Upon motion by Mr. Neal and a second by Mr. Mustain the motion carried.

Chair Reed recognized Cynthia Peraza, Director of Community Programs, to present the 2017 HOME grant extension request from the City of Gatlinburg. She referenced the 2017 HOME extension request from the City of Gatlinburg as outlined in the memo dated May 23, 2022 from herself and Don Watt, Chief Programs Officer. She highlighted the continuing challenges the city is facing due to the wildfires that impacted Sevier County in 2016, compounded by delays resulting from COVID-19, and other building delays, as well as, the significant progress the city has made on this project and asked the committee to approve the 2017 HOME grant extension request for the City of Gatlinburg as presented and outlined in the board materials. Upon motion by Mr. Mustain and a second by Mr. Neal the motion carried.

With no further business, the meeting was adjourned at 10:29 AM CST.



# Tennessee Housing Development Agency

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

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors

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

**SUBJECT:** 2023 Low Income Home Energy Assistance Program (LIHEAP) Model Plan

**DATE:** June 17, 2022

### **Recommendation**

Staff is requesting Board and Committee approval for THDA to submit an application to the U.S. Department of Health and Human Services (HHS) for the LIHEAP Program Year 2023 funds by the federal deadline of September 1, 2022, subject to review by the Board Chair, the Committee Chair, and THDA's Executive Director of any further material changes prior to submission.

### **Key Points**

At this time, THDA has not identified any major programmatic changes for the 2023 program year. There will be public hearings and a public comment period during August 2022.

Staff anticipates HHS approval of Tennessee's 2023 LIHEAP application before the November 2022 THDA Board meeting. At that time, Community Programs' staff will provide the Board and Committee with the final allocation amounts, participating agencies, program updates and any amendments to the approved plan.

### **Background**

The HHS will be accepting applications, known as the Model Plan, from states for the Program Year 2023 LIHEAP. Applications are due to the HHS no later than September 1, 2022. The Program Year 2023 allocation for Tennessee is not yet available; however, based on the amount available to Tennessee for 2022, THDA anticipates that approximately \$60,000,000, with approximately \$6,500,000 available for administrative costs and approximately \$58,500,000 available for program costs.

LIHEAP and the activities carried out with LIHEAP funding are subject to federal regulations found at 45 C.F.R. § 96. The annual application to HHS defines the program and requires that the program be made available to eligible agencies that serve all areas (counties) in the state. Grantees for LIHEAP funding are those agencies meeting the federal definition of an eligible entity, which

includes Community Action Agencies (CAA) or other public or nonprofit entities selected on the basis of public comment received during a public hearing conducted pursuant to 45 C.F.R. §96 and other appropriate findings regarding:

- (i) The subgrantee's experience and performance in LIHEAP;
- (ii) The subgrantee's experience in assisting low-income persons in the area to be served; and
- (iii) The subgrantee's capacity to undertake a timely and effective LIHEAP program.

The program funding is allocated by county, based on the percentage of the low-income population residing in that county, as determined through the use of SAIPE (Small Area Income and Poverty Estimates) census data.

The local agency will receive, if willing to participate, the allocation for the county or counties located in their service delivery area. THDA will retain funding for administrative expenses as permitted under federal regulations. Staff will also conduct public meetings to explain the program and funding available.

**Challenge Grant Information and Recommendation(s)  
will be provided at Board Meeting due to approved  
Challenge Grant Application Timeline.**





## **Rental Assistance Committee**



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## Rental Assistance Committee Meeting Agenda

Tuesday, July 19, 2022 at 1015 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Approval of Minutes from September 28, 2021 meeting
- B. Action Item
  - 1. Discussion of Proposed Implementation of Project Based Vouchers

### **Committee Members:**

John Snodderly (Chair)  
Erin Merrick  
Tennion Reed  
Todd Skelton



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TENNESSEE HOUSING DEVELOPMENT AGENCY  
RENTAL ASSISTANCE COMMITTEE MEETING MINUTES  
September 28, 2021

Pursuant to the call of the Chairman, the Rental Assistance Committee of the Tennessee Housing Development Agency Board of Directors (the “Committee”) met in regular session on Tuesday, September 28, 2021, at approximately 10:49 a.m. Central Time in Conference Rooms A and C of the William R. Snodgrass Tennessee Tower Building, Nashville, TN 37243.

Committee members in person were: Mike Hedges, while those participating via Webex were John Snodderly (Chair), Joann Massey and Tennion Reed. Erin Merrick was absent.

Chair Snodderly recognized Bruce Balcom, Chief Legal Counsel, who read the following statement:

*“Board members will be participating in this meeting by telephone as authorized by Tennessee Code Annotated Section 8-44-108. Notice was posted stating that this meeting would be conducted in this fashion. This meeting is being conducted in this manner because the matters to be considered by the Board today require timely action and the physical presence of a sufficient number of Board members to constitute a quorum is not possible within the timeframe in which action is required. This is also necessary to protect everyone’s health and safety due to COVID. Therefore, it is necessary for some members to participate via telephone or electronically. Board members so participating were sent documents relevant to today’s meeting.”*

Upon a motion by Mr. Hedges, second by Mr. Snodderly and a roll call vote with all identified as present voting “yes,” motion carried to conduct business in this manner.

Seeing a quorum present, Chair Snodderly called the Committee meeting to order and called for consideration of the previously circulated January 21, 2021 Committee meeting minutes. Upon a motion by Ms. Reed, second by Mr. Hedges, the meeting minutes were approved by all members present voting “Yes” (four ayes).

Chair Snodderly recognized the Executive Director Ralph M. Perrey to present his memo dated September 8, 2021 and discuss the recommendation of the Committee. The staff recommendation for Committee to approve an extension of THDA’s contract to administer the Project Based Contract Administration Program until HUD is able to award it to another entity and permission for THDA to subcontract that work in the meantime. Mr. Hedges went on record to note that the THDA Board regards this as a short-term solution to give time for HUD to resolve its rebid situation. There should be no expectation on HUD’s part that this is an open-ended commitment to administer PBCA. By offer of a motion by Mr. Hedges, second by Ms. Massey and roll call vote, motion was approved with all members identified as present voting “yes”.

With there being no further business, the meeting was adjourned by Chair Snodderly.

Respectfully submitted,

Ralph M. Perrey  
Executive Director

Approved this 19<sup>th</sup> day of July, 2022



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

**TO:** Rental Assistance Committee  
THDA Board of Directors  
**FROM:** Jeboria Scott, Director of Rental Assistance  
Don Watt, Chief Programs Officer  
**SUBJECT:** Housing Choice Voucher Program Update (Project-Based Vouchers)  
**DATE:** July 19, 2022

---

Due to significant external factors in the post pandemic housing market, THDA continues to explore opportunities to expand rental assistance for Tennessee's most vulnerable population. In view of this, the Rental Assistance Division is assessing the feasibility of administering Project-Based Vouchers (PBV). The PBV option will allow THDA to continue to provide Tennesseans with access to decent, safe, and affordable housing opportunities.

The PBV program was enacted in 1998, as part of the statutory merger of the certificate and voucher tenant-based assistance programs under the Quality Housing and Work Responsibility Act of 1998. PBVs are a component of a public housing agency's (PHA's) Housing Choice Voucher (HCV) program. HUD does not allocate additional funding to qualified PHA's for PBV units. The PHA uses its tenant-based voucher funding to allocate project-based units to a project. Projects are typically selected for PBVs through a competitive process managed by the PHA; although in certain cases projects who meet specific criteria may be selected non-competitively.

Administering PBVs would also provide THDA with an opportunity to collaborate within the Multifamily Programs, Community Programs, and Rental Assistance Divisions. Through the Housing Credit Program and potential use of the Housing Trust Funds. This enhanced voucher option can assist families in Tennessee's rural and distressed counties. THDA is currently in the initial stages of exploring this opportunity, and therefore, THDA Board of Director action is not required at this time.



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## **Tax Credit Committee**



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## Tax Credit Committee Meeting Agenda

Tuesday, July 19, 2022 at 1020 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

### A. Approval of Minutes from May 24, 2022 meeting

### B. Action Item

1. 2023 Discussion of Preliminary Proposed Changes for the 2023 Qualified Allocation Plan

### Committee Members:

John Snodderly (Chair)  
Commissioner Jim Bryson  
Secretary Tre Hargett  
Treasurer David Lillard  
Erin Merrick



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TENNESSEE HOUSING DEVELOPMENT AGENCY  
TAX CREDIT COMMITTEE MEETING MINUTES  
May 24, 2022

Pursuant to the call of the Chairman, the Tax Credit Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, May 24, 2022, at 10:30 AM CST in the Nashville Room of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following committee members were present in person: Chair, John Snodderly, Chris Mustain (for Secretary of State Tre Hargett), Alex Schuhmann (for Commissioner of F&A Butch Eley), Kevin Bradley (for Treasurer David Lillard), and Erin Merrick.

Recognizing a quorum present, Chair Snodderly called the Tax Credit Committee meeting to order and asked for consideration of the January 25, 2022 meeting minutes. Upon motion by Ms. Merrick and a second by Mr. Bradley the motion carried and the minutes were approved.

Chair Snodderly recognized Don Watt, Chief of Programs, to present the Amendment to the 2022 Multifamily Bond Authority Program Description. He referenced the Amendment to the 2022 Multifamily Bond Authority Program Description as outlined in the memo dated May 9, 2022 from himself. He highlighted the need for a substantive tie-breaker and asked the committee to approve the Amendment to the 2022 Multifamily Bond Authority Program Description as presented and outlined in the board materials. Upon motion by Ms. Merrick and a second by Mr. Bradley, the motion carried.

Chair Snodderly asked the committee to discuss potential areas of revision for the 2023 Qualified Allocation Plan (QAP) as the Agency works on that plan. Specifically, the committee discussed:

- Moving the Waverly preference to the 2023 QAP
- Removing Total Development Cost caps
- Streamlining Visitability standards to align with federal requirements
- Updating energy efficiency standards
- Clarifying amenity requirements on phased and scattered site deals. Specifically, considering playground requirements based on the size of the second phase. Can we waive the playground requirement if development is adjacent to a public park or large playground?
- Adding a “check list” approach, allowing developers to choose among amenities, energy efficiency measures, and still be able to max out in that category.
- Allowing septic fields on properties of 1-4 units; require sewer connection for greater than 4 units.
- Limiting Concerted Community Revitalization Plans to housing and perhaps economic development or infrastructure.

- Clarifying Qualified Contract process penalty.
- Eliminating requirement for audited financials.
- Reviewing 2022 applications for points that everybody gets. Should those be threshold items instead? If it something we really don't need to evaluate the proposal (ie: letters from lenders, syndicators) – if everyone can get them, there's no differentiation.

#### Blue Oval City

- There is no opposition from the board to the idea of THDA steering affordable housing development to the counties around the new Ford plant-however, the board would like information that shows we are 'right-sizing' the scope of TCs and ensuring there is fairness throughout Tennessee, as well. One specific ask was an assessment of affordable housing needs in that area (once the plant would move in) compared to similar areas in the state.
- Board members want this addition to the QAP written broadly, so that we can likewise support other major economic initiatives elsewhere in the state, without a major revision to the QAP. The challenge is to define what *other major economic initiatives* are and probably to consider a region's ability to absorb additional residents.

With no further business, the meeting was adjourned at 10:55 AM CST.





# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors  
**FROM:** Don Watt, Chief Program Officer  
**SUBJECT:** Preliminary Proposed Changes to the Low-Income Housing Credit 2023 Qualified Allocation Plan  
**DATE:** July 5, 2022

### Recommendation

Staff recommends and requests that the Tax Credit Committee direct staff to proceed with the preliminary proposed changes as reflected in the “Key Points” section of this memorandum. *Please note that this is a discussion item. No motion is required.*

### Background

The following are preliminary proposed changes for the Draft Low-Income Housing Credit 2023 Qualified Allocation Plan (the “Draft 2023 QAP”). These preliminary proposed changes may be accepted, rejected, or modified in any respect. Changes or modifications not currently reflected herein may also be made. By circulating these preliminary proposed changes, no representations are being made about any item that may be included, excluded, or modified in the preparation and approval of the 2023 QAP.

### Key Points

- 1) No Total Development Cost caps
  - a) COVID-19 economic impact continues
- 2) Target the award of a limited amount of housing credit to develop housing for economic development areas (e.g. the “Blue Oval” workforce area in West Tennessee).
  - a) Staff are consulting with the Tennessee Department of Economic and Community Development regarding potential economic development areas.
  - b) For purposes of the Draft 2023 QAP, the “Blue Oval” economic development area consists of Lauderdale, Crockett, Tipton, Fayette, Hardeman, Madison, and Haywood Counties.



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- c) Staff propose to estimate the number of households that will move into the region by projecting the extent to which currently unemployed persons would fill the additional jobs, local labor force, and the age of the population that would fill the roles over time to predict out-of-region migration.
- 3) Modify Visitability Requirements for new construction single family developments to focus on **only** requiring:
  - i) A step-free entrance;
  - ii) Passage through an exterior door and all interior doors on the main floor that provide at least 32 inches of clear passage; and
  - iii) Access to bathroom on the main floor for an individual using a wheel chair.
- 4) Update construction requirements.
  - a) Specify that all developments must meet or exceed all requirements of the Model Energy Code currently adopted by Tennessee.
- 5) Modify amenity requirements for scattered-site and phased deals.
  - a) Prohibit sharing playgrounds, ball courts, etc.
    - i) Staff analysis indicates requiring 1 playground, ball court, etc. per 80 units.
    - b) Staff recommends prohibiting use of off-site amenities to meet this selection criterion.
- 6) Prohibit development of septic fields for multifamily developments, while continuing to allow for buildings of up to 4 units.
  - a) Based on developer input, staff is open to allowing on-site treatment facilities if a separate financing commitment is in place.
- 7) Modify Concerted Community Revitalization Plan requirements as follows:
  - a) A Concerted Community Revitalization Plan must:
    - i) Clearly delineate a targeted area within a local government boundary that includes the proposed site; and
    - ii) Include housing mentioned as a goal; and
    - iii) Include an assessment of the targeted area's existing infrastructure; and
    - iv) Designate implementation measures; and
    - v) Be approved or re-approved by the appropriate local entity no earlier than 2013.
- 8) Specify that Qualified Contract Process penalty is not applicable for developments prior to 2022.
- 9) Modify energy efficiency scoring to be "a-la-carte":
  - a) An applicant may claim 10 points for doing all of these 6 things but, unlike in the past, an applicant may claim points for each of the 6 that they do, even if they do not do all 6.
  - b) Pick from the list below for up to 10 points:
    - i) ENERGY STAR rated HVAC systems (15 SEER minimum) in all units (**2 points**); or
    - ii) ENERGY STAR refrigerator (19 cubic foot minimum) with ice maker in all units (**2 points**);

or



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- iii) High efficiency or dual flush toilets (as described in the Model Energy Code currently adopted by Tennessee) in all units (**2 points**); or
  - iv) Energy efficient windows (as described in the Model Energy Code currently adopted by Tennessee) in all units (**2 points**); or
  - v) Overhead light fixture connected to a wall switch in the living room and all overhead light fixtures in other rooms connected to a wall switch in the same room (**1 point**); or
  - vi) All light fixtures fitted with Low Efficacy (as described in the Model Energy Code currently adopted by Tennessee) light bulbs (**1 point**).
- c) These Energy Star requirements, if elected, must be met development wide when the development is placed in service.
- 10) Eliminate points for letters of intent [Sections 14.A.11 and 14.B.11].
- 11) Eliminate requirement for audited financials [Sections 14.A.13, 14.B.13, and 20.F.8.b].
- 12) For consideration within the PHA Set-Aside, replace the Project Location Score scoring component with a criterion giving preference to the development with the highest percentage of units that are both Low-Income Housing Credit and Rental Assistance Demonstration (e.g. # of units covered by LIHC and RAD / # of total units).



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# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors  
**FROM:** Don Watt, Chief Program Officer  
**SUBJECT:** Summary of and Response to Public Comments Regarding the Preliminary Proposed Changes to the Low-Income Housing Credit 2023 Qualified Allocation Plan  
**DATE:** July 5, 2022

### Recommendation

Staff recommends and requests that the Tax Credit Committee consider the Summary and Response as reflected in the “Key Points” section of this memorandum. *Please note that this is a discussion item. No motion is required.*

### Background

- A. This document represents staff’s response to select repeated comments and is not meant to be a replacement for the comments themselves (15 submissions in total).
- B. The item numbers in this document correspond to the item numbers in the “Preliminary Proposed Changes for Draft Low-Income Housing Credit 2023 Qualified Allocation Plan” document also included in these materials.

### Key Points

- **Item 2 (economic development areas):** Comments requested the addition of Lauderdale and Obion Counties.  
*Response:* For purposes of the Draft 2023 QAP, the “Blue Oval” economic development area consists of Lauderdale, Crockett, Tipton, Fayette, Hardeman, Madison, and Haywood Counties.

Other:

1. Comments both encouraged and discouraged adding special QAP features or a set-aside for supportive housing.



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*Response:* Staff are not proposing any change of this nature for the Draft Low-Income Housing Credit 2023 Qualified Allocation Plan.

2. Comments encouraged adoption of a 3<sup>rd</sup>-party green building/energy efficiency certification.

*Response:* Staff are not proposing any change of this nature for the Draft Low-Income Housing Credit 2023 Qualified Allocation Plan.



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Justin Jones, Executive Director  
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RipleyHousing.org

June 16, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

Re: Comments on the Draft 2023 Qualified Allocation Plan

Dear Sir or Madam:

Please accept this as the official comments of Ripley Housing Authority (RHA) to the Draft 2023 Qualified Application Plan (QAP).

On 5/24/22, the THDA Board of Directors Tax Credit Committee convened. At this meeting, THDA Staff put forward several changes they suggest making to the 2023 QAP. Among those changes was the following:

*Adjusting the regional pools to accommodate additional deals funded in Fayette, Madison, Tipton and Haywood Counties to accommodate housing needs associated with the Blue Oval City Economic Development Project. Committee members recommended THDA consider broader language to support housing around major economic development projects in the future and also urged THDA to exercise caution and balance to ensure they do not over allocate in Western Tennessee at the expense of the other grand divisions.*

RHA applauds the specific idea of adjusting the regional pools and funding additional deals in the counties making up the Blue Oval City Economic Development Project Consortium. We believe it is pivotal that Lauderdale County is a part of the consortium and, thus, should be added to the above list of counties.

The City of Ripley and RHA's 265-unit portfolio sit just 30 minutes from the Blue Oval Site. Given the average medium income in our town is less than \$40,000.00 I am certain the THDA Board Members and Staff understand the critical need for additional affordable housing. RHA is the major provider of affordable housing in Lauderdale County. Given the great housing need that exists even before the expected Blue Oval City growth, it is extremely important that we build and rehab as much affordable housing as possible. Without incentives such as tax credit allocations, an increase in the supply of affordable housing and the renovation of the current affordable housing stock will not be possible.

As an affordable housing advocate in Tennessee, specifically Lauderdale County, I was asked by The Lauderdale Economic & Community Development Council to serve on the board of the Blue Oval City Planning Committee. The City of Ripley also formed a Blue Oval City Planning Committee. This board is led by the City of Ripley Mayor, Mr. Craig Fitzhugh. I also sit on the housing sub-committee for this board. During the last 3 meetings, the board's focus has been specific to housing. Lauderdale County and the City of Ripley are committed to encouraging new residents.

The addition of Lauderdale County to the funding pool for counties making up the Blue Oval Economic Development Consortium is essential for these efforts. RHA completed a RAD conversion on our entire portfolio in 2021. With this conversion complete and a portion of pre-development activities already underway, we look forward to submitting an application in the 2023 Low Income Housing Tax Credit Allocation round.

Sincerely,

Justin Jones  
Executive Director  
Ripley Housing Authority



# WODA COOPER COMPANIES

June 16, 2022

Mr. Ralph M. Perrey  
Executive Director  
Tennessee Housing Development Authority  
Andrew Jackson Building Third Floor  
502 Deaderick St.,  
Nashville, TN 37243

RE: Draft Low-Income Housing Credit 2023 Qualified Allocation Plan

Dear Mr. Perrey,

On behalf of Woda Cooper Development, Inc., we are pleased to submit the following comments regarding the draft of the draft low-income housing credit 2023 Qualified Allocation Plan (QAP). We hope these comments will assist the Tennessee Housing Development Authority (THDA) in furthering its mission.

1. **Section 14A (11) and 14B (11) Initial Application Scoring – Letters of Intent:** These points are unnecessary and should be removed. Developers are already incentivized to find financing partners for their developments, as they are necessary to close a development. Letters of intent provided at application stage are not binding and consequently provide no true value to a development or its future residents.
2. **Section 15 F Tie Breaker: (Requesting least amount of Housing Credit per Housing Credit unit)** Due to fluctuations in equity pricing based on tax reform and increases in construction costs, THDA should not use this scoring metric as the tiebreaker to better align with current market conditions for the new construction category. The constraints on equity pricing already keeps construction costs low since the equity typically makes up at least 90% of the sources in the deal. Furthermore, by maintaining the scoring metric as is, THDA runs the risk of developers cutting their construction budget so thin that it ultimately leads to an inferior product that will have difficulty being in good shape for the 15-year compliance period and beyond. At the end of the day, this merely hurts the residents that need quality affordable housing the most. This tiebreaker should be replaced with developments having the highest Walkscore. Such a change will incentivize development in areas with close proximity to essential amenities that enhance residents' quality of life.

## General Statement

1. THDA should not consider a supportive housing incentive, set-aside, or funding pool. Supportive housing could be addressed by utilizing existing units, improving supportive services for a percentage of units in new developments, and utilizing existing HAP and RA contracts. The LIHTC program is not a special needs housing program. It is a program to create affordable housing and there are other options available for special needs that are not accessible to developers of straight affordable housing.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jonathan McKay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jonathan McKay, Vice President  
Woda Cooper Development, Inc.







June 17, 2022

Ralph M. Perrey

Executive Director  
Tennessee Housing Development Agency  
Andrew Jackson Building, Third Floor  
502 Deaderick Street  
Nashville, Tennessee 37242

On behalf of Enterprise Community Partners (Enterprise), I am pleased to submit these comments regarding the Tennessee Housing Development Agency (THDA)'s Low-Income Housing Tax Credit Qualified Allocation Plan for 2023. Enterprise works to make community places of pride, power and belonging, and platforms for resilience and upward mobility. With an end-to-end approach, 40 years of experience and thousands of local partners, Enterprise has collaborated with thousands of local partners to build and preserve 873,000 homes, invest \$54 billion in communities across all 50 states and improved millions of lives.

We would first like to thank THDA for the opportunity to provide feedback prior to the release of the draft 2023 QAP. We appreciate THDA's collaborative and inclusive approach and respectfully offer the following comments and recommendations.

### **Strengthening Green and Energy Criteria**

We applaud THDA for including a threshold requirement for energy efficiency, as well as a menu of energy efficient design strategies for developers that provides flexibility within their scopes, designs and budgets. These requirements set project teams up for success with regards to energy and help ensure the residents benefit from an energy-efficient home.

The threshold energy efficiency requirements are an important start, and we encourage THDA to add a more comprehensive approach option for developers that will ensure higher quality homes for residents. Green building certification to a credible third-party program would offer THDA even greater assurance of construction quality, operational efficiency, and resident comfort, complementing THDA's current energy efficiency requirements while allowing developers to pursue innovative practices that will increase benefits for residents beyond energy savings. Green building certification is complementary to THDA's current energy efficiency requirement and will address indoor and outdoor water conservation, indoor air quality, and improved site and building design.

We acknowledge that THDA, like many state housing finance agencies, justifiably wants to minimize up-front development costs associated with housing credits. Green building rating and certification systems help to ensure that projects funded by housing credits will not only create new housing opportunities but also ensure that people living in affordable housing are healthier, spend less money on utilities, and have more opportunities through their connections to transportation, quality food and healthcare systems.



Offering the additional option of green building certification to developers provides the flexibility to choose the best path for their project to meet their design goals and financing requirements as well as their residents' needs and priorities. In addition to the suite of energy efficiency requirements in the current QAP, we request that THDA offer competitive points for new construction and renovation projects that certify to the EarthCraft, Enterprise Green Communities, LEED, or NGBS Green.

Currently, 39 state/local housing finance agencies have determined that whole building energy and green building programs are a prudent use of Housing Credits and have included them in their QAPs. These programs are proven to be a cost-effective way to lower residents' and property owner's bills, reduce unit turnover and provide healthier, more comfortable homes for residents.

The Tennessee development community is equipped to implement holistic green building requirements and currently certifies affordable housing projects to all the third-party green building programs noted above, including Enterprise Green Communities — which is the only national green building program created with and for the affordable housing sector. The current 2020 Green Communities Criteria incorporates five themes critical to healthy, sustainable affordable housing development: integrated design, a path to zero energy, healthy housing, water and resilience. Developers who achieve 2020 certification also receive WELL certification through Enterprise's partnership with the International WELL Building Institute (IWBI). There are over 3500 units within 40 projects that have been certified to the Enterprise Green Communities criteria, with an additional 2200 units within 37 projects currently in the certification pipeline. These statistics signal that the local building industry is familiar with and employing green building practices and third-party certification.

For questions or comments, please contact Michelle Diller at [mdiller@enterprisecommunity.org](mailto:mdiller@enterprisecommunity.org) or by phone at 202.649.3924.

Thank you again for providing this opportunity to provide input with respect to THDA's LIHTC Program and QAP, and for your continued work to address housing affordability in Tennessee. We look forward to continuing to work with THDA to provide opportunities to create and rehabilitate affordable housing stock to provide stable, safe and comfortable housing for the residents of Tennessee.

Sincerely,

A handwritten signature in black ink, appearing to read "M. McFadden", written over a light blue horizontal line.

Marion McFadden  
Senior Vice President, Public Policy  
Enterprise Community Partners  
[mmcfadden@enterprisecommunity.org](mailto:mmcfadden@enterprisecommunity.org)



June 14, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

Re: Comments on the Draft 2023 Qualified Allocation Plan – Obion County Request

To Whom It May Concern:

It is my understanding that at the May 24, 2022, meeting of the Tennessee Housing Development Agency Board of Directors Tax Credit Committee, THDA staff suggested several changes to the 2023 Qualified Application Plan. Among those changes was the following:

*Adjusting the regional pools to accommodate additional deals funded in Fayette, Madison, Tipton and Haywood Counties to accommodate housing needs associated with the Blue Oval City Economic Development Project. Committee members recommended THDA consider broader language to support housing around major economic development projects in the future and also urged THDA to exercise caution and balance to ensure they do not over allocate in Western Tennessee at the expense of the other grand divisions.*

In response to this action, and because of Obion County leadership's support and strategic partnership in regional planning for Blue Oval City, please accept my formal request that **Obion County be added to the dedicated pool** referenced above. Given its proximity to the Blue Oval City site, I believe the county will experience an increased future demand for affordable and market rate housing. And to help meet this demand, the availability of additional funding and incentives such as Low-Income Housing Tax Credits, would positively impact the ability of housing authorities and developers to make local investments.

Thank you for your consideration in adding Obion County to the regional pool to accommodate additional housing needs associated with the Blue Oval City economic development project. I believe this action is warranted, and that it will yield great benefits.

Respectfully,



Emily Sullivan  
Vice President of Economic Development and Community Relations

# OBION COUNTY, TENNESSEE

BENNY McGUIRE  
County Mayor

June 15, 2022

316 South Third Street  
mayor@obioncounty.org

UNION CITY, TENNESSEE 38261

(731) 885-9611

Fax (731) 885-7515

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAllocation@thda.org](mailto:TNAllocation@thda.org)

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Obion County has been a strategic partner in the planning for Blue Oval City and all the affects it will have on our entire area. We very much appreciate THDA considering these affects and adding revised regional pools to allow additional funding in areas. Please accept this formal request for Obion County to be added to the dedicated pool referenced above. Given Obion County's proximity to the Blue Oval Site, our County's need for both affordable and market rate housing will grow drastically. It is pivotal incentives, such as Low Income Housing Tax Credits, be made available to the Housing Authorities and Affordable Housing Developers in Obion County.

Please consider adding Obion County to the regional pool that will fund additional deals in the Blue Oval City Economic Development Project area.

Sincerely,



Benny McGuire,  
Obion County Mayor



June 14, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

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Please consider adding Obion County to the regional pool that will fund additional deals in the Blue Oval City Economic Development Project area.

Sincerely,



**Senate Chamber**  
**State of Tennessee**  
**NASHVILLE**

**JOHN STEVENS**  
**STATE SENATOR**  
24<sup>TH</sup> SENATORIAL DISTRICT

REPRESENTING BENTON, CARROLL, GIBSON,  
HENRY, OBION AND WEAKLEY COUNTIES

**E-MAIL**  
sen.john.stevens@capitol.tn.gov

**LEGISLATIVE OFFICE**  
710 CORDELL HULL BUILDING  
NASHVILLE, TN 37243  
615-741-4576  
1-800-449-8366 Ext. 14576

June 17, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

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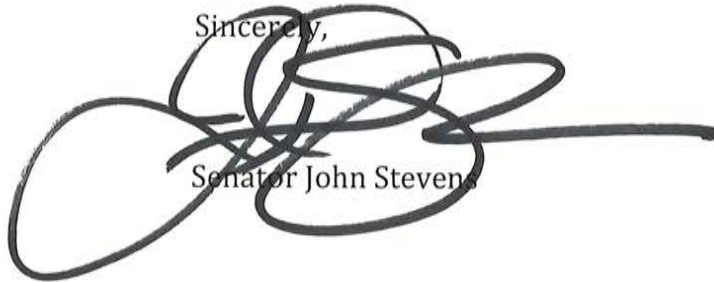
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Page 2  
June 17, 2022

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Please consider adding Obion County to the regional pool that will fund additional deals in the Blue Oval City Economic Development Project area.

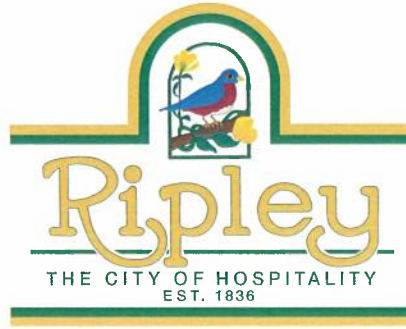
Sincerely,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Senator John Stevens

JS:sl

**Craig Fitzhugh**  
Mayor  
**Donna Buckner**  
Recorder  
**Rachel Jackson**  
Attorney



110 S. Washington Street  
Ripley, TN 38063  
Phone: (731) 635-4000  
Fax: (731) 635-2692

June 16, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

Re: Comments on the Draft 2023 Qualified Allocation Plan

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Please accept this as the official comments of the City of Ripley to the Draft 2023 Qualified Application Plan (QAP).


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Although we value the adjustments to the regional pools to allow additional funding in counties that are affected by the Blue Oval City Development, we believe Lauderdale County should be added to the list above. Given the proximity to the Blue Oval Site and the dire situation surrounding affordable housing in Lauderdale County that existed even before the addition of the Blue Oval Site, it is crucial incentives, such as Low-Income Housing Tax Credits, be made available to Ripley Housing Authority and Affordable Housing Developers in the cities that make up Lauderdale County.

We ask that you strongly consider adding Lauderdale County to the regional pool that will fund additional deals in the Blue Oval City Economic Development Project area.

Sincerely,

  
Craig Fitzhugh  
Mayor

Board of Aldermen

**Nyrita Alston**  
**Billy Chipman**

**Bill Davis**  
**Paul Hankins**

**Austin Thompson, Jr.**  
**Janice Treadway**





June 17, 2022

Tennessee Housing Development Agency  
Attn: Don Watt, Director of Multifamily Development  
502 Deaderick St  
Nashville, TN 37243

Submitted electronically: [TnAllocation@thda.org](mailto:TnAllocation@thda.org); [dwatt@thda.org](mailto:d watt@thda.org)

Dear Mr. Watt:

On behalf of Home Innovation Research Labs, I am pleased to submit these comments to inform the Tennessee Housing Development Agency (THDA) 2023 Qualified Allocation Plan (QAP). We appreciate THDA's collaborative and inclusive approach and the opportunity to provide feedback.

We respectfully request that THDA add credible, third-party green building certification(s) as an alternative to the existing list of prescriptive energy efficiency measures. Third-party green certification would support two goals that were included in THDA's *Preliminary Proposed Changes* memo published on June 3, 2022—(1) match efficiency standards to “current industry standards” and (2) provide more flexibility to energy efficiency scoring.

Specifically, we request NGBS Green Certification to be recognized as a named alternative within the QAP. Recognition of NGBS compliance would provide consistency in the housing industry. HUD recognizes NGBS Green certification for many of their programs, including their mortgage insurance premium reduction for green certified properties. Fannie Mae and Freddie Mac also recognize NGBS Green certification for their financing incentives. Last, because so many state QAPS recognize the NGBS (see below), recognition in the Tennessee QAP provides consistency across LIHTC programs.

#### **Value of Green Building Certification**

Prior to 2018, the Tennessee QAP awarded 15 points for the achievement of Enterprise Green Communities certification. In the 2018 and subsequent QAPs, this option was replaced with requirements for energy efficiency. Our understanding is that THDA made this change in response to developer feedback regarding the Green Communities certification process. While I acknowledge that the prior option may have been challenging for developers, my perspective is that THDA, developer partners, and resident are missing key benefits available through multi-attribute green building programs that feature third-party verification and certification from this outside response to negative feedback.

While energy efficiency is the cornerstone of sustainable construction, energy efficiency requirements alone are not enough to promote sustainable development. Buildings designed to increase energy efficiency without consideration for moisture management, indoor air quality, and other green practices risk being worse off than if there was not a priority to maximize energy. Green building certification to a credible third-party program also offers THDA greater assurance of construction quality, operational efficiency, and resident comfort.

Given the important themes included within the *Preliminary Proposed Changes* memo, I believe the time is right for THDA to re-introduce green building within the Tennessee QAP.

One preliminary proposed change is to “update construction requirements.” The memo explains that some industry standards for energy efficiency have changed; THDA seeks to match QAP requirements to “current industry standards.” The recognition of third-party green building programs would ensure that QAP requirements continually represent the latest industry standards without any research and investigation required by THDA staff. Consensus standards like the NGBS are regularly updated to ensure that the current code references and industry standards are incorporated. Those development cycles involve hundreds of stakeholders and many meetings over several years. THDA can benefit from outside expertise and time investment, rather than directly tackle the effort of crafting new Energy Efficiency criteria.

Another preliminary proposed change was to “make energy efficiency scoring a-la carte.” THDA seeks to offer expanded flexibility by departing from the current “all or nothing” approach. Design flexibility is inherent within point-based green building rating systems. After addressing relevant mandatory practices, project teams select optional practices to meet their desired certification level. The NGBS includes nearly 600 green building practices and approximately 1,100 total points. The NGBS offers a meaningful definition of residential sustainable construction—no matter a project’s goals, construction style, climate, or local code requirements. By recognizing third-party green building programs, THDA can offer vastly greater flexibility beyond the current set of requirements.

### **National Green Building Standard Overview**

The NGBS was the first residential green building rating system to undergo the full consensus process and receive approval from the American National Standards Institute (ANSI). Since 2008, each version of the NGBS has been approved by the American National Standards Institute (ANSI). The 2008, 2012, and 2020 versions were developed with support from the National Association of Home Builders (NAHB) and the International Code Council (ICC). For the third edition of the standard, the 2015 version, the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) participated as a third co-sponsor. This partnership further cements the NGBS as the preeminent green standard for residential construction.

The NGBS is also the first solely residential green building standard to be one of the ICC suite of I-codes that form a complete set of comprehensive and coordinated building codes. As the industry standard for green residential development, it is embedded within the International Green Construction Code (IgCC) as an alternative compliance path for multifamily residential buildings and the residential portion of mixed-use buildings.

As one of the I-Codes, the NGBS is written in code language to make it easy for industry professionals and contractors to understand. I believe this is one reason the NGBS has been successful even in areas where it is not part of the building code and is used as an above-code program. For a residential building to be in compliance, the building must contain all mandatory practices in the NGBS. The building must also contain enough practices from each of the six categories of green building practices to meet the required threshold points.<sup>1</sup> The six categories of green practices are:

- Lot & Site Development
- Resource Efficiency
- Energy Efficiency
- Water Efficiency
- Indoor Environmental Quality
- Homeowner Education

Under the NGBS, homes and multifamily buildings can attain one of four potential certification levels: Bronze, Silver, Gold, or Emerald. The NGBS was specifically designed so that no one category of green practices is weighted as more important than another. Peerless among other green rating systems, the NGBS requires that all projects must achieve a minimum point threshold in every category of green building practice to be certified. A project certified to the NGBS can't merely obtain all or most of its points in a few categories, as other rating systems allow. This requirement makes the NGBS the most rigorous green building rating systems available.

The NGBS's mandatory provisions must be met for certification at any level. There are no exemptions. However, unlike other green building rating systems, the NGBS contains an expansive array of green building practices aimed at all phases of the development process: design, construction, verification, and operation. This provides the flexibility builders and developers need to ensure their green projects reflect their geographic location, climatic region, cost constraints, and the type of project they are constructing.

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<sup>1</sup> See page 12 in ICC 700-2012 NGBS.

### **Certification Program**

Home Innovation Research Labs serves as Adopting Entity and provides certification services to the NGBS. Home Innovation Labs is a 58-year old, internationally-recognized, accredited product testing and certification laboratory located in Upper Marlboro, Maryland. Our work is solely focused on the residential construction industry and our mission is to improve the affordability, performance, and durability of housing by helping overcome barriers to innovation. Our core competency is as an independent, third-party product testing and certification lab, making us uniquely suited to administer a green certification program for residential buildings. Our staff is made up of mechanical, structural, and electrical engineers; planners; economists; architects; former builders, remodelers, and contractors; lab and technicians. Combined, they possess an unparalleled depth of knowledge and experience in all facets of market analysis and building science research and testing. Why is that important? Because behind every building seeking NGBS compliance stands a team of experts on a mission to help them succeed. Participation in NGBS Green brings our building science expertise to each project team at no additional cost.

### **Independent, Third-Party Verification**

The NGBS requires that a qualified, independent third-party inspect the project and verify that all green design or construction practices claimed by the builder toward green certification are incorporated correctly into the project. Most projects require at least two inspections. The verifier must perform a rough inspection before the drywall is installed to observe the wall cavities, and a final inspection once the project is complete. The required verification offers imbues an elevated level of rigor and quality assurance to the projects that are certified. An affordable housing organization can be assured that construction practices for higher building performance and healthier residences are successfully achieved.

Verifiers record the results of their rough and final inspections on a Verification Report, which is submitted to Home Innovation Research Labs. Home Innovation reviews every rough and final inspection to ensure national consistency and accuracy in the verification reports. After the Verification Reports are reviewed and approved, our team issues green certification to the project.

Home Innovation Research Labs qualifies, trains, tests, and accredits the NGBS Green Verifiers and maintains a current list at [www.HomeInnovation.com/FindNGBSVerifier](http://www.HomeInnovation.com/FindNGBSVerifier). Verifiers must possess experience in residential construction and green building. Many verifiers are Home Energy Rating System (HERS) raters. Potential verifiers are trained on how to verify every NGBS practice. After completing the training, verifiers must pass a three-part exam and carry sufficient insurance to earn accreditation. Verifiers renew their accreditation annually and retrain and retest with every NGBS version.

Home Innovation maintains strict rules to ensure verifiers remain independent and free of conflict-of-interest on the projects for which they provide verification services. Verifiers serve as our field agents to confirm buildings are NGBS compliant. Further, we regularly audit our verifiers and their verifications as part of our internal quality assurance program.

### **QAP Recognition of the NGBS**

The National Green Standard is currently recognized in nearly 30 state Qualified Allocation Plans (QAPs), and an increasing number of State Housing Finance Agencies have been adding NGBS green certification to their QAPs to help promote green affordable housing. In these plans, NGBS is recognized as on-par with comparable programs, such as LEED and Enterprise Green Communities, and other regional programs, such as EarthCraft. Multifamily builders that utilize NGBS for low-income housing tax credits typically receive the same number of points for NGBS as they would for an alternative program. The straight-forward and low-cost nature of the NGBS certification program make it ideally suited for affordable housing development, and this is evident by the number of Habitat for Humanity organizations and other LIHTC providers who select NGBS as their program of choice.

### **Program Statistics to Date**

Home Innovation has certified 9,311 multifamily buildings representing 339,498 dwelling units. Currently, there are 6,532 multifamily buildings in progress, representing an additional 337,120 dwelling units. I believe that these statistics show that we have been successful in designing a green certification program that is affordable and flexible, while remaining rigorous.

Tennessee developers and construction trade professionals are familiar with NGBS compliance and the NGBS Green certification process. Across Tennessee, Home Innovation has certified 174 multifamily buildings, representing 6,325 dwelling units. There are twice as many units currently in process for certification—131 multifamily buildings, representing 10,690 units. These buildings are not confined to urban centers; they are distributed throughout Tennessee, with locations including but not limited to Chattanooga, Collierville, Franklin, Knoxville, Louisville, Murfreesboro, Nashville, Oak Ridge, and Smyrna.

### **Summary**

We request that THDA add credible, third-party green building certification as an alternative to the existing list of prescriptive energy efficiency measures. Third-party green certifications support current goals of increased rigor and added flexibility while offering an expanded scope and greater quality assurance.

Specifically, we request NGBS Green Certification be included within the QAP. The NGBS was designed specifically for residential construction and is cost-effective for affordable housing development. Recognition of NGBS compliance would also provide consistency in the housing industry.

June 16, 2022

Page 6

We look forward to discussing it further with you or your staff if you require a more detailed overview of the NGBS or our certification program. I will also gladly send you any supplemental information that you might require. Please don't hesitate to contact Michelle Foster ([mfoster@HomeInnovation.com](mailto:mfoster@HomeInnovation.com), 301.430.6205), our Vice President, Sustainability, directly if she can be of further assistance.

I look forward to working with the THDA to promote green certified housing built to the ***National Green Building Standard***.

Best,



Michael Luzier  
President and CEO



TO: Tennessee Housing Development Agency

DATE: June 17, 2022

RE: Tennessee 2023 Qualified Allocation Plan (QAP) Preliminary Proposed Changes – Recommendations

Dear Tennessee Housing Development Agency:

On behalf of Southface Energy Institute, Inc. (Southface), we are pleased to submit these comments regarding the Tennessee Housing Development Agency (THDA) Preliminary Proposed Changes to the 2023 QAP. Southface, a nonprofit 501(c)(3) organization, is leading the way toward a sustainable, equitable and healthy built environment for all. Southface works in collaboration with a network of partner nonprofits, businesses, government agencies, universities, and technical experts to implement sustainable, high-performance, and scalable solutions in homes, workplaces, and communities. We would first like to thank THDA for the opportunity to provide feedback prior to the release of THDA's Draft 2023 QAP. We appreciate THDA's collaborative and inclusive approach and respectfully offer the following comments.

The attainment of green building certifications for properties and builders supports an overall reduction in housing costs for residents, resulting in greater total affordability, allowing residents to not have to choose between paying rent or putting food on the table. Affordability not only refers to the sale price of a home or rent for an apartment, but to total affordability, which includes access to resources and services (e.g., employment opportunities, food, education, healthcare, utilities), a healthy environment with minimized emissions and pollutants, location efficiency (e.g., access to multi-modal transportation), quality housing, stability of housing (e.g., renter protections) and low-cost burdens. All these elements work together, influence each other and are critical for ensuring total affordability, equity, financial stability, and economic mobility.

Requiring green building certification as a Threshold Criteria item promotes the production of high quality, energy, and water efficient buildings, resulting in improved quality of life for residents through the provision of healthier and more affordable housing. As of 2020, at least thirty-four states include green building certification as either a requirement or an incentive in their QAPs, along with a growing number of local governments.<sup>1</sup> QAPs specify third-party green building programs, either as a mandatory requirement or incentive. Tennessee should adopt similar standards in their own QAP requirements.

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<sup>1</sup> See generally US Green Building Council, "GREEN AND AFFORDABLE: QUALIFIED ALLOCATION PLANS: How States Can Provide High-Quality, Sustainable Housing", available at: <https://www.usgbc.org/sites/default/files/2020-08/State-Affordable-Housing-QAP-Brief-2020.pdf> (last accessed June 16, 2022).



Although requirements vary by green building program, achieving these certifications requires a comprehensive integration of building and energy codes, industry best-practices, increased attention to indoor air quality, thoughtful design, and quality construction practices. Done properly, these certifications may be accomplished with minimal additional up-front costs to developers while providing lasting benefits to residents as efficient and healthy housing. As a great benefit to Housing Finance Authorities (HFA), these programs have their own third-party verification requirements and quality assurance processes. Without them QAP funded projects risk missing out on the benefits these programs provide to residents and building operators.

Developers and builders across the state have proven that green building standards can be incorporated into their projects and readily accomplished. Builders have successfully completed over 100 certified green projects in the last 14 years under EarthCraft, LEED, NGBS, and EGC standards. Of those, 17 residential buildings have been certified under Southface's EarthCraft standards, with one commercial project in process at this time. EarthCraft certified buildings are located throughout the state, in Nashville, Cookeville, Knoxville, Loudon, and Chattanooga. Inclusion of green building certifications within the Threshold Criteria of the QAP will provide developers with greater flexibility in delivering safe, comfortable, and efficient housing while ensuring robust quality assurance occurs.

Thank you for your time and consideration of the above comments. For questions or comments, please contact Amelia Godfrey at [agodfrey@southface.org](mailto:agodfrey@southface.org)

Kind Regards,

Amelia Godfrey  
EarthCraft Program Manager  
Southface Energy Institute



## Ed Yandell

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**From:** Public Affairs <Public.Affairs@Dominiuminc.com>  
**Sent:** Friday, June 17, 2022 1:43 PM  
**To:** TNAllocation  
**Cc:** Lunderby, Ryan; Duckett, Khayree  
**Subject:** 2023 QAP Comments  
**Attachments:** Texas QAP Amenity Scoring.pdf  
**Categories:** DRAFT QAP/PD

**CAUTION - This email originated from outside of THDA. Do not click links or open attachments unless you recognize the sender.**

June 16, 2022

Felita Hamilton  
Multifamily Programs Allocation Manager  
Tennessee Housing Development Agency  
502 Deaderick St.  
Nashville, TN 37243

Dear Ms. Hamilton,

Thank you for the opportunity to provide comments on the Tennessee Housing Development Agency 2023 Draft Qualified Allocation Plan. Dominion also appreciates THDA's recent outreach efforts through the convening of a developers' forum and public hearing.

With 50 years of experience helping communities achieve successful affordable housing solutions, Dominion's overriding objective is to build and improve properties that people are proud to call home. On behalf of Dominion, I respectfully offer comments for staff consideration in the final drafting of the 2023 QAP concerning:

- total development cost caps
- definition of consultants,
- extended recapitalization period scoring, and
- additional scoring opportunities.

### **Development Cost Caps**

Our 2021 comment letter encouraged THDA to provide greater transparency concerning the sources and methods used to obtain the published total development cost limits. At the time, we were concerned that the limits did not reflect rising construction and land costs, local codes that drive costs for new construction developments, and the then-nascent inflationary environment. **Dominium is delighted to see that THDA has proposed the removal of total development cost caps and encourages THDA to pursue the proposed change in all documents related to the Housing Credit program.**

### **Definition of Consultants**

Page 6 provides an expansive definition of consultant that, liberally construed, would have resulted in \$500,000 less in equity for the 4% federal tax credit in a recent Dominion development. While Dominion understands THDA's desire for cost containment, such a definition inhibits a development's ability to maximize allowable developer fee as a source of funding.

The second potential consequence is that of compliance difficulties. Whether it is the inclusion of interior designers, who more appropriately fall within the scope of architects, or relocations consultants, who are governed by the Uniform Relocation Act, such an expansive definition will undoubtedly lead to confusion and mistakes down the road. As such, **Dominium requests that THDA consider a narrower definition of consultant within the QAP and consider greater developer fee deferral requirements as an alternative cost containment strategy.**

### **Extended Recapitalization**

Page 70 allows applicants to score points by deferring recapitalization requests through subsequent housing credit allocations. Many financing vehicles for affordable housing are geared around year fifteen of the federal compliance period, so this scoring item puts developers in a position to accept more costly financing or instead forcing a sale of the project to another party that may not be interested in maintaining long term affordability.

While the removal of the total development cost caps will help alleviate this concern and allow developers to increase costs of the project through the purchase of high-quality building materials, this incentive attempts to project the resources and ability of THDA to meet housing needs two and three decades in advance.

Additionally, THDA is effectively tying its own hands. Future staff may face the difficult choice of either continuing to enforce these policies even if they are no longer appropriate or allowing owners to not live up to their application representations. While the former may not seem possible, 2038 is a long way off and many relevant factors could change in the interim. For these reasons, **Dominium advises THDA to reconsider the inclusion of this scoring item.**

### **Development Characteristics**

Lastly, page 67 outlines the development characteristics point scoring for noncompetitive housing credit applicants. Dominium is proud to provide community amenities designed with residents in mind. While the scoring opportunities go some way to enhancing the resident experience, we believe residents could be best served with a range of other options. Dominium has received great responses from residents who get to experience the common amenities at our Texas communities, including resident support services, swimming pools, barbecue grills and picnic tables, business centers, secured entries, among many other community features. To this end, **Dominium encourages THDA to consider the Texas QAP, beginning on page 84, for the inclusion of additional items, attached for reference.**

Dominium greatly appreciates your consideration of our comments and looks forward to working with you to promote the production of more affordable homes for individuals and families in Tennessee

Sincerely,

Ryan Lunderby  
Senior Vice President & Project Partner  
Dominium Development

### **Public Affairs**

Development  
DOMINIUM  
2905 Northwest Blvd Suite 150 | Plymouth, MN 55441  
Phone [763-401-4359](tel:763-401-4359)





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heating and air-conditioning;

(L) Adequate parking spaces consistent with local code, unless there is no local code, in which case the requirement would be one and a half spaces per Unit for non- Elderly Developments and one space per Unit for Elderly Developments. The minimum number of required spaces must be available to the tenants at no cost. If parking requirements under local code rely on car sharing or similar arrangements, the LURA will require the Owner to provide the service at no cost to the tenants throughout its term;

(M) Energy-Star or equivalently rated windows (for Rehabilitation Developments, only if windows are planned to be replaced as part of the scope of work); and

(N) Adequate accessible parking spaces consistent with the requirements of the 2010 ADA Standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" 79 FR 29671, the Texas Accessibility Standards, and if covered by the Fair Housing Act, HUD's Fair Housing Act Design Manual.

(5) Common Amenities.

(A) All Developments must include sufficient common amenities as described in subparagraph (C) of this paragraph to qualify for at least the minimum number of points required in accordance with clauses (i) - (vi) of this subparagraph:

(i) Developments with 16 to 40 Units must qualify for four (4) points;

(ii) Developments with 41 to 76 Units must qualify for seven (7) points;

(iii) Developments with 77 to 99 Units must qualify for ten (10) points;

(iv) Developments with 100 to 149 Units must qualify for fourteen (14) points;

(v) Developments with 150 to 199 Units must qualify for eighteen (18) points; or

(vi) Developments with 200 or more Units must qualify for twenty-two (22) points.

(B) These points are not associated with any selection criteria points. The amenities must be for the benefit of all residents and made available throughout normal business hours and maintained throughout the Affordability Period. Residents must be provided written notice of the elections made by the Development Owner. If fees or deposits in addition to rent are charged for amenities, then the amenity may not be included among those provided to satisfy the requirement. All amenities must meet all applicable accessibility standards, including those adopted by the Department, and where a specific space or size requirement for a listed amenity is not specified then the amenity must be reasonably adequate based on the Development size. Applications for non-contiguous scattered site housing, excluding non-contiguous single family sites, will have the test applied based on the number of Units per individual site and the amenities selected must be distributed proportionately across all sites. A Development composed of non-contiguous single family sites must provide a combination of unit and common amenities to equal the appropriate points under subparagraph (A)

of this paragraph for the Development size. In the case of additional phases of a Development any amenities that are anticipated to be shared with the first phase development cannot be claimed for purposes of meeting this requirement for the second phase. The second phase must include enough points to meet this requirement that are provided on the Development Site, regardless of resident access to the amenity in another phase. All amenities must be available to all Units via an accessible route.

(C) The common amenities and respective point values are set out in clauses (i) - (v) of this subparagraph, which are grouped primarily for organizational purposes. Applicants are not required to select a specific number of amenities from each section. An Applicant can only count an amenity once; therefore combined functions (a library which is part of a community room) will only qualify for points under one category:

(i) Community Space for Resident Supportive Services includes:

(l) Except in Applications where more than 10% of the units in the proposed Development are Supportive Housing SRO Units, an Application may qualify to receive half of the points required under ~~10 TAC~~ §11.101(b)(5)(A)(i)-(vi) by electing to provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site. To receive the points the Applicant must commit to all of items (-a-) - (-c-) of this subclause.

(-a-) Space and Design. The educational space for the HQ Pre-K program must be provided on the Development Site and must be a suitable and appropriately designed space for educating children that an independent school district or open-enrollment charter school can utilize to establish and operate a HQ Pre-K program. This space includes at a minimum a bathroom and large closet in the classroom space; appropriate design considerations made for the safety and security of the students; including limited and secure ingress and egress to the classroom space; and satisfaction of the requirements of all applicable building codes for school facilities. The Applicant must provide in the Application a copy of the current school facility code requirements applicable to the Development Site and Owner and Architect certifications that they understand the associated space and design requirements reflected in those code requirements. The Application must also include acknowledgement by all lenders, equity providers and partners that the Application includes election of these points.

(-b-) Educational Provider. The Applicant must enter into an agreement, addressing all items as described in subitems (-1-) - (-5-) below, and provide evidence of such agreement to the Department on or before submission of the Cost Certification. Lack of evidence of such agreement by the deadline will be cause for rescission of the Carryover Agreement ~~or Determination Notice, as applicable for~~ Competitive HTC Applications.

(-1-) The agreement must be between the Owner and any one of the following: a school district; open- enrollment charter school; or Education Service Center. Private schools and private childcare providers, whether nonprofit or for profit, are not eligible parties, unless the private school or private childcare provider has entered into a partnership with a school district or open-enrollment charter school to provide a HQ Pre-K program in accordance with Texas Education Code Chapter 29, Subchapter E-1.

(-2-) The agreement must reflect that at the Development Site the educational provider will provide a HQ Pre-K program, in accordance with Texas Education Code Chapter 29, Subchapter E-1, at no cost to residents of the proposed Development and that is available for general public use, meaning students other than those residing at the Development may attend.

(-3-) Such agreement must reflect a provision that the option to operate the HQ Pre-K program in the space at the Development Site will continue to be made available to the school or provider until such time as the school or provider wishes to withdraw from the location. This provision will not limit the Owner's right to terminate the agreement for good cause.

(-4-) Such agreement must set forth the responsibility of each party regarding payment of costs to use the space, utility charges, insurance costs, damage to the space or any other part of the Development, and any other costs that may arise as the result of the operation of the HQ Pre-K program.

(-5-) The agreement must include provision for annual renewal, unless terminated under the provisions of item (-c-).

(-c-) If an education provider who has entered into an agreement becomes defunct or elects to withdraw from the agreement and provision of services at the location, as provided for in subitem (-b-)(-3-) of this subclause, the Owner must notify the Texas Commissioner of Education at least 30 days prior to ending the agreement to seek out any other eligible parties listed in subitem (-b-)(-1-) of this subclause above. If another interested open-enrollment charter school or school district is identified by the Texas Commissioner of Education or the Owner, the Owner must enter into a subsequent agreement with the interested open-enrollment charter school or school district and continue to offer HQ Pre-K services. If another interested provider cannot be identified, and the withdrawing provider certifies to the Department that their reason for ending the agreement is not due to actions of the Owner, the Owner will not be considered to be in violation of its commitment to the Department. If the Owner is not able to find a provider, they must notify the Commissioner annually of the availability of the space.

(II) Multifunctional learning and care center(s) or conference room(s) with the appropriate furnishings to deliver the Resident Supportive Services pertaining to classes or care for children and selected by the Development Owner. The room(s) devoted to meeting this requirement must equal 15 square feet times the total number of Units, but need not exceed 2,000 square feet in total. This space must be separate from any other community space but may include a full kitchen. The room(s) must include storage space, such as closets or cabinetry (4 points) ~~1/2~~.

(III) Multifunctional learning and care center(s) or conference room(s) with the appropriate furnishings to deliver the Resident Supportive Services pertaining to classes or care for adults and selected by the Development Owner. The room(s) devoted to meeting this requirement must equal 10 square feet times the total number of Units, but need not exceed 1,000 square feet in total. This space must be separate from any other community space but may include a full kitchen. The room(s) must include storage space, such as closets or cabinetry (2 points) ~~1/2~~.

(IV) Service provider office in addition to leasing offices (1 point) ~~1/2~~.

(ii) Safety amenities include:

(I) Controlled gate access for entrance and exit areas, intended to provide access that is limited to the Development's tenancy (1 point).~~1/2~~

(II) Secured Entry (applicable only if all Unit entries are within the building's interior) (1 point).~~1/2~~

(III) Twenty-four hour, seven days a week monitored camera/security system in each building. Monitoring may be on-site or off-site (2 points).~~1/2~~

(IV) Twenty-four hour, seven days a week recorded camera / security system in each building (1 point).~~1/2~~

(V) The provision of a courtesy patrol service that, at a minimum, answers after-hour resident phone calls regarding noise and crime concerns or apartment rules violations and that can dispatch to the apartment community a courtesy patrol officer in a timely manner (3 points).~~1/2~~

(iii) Health/ Fitness / Play amenities include:

(I) Accessible walking/jogging path, equivalent to the perimeter of the Development or a length that reasonably achieves the same result, separate from a sidewalk and in addition to required accessible routes to Units or other amenities (1 point).~~1/2~~

(II) Furnished fitness center. Equipped with a variety of fitness equipment (at least one item for every 40 Units). Choose from the following: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multi-functional weight bench, stair-climber, dumbbell set, or other similar equipment. Equipment shall be commercial use grade or quality. Fitness center must be located indoors or be a designated room with climate control and allow for after-hours access. (1 point).~~1/2~~

(III) Furnished fitness center. Equipped with a variety of fitness equipment (at least one item for every 20 Units). Choose from the following: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multi-functional weight bench, stair-climber, dumbbell set, or other similar equipment. Equipment shall be commercial use grade or quality. Fitness center must be located indoors or be a designated room with climate control and allow for after-hours access. (2 points).~~1/2~~

(IV) One Children's Playscape Equipped for five to 12 year olds, or one Tot Lot (2 points). Must be covered with a shade canopy or awning, intended to keep equipment cool, and provide shade and ultraviolet protection. This item can only be selected if clause (V) of this subparagraph is not selected;~~1/2~~  
~~0/1~~

(V) Two Children's Playscapes Equipped for five to 12 year olds, two Tot Lots, or one of each (4 points). Must be covered with a shade canopy or awning, intended to keep equipment cool, and provide shade and ultraviolet protection. This item can only be selected if clause (IV) of this subparagraph is not selected;~~1/2~~

(VI) Horseshoe pit; putting green; shuffleboard court; pool table; ping pong table; or similar equipment in a dedicated location accessible to all residents to play such games (1 point).~~1/2~~

(VII) Swimming pool (3 points) ~~1/2~~.

(VIII) Splash pad/water feature play area (1 point) ~~1/2~~.

(IX) Sport Court or field (including, but not limited to, Tennis, Basketball, Volleyball, Soccer or Baseball Field) (2 points) ~~1/2~~.

(iv) Design / Landscaping amenities include:

(I) Full perimeter fencing that contains the parking areas and all amenities (excludes guest or general public parking areas) (2 points) ~~1/2~~.

(II) Enclosed community sun porch or covered community porch/patio (1 point) ~~1/2~~.

(III) Dog Park area that is fully enclosed (the perimeter fencing may be used for part of the enclosure) and intended for tenant owned dogs to run off leash (requires that the Development allow dogs) (1 point) ~~1/2~~.

(IV) Shaded rooftop or structural viewing deck of at least 500 square feet (2 points) ~~1/2~~.

(V) Porte-cochere (1 point) ~~1/2~~.

(VI) Lighted pathways along all accessible routes (1 point) ~~1/2~~.

(VII) a resident-run community garden with annual soil preparation and mulch provided by the Owner and access to water (which may be subject to local water usage restrictions) (1 point) ~~1/2~~.

(v) Community Resources amenities include:

(I) Gazebo, covered pavilion, or pergola with sitting area (seating must be provided) (1 point) ~~1/2~~.

(II) Community laundry room with at least one washer and dryer for every 40 Units (2 points) ~~1/2~~.

(III) Barbecue grill and picnic table with at least one of each for every 50 Units (1 point). Grill must be permanently installed (no portable grills) ~~1/2~~.

(IV) Business center with workstations and seating internet access, 1 printer and at least one scanner which may be integrated with the printer, and either 2 desktop computers or laptops available to check-out upon request (2 points) ~~1/2~~.

(V) Furnished Community room (2 points) ~~1/2~~.

(VI) Library with an accessible sitting area (separate from the community room) (1 point) ~~1/2~~.

(VII) Activity Room stocked with supplies (Arts and Crafts, board games, etc.) (2 points) ~~1/2~~.

(VIII) Community Dining Room with full or warming kitchen furnished with adequate tables and



seating (3 points);

(IX) Community Theater Room equipped with a 52 inch or larger screen or projection with surround sound equipment; DVD player or a streaming service at no cost to residents; and seating (3 points);

(X) High-speed Wi-Fi ~~of 10 Mbps download speed~~ with advanced telecommunications capacity as determined under 47 U.S.C. 1302 or more with coverage throughout the clubhouse or community building (1 point);

(XI) High-speed Wi-Fi ~~of 10 Mbps download speed or more~~ with advanced telecommunications capacity as determined under 47 U.S.C. 1302 with coverage throughout the Development (2 points);

(XII) Bicycle parking that allows for, at a minimum, one bicycle for every five Units, within reasonable proximity to each residential building that allows for bicycles to be secured with lock (lock not required to be provided to tenant) (1 point);

(XIII) Package Lockers: or secure package room. Automated Package Lockers or secure package room provided at a location within the complex that can be accessed by residents 24/7 and at no charge to the resident. To qualify, there would need to be at least one locker for every eight residential units (2 points);

(XIV) Recycling Service (includes providing a storage location and service for pick-up) (1 point);

(XV) Community car vacuum station (1 point).

#### (6) Unit Requirements.

(A) Unit Sizes. Developments proposing New Construction or Reconstruction will be required to meet the minimum sizes of Units as provided in clauses (i) - (v) of this subparagraph. These minimum requirements are not associated with any selection criteria. Developments proposing Rehabilitation (excluding Reconstruction) or Supportive Housing Developments will not be subject to the requirements of this subparagraph. If the Development involves both Rehabilitation and Reconstruction or New Construction, the Reconstruction or New Construction Units must meet these requirements. The requirements are:

(i) five hundred (500) square feet for an Efficiency Unit;

(ii) six hundred (600) square feet for a one Bedroom Unit;

(iii) eight hundred (800) square feet for a two Bedroom Unit;

(iv) one thousand (1,000) square feet for a three Bedroom Unit; and

(v) one thousand, two-hundred (1,200) square feet for a four Bedroom Unit.

(B) Unit, Development Construction, and Energy and Water Efficiency Features. Housing Tax Credit Applicants may select amenities for the score of an Application under this section, but must maintain



June 17, 2022

Ralph M. Perrey

Executive Director  
Tennessee Housing Development Agency  
Andrew Jackson Building, Third Floor  
502 Deaderick Street  
Nashville, Tennessee 37242

On behalf of Enterprise Community Partners (Enterprise), I am pleased to submit these comments regarding the Tennessee Housing Development Agency (THDA)'s Low-Income Housing Tax Credit Qualified Allocation Plan for 2023. Enterprise works to make community places of pride, power and belonging, and platforms for resilience and upward mobility. With an end-to-end approach, 40 years of experience and thousands of local partners, Enterprise has collaborated with thousands of local partners to build and preserve 873,000 homes, invest \$54 billion in communities across all 50 states and improved millions of lives.

We would first like to thank THDA for the opportunity to provide feedback prior to the release of the draft 2023 QAP. We appreciate THDA's collaborative and inclusive approach and respectfully offer the following comments and recommendations.

### **Strengthening Green and Energy Criteria**

We applaud THDA for including a threshold requirement for energy efficiency, as well as a menu of energy efficient design strategies for developers that provides flexibility within their scopes, designs and budgets. These requirements set project teams up for success with regards to energy and help ensure the residents benefit from an energy-efficient home.

The threshold energy efficiency requirements are an important start, and we encourage THDA to add a more comprehensive approach option for developers that will ensure higher quality homes for residents. Green building certification to a credible third-party program would offer THDA even greater assurance of construction quality, operational efficiency, and resident comfort, complementing THDA's current energy efficiency requirements while allowing developers to pursue innovative practices that will increase benefits for residents beyond energy savings. Green building certification is complementary to THDA's current energy efficiency requirement and will address indoor and outdoor water conservation, indoor air quality, and improved site and building design.

We acknowledge that THDA, like many state housing finance agencies, justifiably wants to minimize up-front development costs associated with housing credits. Green building rating and certification systems help to ensure that projects funded by housing credits will not only create new housing opportunities but also ensure that people living in affordable housing are healthier, spend less money on utilities, and have more opportunities through their connections to transportation, quality food and healthcare systems.



Offering the additional option of green building certification to developers provides the flexibility to choose the best path for their project to meet their design goals and financing requirements as well as their residents' needs and priorities. In addition to the suite of energy efficiency requirements in the current QAP, we request that THDA offer competitive points for new construction and renovation projects that certify to the EarthCraft, Enterprise Green Communities, LEED, or NGBS Green.

Currently, 39 state/local housing finance agencies have determined that whole building energy and green building programs are a prudent use of Housing Credits and have included them in their QAPs. These programs are proven to be a cost-effective way to lower residents' and property owner's bills, reduce unit turnover and provide healthier, more comfortable homes for residents.

The Tennessee development community is equipped to implement holistic green building requirements and currently certifies affordable housing projects to all the third-party green building programs noted above, including Enterprise Green Communities — which is the only national green building program created with and for the affordable housing sector. The current 2020 Green Communities Criteria incorporates five themes critical to healthy, sustainable affordable housing development: integrated design, a path to zero energy, healthy housing, water and resilience. Developers who achieve 2020 certification also receive WELL certification through Enterprise's partnership with the International WELL Building Institute (IWBI). There are over 3500 units within 40 projects that have been certified to the Enterprise Green Communities criteria, with an additional 2200 units within 37 projects currently in the certification pipeline. These statistics signal that the local building industry is familiar with and employing green building practices and third-party certification.

For questions or comments, please contact Michelle Diller at [mdiller@enterprisecommunity.org](mailto:mdiller@enterprisecommunity.org) or by phone at 202.649.3924.

Thank you again for providing this opportunity to provide input with respect to THDA's LIHTC Program and QAP, and for your continued work to address housing affordability in Tennessee. We look forward to continuing to work with THDA to provide opportunities to create and rehabilitate affordable housing stock to provide stable, safe and comfortable housing for the residents of Tennessee.

Sincerely,

Marion McFadden  
Senior Vice President, Public Policy  
Enterprise Community Partners  
[mmcfadden@enterprisecommunity.org](mailto:mmcfadden@enterprisecommunity.org)

June 22, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

Re: Comments on the Draft 2023 Qualified Allocation Plan – Obion County Request

Dear Sir or Madam,

Please accept this the official comments of Ripley Housing Authority (RHA) to the Draft 2023 Qualified Application Plan.

On 5/24/22, the THDA Board of Directors Tax Credit Committee convened. At this meeting, THDA Staff put forward several changes they suggest making to the 2023 QAP. Among those changes was the following:

*Adjusting the regional pools to accommodate additional deals funded in Fayette, Madison, Tipton and Haywood Counties to accommodate housing needs associated with the Blue Oval City Economic Development Project. Committee members recommended THDA consider broader language to support housing around major economic development projects in the future and also urged THDA to exercise caution and balance to ensure they do not over allocate in Western Tennessee at the expense of the other grand divisions.*

Obion County has been a strategic partner in the planning for Blue Oval City and all the affects it will have on our entire area. We very much appreciate THDA considering these affects and adding revised regional pools to allow additional funding in areas. Please accept this formal request for Obion County to be added to the dedicated pool referenced above. Given Obion County's proximity to the Blue Oval Site, our County's need for both affordable and market rate housing will grow drastically. It is pivotal incentives, such as Low Income Housing Tax Credits, be made available to the Housing Authorities and Affordable Housing Developers in Obion County.

Please consider adding Obion County to the regional pool that will fund additional deals in the Blue Oval City Economic Development Project area.

Sincerely,

Mayor,

A handwritten signature in black ink that reads "Joe Lewis". The signature is written in a cursive style with a large, looping initial "J".



June 16, 2022

Tennessee Housing Development Agency  
Multifamily Programs Division  
502 Deaderick Street  
Nashville, TN 37243  
Via email: [TNAallocation@thda.org](mailto:TNAallocation@thda.org)

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Please consider adding Obion County to the regional pool that will fund additional deals in the Blue Oval City Economic Development Project area.

Sincerely,

A handwritten signature in black ink that reads "Lindsay Frilling". The signature is written in a cursive, flowing style.

Lindsay Frilling, CEcD  
Chief Executive Officer  
Obion County Joint Economic Development Corporation

June 17, 2022

Mr. Ralph Perry, Executive Director  
Tennessee Housing Development Agency  
via E-Mail

RE: Comments on the 2023 Qualified Allocation Plan

Dear Mr. Perry:

CSH, the nation's leading supportive housing non-profit technical assistance provider, submits the following comments on the Tennessee Qualified Allocation Plan.

***Homelessness is growing unabated in Tennessee, and localities need partnership with the state to scale up evidence-based supportive housing interventions, especially through the Low-Income Housing Tax Credit 9% program.*** CSH has been asked to provide capacity building support in various communities, but without a significant change in the Qualified Allocation Plan (QAP,) there is little that can be done to scale up supportive housing capacity. Localities are working hard to develop housing with very little support from the state, resulting in under-financed, piecemeal responses that will neither be sustainable over time nor sufficient to respond to the growing homeless crisis in the state. With additional funding through the HOME-ARP funding awarded to the state for this population, as well as the opportunity to secure state General Revenue funds from Tennessee's surplus, now is the time to align Tennessee's Qualified Allocation Plan to incentivize evidence-based supportive housing development and leverage new short-term funding.

Supportive housing currently is not incentivized through THDA's QAP and is rarely developed at scale enough to make an impact on homelessness in Tennessee (40+ units). Supportive Housing has uniquely complex financing requirements (no debt, durable construction materials, significant common and office space which drive up Total Development Costs, and supportive services that must be delivered in an intensive model with very low caseloads) and limited geographic areas where it can be developed given the routine discrimination against the people we serve. The geographic emphasis of the current QAP combined with higher per-unit costs makes it nearly impossible for supportive housing projects to compete against other affordable development types. **There has to be a set-aside structured to match the specific requirements of this evidence-based model.**

CSH estimates the need for 20,000 Supportive Housing units in the state to address the housing and service needs of a range of vulnerable populations including homeless youth, chronically homeless individuals, frequently incarcerated individuals, and families facing separation due to housing instability and other challenges. We urge THDA to take these needs seriously and partner with localities in making the important long-term investments in supportive housing.

Thank you for your consideration,

Sincerely,



Katie Kitchin, Director  
The Corporation for Supportive Housing

June 17, 2022

Mr. Ralph Perrey  
Executive Director  
Tennessee Housing Development Agency  
Andrew Jackson Building, Third Floor  
502 Deaderick St  
Nashville, TN 37243

RE: Comments to the proposed preliminary 2023 QAP changes from June 3, 2022

Dear Mr. Perrey,

Thank you for taking comments to the 2023 QAP proposed changes. I have responded below in order of THDA's listing from June 3, 2022.

2. Regarding the economic development areas, please very narrowly define that, and whether that is a one year "setaside" for the program, or is open for future interpretation beyond 2023 and future years. Could quickly turn into a slippery political slope, to the detriment of the intent of the program.

There are 8 counties in the proposed Blue Oval. Will there be an order of priority within those 8, as that is a broad range when trying to submit a successful program application.

3. THDA's Visitability Requirement (100% of new construction single family, duplexes and triplexes required to basically be handicapped units) being streamlined is a good start to ending an overly restrictive contrived requirement, but should be dropped entirely in favor of local building code requirements regarding serving handicapped persons most effectively.

4. Update construction requirements. This seems to be in reference to energy efficiency standards, but there should possibly be a broader Board review of what is being required for THDA construction under the LIHTC program in general. Requirements of full architectural drawings and plans, pre-construction meetings, monthly draw packages and quarterly construction reports are excessive and provide little benefit to the actual program. Final inspections by THDA seem rational once the property is placed in service, but beyond that, overkill and a waste of agency resources.

6. I may have misunderstood THDA's proposed intent of prohibiting septic in making my comments at the public hearing. I have asked for further clarification from staff to be sure I understand correctly, but would oppose sand filtration sewer systems being prohibited. The rural areas of TN are really what's at issue, and especially with the possibility of Blue Oval workforce area in W TN, and 5 of the proposed 8 Blue Oval counties being rural. Developers always look for and prefer sewer first, but depending on the parameters set within the program to guide Agency policy, those parameters sometimes lead us to areas that do not have large areas of sewer availability.

7. Streamlining Concerted Community Revitalization Plan requirements – Applause for the efforts to streamline TN’s restrictive definition of CCRP, as there is no definition at the Federal level, which leaves it to each state’s prerogative to do so. This restrictive TN definition has become a guiding major policy within the program when staff recently prioritized CCRP, in a 36 year old program. The Federal rules have not changed. Please review not only streamlining CCRP, but the board’s policy toward making CCRP a now guiding factor in the program. It is a huge policy decision, that has not been fully vetted publicly by the board. I tried, as Secretary Hargett may recall several months ago, and followed up to Mr. Perrey’s requested to provide additional information regarding. There has been no further discussion.

10. & 11. – Thank you for eliminating! Both were a waste of time & resources.

Other:

In 2022, the board approved the system manual, forms and templates to become incorporated into the Qualified Allocation Plan. Yet none of these requirements have been discussed publicly such as THDA requiring specific LIHTC program forms for appraisals. The appraisal industry is regulated by TN Department of Commerce and Insurance; specifically by the Real Estate Appraiser Commission. That industry has approved forms within the industry for use in appraising property and land within TN. Why is THDA making up their own forms for an already regulated industry? This limits the professionals willing to work with appraisals involving LIHTC’s, driving up the price of the cost of the reports.

Market Studies are in a similar position. Not regulated by state or federal, and no specific type of market study required by the program’s federal rules, but THDA accepting only one type of market study guidelines, NCHMA, as acceptable market study guidelines. People who work with that group of providers are limited to only one option for their continuing education courses. Limiting to one group of providers, or education courses limits and increases costs of the studies.

Thank you for your consideration of the items listed above.

Cordially,

Phyllis Fox Vaughn





## Appendix



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors

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

**SUBJECT:** 2022 Emergency Solutions Grants Program - Funding Awards

**DATE:** July 1, 2022

### Award Update

THDA received 44 applications from nonprofit organizations and 4 applications from local governments that requested approximately \$6 million through the 2022 Emergency Solutions Grants Program (ESG) to assist individuals and families who are homeless or threatened with homelessness. The Executive Director awarded 16 nonprofits and 4 local government applications in the amount of \$2,614,237 in program funds and \$45,000 in administrative funds through the 2022 ESG Program, as detailed in the attached ESG Funding Matrix.

The ESG Awards are broken down in the following manner:

- Program funding for eligible activities:
  - \$2,014,237 is being awarded to nonprofit organizations
  - \$600,000 is being awarded to set-aside cities
- Administrative funding:
  - \$45,000 is being awarded to set-aside cities

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

After the 2021 ESG Program is reconciled and closed, staff will determine how much funds remain available to rollover into the 2022 ESG Program. Once the amounts are confirmed, additional awards will be made to applicants based on the order of the attached matrix. The new awards will be reported to the Board in the next board meeting.



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

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## 2022 Emergency Solutions Grants Program - Funding Recommendation Matrix

Competitive Round Program Allocation: \$ 2,448,963

Applicant	Threshold	County	E M W	Street Outreach	Shelter	Prevention	Rapid Rehousing	Column I	Total Program Requested:	Admin Requested	Program Design General	Program Design Activity	Fiscal Capacity	Agency Capacity	CoC	Needs Score	Total Score	Available Balance:
Domestic Violence Program, Inc.	Eligible	Rutherford	M	\$ -	\$ 45,000	\$ -	\$ 49,000	\$ 6,000	\$ 100,000	\$ -	10	29	20	20	20	0	99	\$ 2,348,963
Cleveland Emergency Shelter, Inc.	Eligible	Bradley	E	\$ -	\$ 80,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 150,000	\$ -	10	29	20	20	19	0	98	\$ 2,198,963
Doors of Hope	Eligible	Rutherford	M	\$ -	\$ 135,000	\$ -	\$ -	\$ 15,000	\$ 150,000	\$ -	10	29	20	20	19	0	98	\$ 2,048,963
The Journey Home, Inc.	Eligible	Rutherford	M	\$ -	\$ 35,000	\$ 5,000	\$ 90,000	\$ 20,000	\$ 150,000	\$ -	10	28	20	20	20	0	98	\$ 1,898,963
Fairview Housing Management Corporation	Eligible	Washington	E	\$ -	\$ 65,000	\$ 35,000	\$ 35,000	\$ 15,000	\$ 150,000	\$ -	10	29	20	18	20	0	97	\$ 1,748,963
Appalachian Regional Coalition On Homelessness	Eligible	Washington	E	\$ 40,000	\$ -	\$ -	\$ 55,000	\$ -	\$ 95,000	\$ -	9	27	20	20	20	0	96	\$ 1,653,963
MIATS, Inc.	Eligible	Hamblen	E	\$ -	\$ 109,000	\$ -	\$ 20,000	\$ 21,000	\$ 150,000	\$ -	9	27	20	20	20	0	96	\$ 1,503,963
Greater Kingsport Alliance for Development	Eligible	Sullivan	E	\$ 120,000	\$ 25,500	\$ -	\$ -	\$ 4,500	\$ 150,000	\$ -	9	28	20	18	20	0	95	\$ 1,353,963
Area Relief Ministries	Eligible	Madison	W	\$ 5,000	\$ 72,500	\$ -	\$ 72,500	\$ -	\$ 150,000	\$ -	9	27	20	18	20	0	94	\$ 1,203,963
Carey Counseling Center, Inc.	Eligible	Henry	W	\$ -	\$ 24,000	\$ -	\$ 20,250	\$ 33,750	\$ 78,000	\$ -	9	27	20	19	19	0	94	\$ 1,125,963
Chattanooga Regional Homeless Coalition	Eligible	Hamilton	E	\$ 26,000	\$ -	\$ -	\$ 49,000	\$ 75,000	\$ 150,000	\$ -	10	26	20	19	19	0	94	\$ 975,963
Housing, Health, and Human Services Alliance of Rutherford County, Inc.	Eligible	Rutherford	M	\$ -	\$ -	\$ -	\$ -	\$ 84,000	\$ 84,000	\$ -	10	30	15	20	19	0	94	\$ 891,963
Chattanooga Room In The Inn	Eligible	Hamilton	E	\$ -	\$ -	\$ -	\$ 60,646	\$ 6,591	\$ 67,237	\$ -	10	24	20	19	20	0	93	\$ 824,726
Family Promise of Greater Kingsport	Eligible	Sullivan	E	\$ -	\$ 46,000	\$ 25,000	\$ 25,000	\$ 4,000	\$ 100,000	\$ -	8	27	20	19	19	0	93	\$ 724,726
Tennessee Homeless Solutions	Eligible	Madison	W	\$ -	\$ 60,000	\$ -	\$ 90,000	\$ -	\$ 150,000	\$ -	10	23	20	20	20	0	93	\$ 574,726
Trinity Out-Reach Center Of Hope	Eligible	Anderson	E	\$ 53,000	\$ -	\$ -	\$ 67,000	\$ 20,000	\$ 140,000	\$ -	10	24	20	20	19	0	93	\$ 434,726
Fayette Cares, Inc.	Eligible	Fayette	W	\$ -	\$ 77,000	\$ -	\$ 35,662	\$ 7,338	\$ 120,000	\$ -	9	29	15	19	20	0	92	\$ -
Murfreesboro Cold Patrol, Inc.	Eligible	Rutherford	M	\$ 50,000	\$ -	\$ -	\$ 55,000	\$ -	\$ 105,000	\$ -	9	29	15	19	20	0	92	\$ -
The Salvation Army, A Georgia Corporation, for Clarksville, TN	Eligible	Montgomery	M	\$ -	\$ 40,000	\$ -	\$ 110,000	\$ -	\$ 150,000	\$ -	9	29	15	19	20	0	92	\$ -
Family Promise Of Bristol	Eligible	Sullivan	E	\$ 5,000	\$ 20,000	\$ 45,000	\$ 55,000	\$ 25,000	\$ 150,000	\$ -	10	27	15	20	20	0	92	\$ -
Helen Ross McNabb Center	Eligible	Knox	E	\$ 23,300	\$ -	\$ -	\$ 60,000	\$ 1,700	\$ 85,000	\$ -	9	27	17	19	20	0	92	\$ -
Johnson County Safe Haven, Inc.	Eligible	Johnson	E	\$ -	\$ 90,000	\$ -	\$ -	\$ 25,000	\$ 115,000	\$ -	9	24	20	19	20	0	92	\$ -
Stepping Stones Safe Haven, Inc	Eligible	Rutherford	M	\$ -	\$ 80,000	\$ -	\$ 70,000	\$ -	\$ 150,000	\$ -	10	27	15	20	20	0	92	\$ -
Bridges of Williamson County dba Bridges Domestic Violence Center	Eligible	Williamson	M	\$ -	\$ 123,490	\$ -	\$ 13,525	\$ 5,765	\$ 142,780	\$ -	9	28	15	19	20	0	91	\$ -
WRAP	Eligible	Madison	W	\$ -	\$ 75,200	\$ 16,000	\$ 58,800	\$ -	\$ 150,000	\$ -	10	21	20	20	20	0	91	\$ -
Jesus Cares McNairy County	Eligible	McNairy	W	\$ -	\$ 27,500	\$ 52,500	\$ 67,500	\$ 2,500	\$ 150,000	\$ -	9	28	15	19	19	0	90	\$ -
The Salvation Army, A Georgia Corporation, for Murfreesboro, TN	Eligible	Rutherford	M	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 50,000	\$ -	10	28	15	19	18	0	90	\$ -
Community Helpers Inc (The)	Eligible	Rutherford	M	\$ -	\$ -	\$ 135,000	\$ -	\$ -	\$ 135,000	\$ -	10	25	15	20	19	0	89	\$ -
Tennessee Valley Coalition To End Homelessness, Inc.	Eligible	Knox	E	\$ 30,000	\$ 65,000	\$ 20,000	\$ 25,000	\$ 10,000	\$ 150,000	\$ -	10	25	15	19	20	0	89	\$ -
Families In Crisis, Inc.	Eligible	Warren	M	\$ -	\$ 64,500	\$ 2,000	\$ 47,900	\$ 13,600	\$ 128,000	\$ -	10	28	10	20	20	0	88	\$ -
Pinnacle Resource Center	Eligible	Scott	E	\$ -	\$ 70,000	\$ -	\$ 55,000	\$ 25,000	\$ 150,000	\$ -	9	27	15	20	17	0	88	\$ -
South Central Family Center	Eligible	Maury	M	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	9	25	15	20	19	0	88	\$ -
Compassionate Hands, Inc.	Eligible	Wilson	M	\$ -	\$ 50,000	\$ 45,000	\$ 50,000	\$ 5,000	\$ 150,000	\$ -	10	25	13	20	19	0	87	\$ -
Partnership for Families Children and Adults	Eligible	Hamilton	E	\$ -	\$ 100,000	\$ -	\$ 30,000	\$ 20,000	\$ 150,000	\$ -	9	25	15	20	18	0	87	\$ -
Change Is Possible-CHIPS	Eligible	Unicoi	E	\$ -	\$ 22,000	\$ -	\$ 110,700	\$ 2,688	\$ 135,388	\$ -	10	27	10	19	20	0	86	\$ -
Clarksville Area Urban Ministries, Inc.	Eligible	Montgomery	M	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 150,000	\$ -	9	28	10	20	19	0	86	\$ -
Family Promise of Greater Johnson City, Inc.	Eligible	Washington	E	\$ -	\$ 147,059	\$ -	\$ -	\$ 2,941	\$ 150,000	\$ -	9	27	20	10	20	0	86	\$ -
La Paz de Dios, Inc. DBA La Paz Chattanooga	Eligible	Hamilton	E	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -	10	25	15	19	17	0	86	\$ -
The Salvation Army, A Georgia Corporation, Divisional Headquarters for Tennessee	Eligible	Washington	E	\$ -	\$ 146,580	\$ -	\$ -	\$ 3,420	\$ 150,000	\$ -	9	26	15	17	19	0	86	\$ -
Cannon County S.A.V.E.	Eligible	Cannon	M	\$ 11,045	\$ 137,155	\$ -	\$ -	\$ 1,800	\$ 150,000	\$ -	9	24	15	17	20	0	85	\$ -
City of Kingsport - Community Development	Eligible	Sullivan	E	\$ -	\$ -	\$ -	\$ 71,500	\$ 3,500	\$ 75,000	\$ -	9	25	12	16	20	0	82	\$ -
The Salvation Army, A Georgia Corporation, for Knoxville, TN	Eligible	Knox	E	\$ -	\$ 88,000	\$ -	\$ 46,200	\$ 14,000	\$ 148,200	\$ -	10	22	15	16	19	0	82	\$ -
Connecting Veterans to Resources	Eligible	Hamilton	E	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -	8	21	14	19	18	0	80	\$ -
West Tennessee Legal Services, Inc.	Eligible	Madison	W	\$ -	\$ 24,375	\$ 24,375	\$ -	\$ 1,250	\$ 50,000	\$ -	8	15	15	19	19	0	76	\$ -
				<b>Total Requested by Activity:</b>	<b>\$ 363,345</b>	<b>\$ 2,244,859</b>	<b>\$ 759,875</b>	<b>\$ 1,700,183</b>	<b>\$ 495,343</b>	<b>\$ 5,563,605</b>								
				<b>Total Funded by Activity:</b>	<b>\$ 244,000</b>	<b>\$ 697,000</b>	<b>\$ 95,000</b>	<b>\$ 854,058</b>	<b>\$ 332,179</b>	<b>\$ 2,014,237</b>								

**Set Aside Allocation: \$ 600,000 \$ 45,000**

Applicant	Threshold	County	E M W	Street Outreach	Shelter	Prevention	Rapid Rehousing	Data Collection	Total Program Award	Admin Award	Total Award
City of Chattanooga	Eligible	Hamilton	E	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 11,250	\$ 161,250
City of Clarksville	Eligible	Montgomery	M	\$ 20,000	\$ 70,000	\$ -	\$ 30,000	\$ 30,000	\$ 150,000	\$ 11,250	\$ 161,250
City of Murfreesboro	Eligible	Rutherford	M	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 150,000	\$ 11,250	\$ 161,250
City of Johnson City (Application Pending)	Eligible	Washington	E	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 11,250	\$ 161,250
				<b>\$ 20,000</b>	<b>\$ 120,000</b>	<b>\$ 50,000</b>	<b>\$ 230,000</b>	<b>\$ 30,000</b>	<b>\$ 600,000</b>	<b>\$ 45,000</b>	<b>\$ 645,000</b>

Total Program Funding Requested: \$ 6,163,605

<b>Total Competitive Round Funded:</b>	<b>\$ 2,014,237</b>
<b>Total Set Aside Funded:</b>	<b>\$ 600,000</b>
<b>TOTAL PROGRAM FUNDS AWARDED:</b>	<b>\$ 2,614,237</b>
<b>Total Competitive Round Funded:</b>	<b>\$ -</b>
<b>Total Set Aside Funded:</b>	<b>\$ 45,000</b>
<b>TOTAL ADMIN FUNDS AWARDED:</b>	<b>\$ 45,000</b>

<b>Total Funded by Region</b>	
East	\$ 1,152,237
Middle	\$ 484,000
West	\$ 378,000

Approved By:

Ralph M. Perrey, Executive Director

Date



# Tennessee Housing Development Agency

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

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors

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

**SUBJECT:** 2022 HOME Urban and Rural Program - Funding Awards

**DATE:** July 1, 2022

### Award Update

Attached are the approved funding matrices associated with the award of funds under the 2022 HOME Urban and Rural Program Descriptions. THDA had approximately \$8 million available for award between the two program iterations. Below is a summary of each program iteration. Further details are available within the funding matrices.

### 2022 HOME Urban - Funding Recommendation

THDA received four (4) applications requesting over \$2.3 million in HOME Program funds. All four (4) of the applications were eligible for scoring. The Executive Director awarded two (2) of the eligible applications, in the amount of \$1,175,000 in program funds and \$75,000 in administrative funds that will help rehabilitate 17 homes in the East and Middle regions of the state. No applications were received from West Tennessee.

Below are the list of applicants who received awards:

- City of Elizabethton - East
- Tullahoma – Middle

Below are the list of applicants who did not receive an award:

- Cleveland - East
- City of Gallatin – Middle

### 2022 HOME Rural - Funding Recommendation

THDA received seventeen (17) applications requesting over \$8.6 million in HOME Program funds. All of the applications received were eligible for scoring.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
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The Executive Director awarded funding to sixteen (16) of the seventeen (17) applications received. The remaining application did not receive the minimum point score required for funding.

A total of \$8,145,100 in program funds and \$519,900 in administrative funds were awarded to the approved applicants listed below that will use these funds to rehabilitate 112 homes in the East and Middle Grand Divisions. No applications were received from West Tennessee.

Below is the list of applicants that received awards:

- Morgan County Government - East
- Campbell County Government - East
- Town of Livingston - Middle
- Town of Mountain City - East
- Jamestown - Middle
- City of Spencer - Middle
- Fentress County - Middle
- Town of Palmer - Middle
- City of Lewisburg - Middle
- City of Niota - East
- Hamblen County - East
- Greene County - East
- Scott County - East
- Claiborne County - East
- Cannon County Government - Middle
- Bledsoe County - East

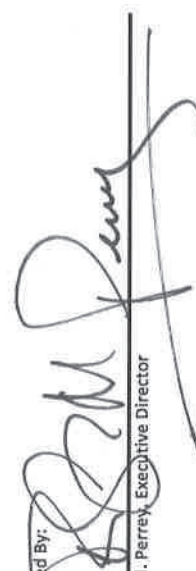
Below is the list of applicants that were not awarded funds:

- Pickett County - Middle

**2022 HOME Rural Funding Matrix**  
-Revised 6/20/2022

Total Rural Project Funding:  
\$ 8,145,100.00

APPLICANT	ELIGIBILITY STATUS FOR SCORING	Grand Division	COUNTY	PROJECT FUNDS REQUESTED	ADMIN. FUNDS REQUESTED	TOTAL HOME AWARD	# of Households	Activity	Prior Year Unexpended HOME Funds Deduction	Program Design	Need	Not Served	Match	Leverage	Disaster	Energy	Growth	Total	PROJECT FUNDS REMAINING	
Morgan County Government	Eligible	E	Morgan	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	10	Homeowner Rehabilitation	0	47	8	9	0	0	10	2	5	81	\$ 7,440,100.00	
Campbell County Government	Eligible	E	Campbell	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	10	Homeowner Rehabilitation	0	47	8	6	0	0	10	2	5	78	\$ 6,735,100.00	
Town of Livingston	Eligible	M	Overton	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	6	Homeowner Rehabilitation	0	45	6	10	0	0	10	2	5	78	\$ 6,265,100.00	
Jamestown	Eligible	M	Fentress	\$ 329,000.00	\$ 21,000.00	\$ 350,000.00	4	Homeowner Rehabilitation	0	48	8	4	0	0	10	2	5	77	\$ 5,936,100.00	
Fentress County	Eligible	M	Fentress	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	6	Homeowner Rehabilitation	-1	48	8	4	0	0	10	2	5	76	\$ 5,466,100.00	
City of Spencer	Eligible	M	Van Buren	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	5	Homeowner Rehabilitation	0	44	10	1	0	0	10	5	5	75	\$ 4,996,100.00	
Town of Mountain City	Eligible	E	Johnson	\$ 296,100.00	\$ 18,900.00	\$ 315,000.00	4	Homeowner Rehabilitation	-4	48	10	2	0	0	10	2	5	73	\$ 4,700,000.00	
Town of Palmer	Eligible	M	Grundy	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	7	Homeowner Rehabilitation	0	41	10	2	0	0	10	2	5	70	\$ 4,230,000.00	
City of Lewisburg	Eligible	M	Marshall	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	7	Homeowner Rehabilitation	0	45	3	5	0	0	10	2	5	70	\$ 3,760,000.00	
City of Niota	Eligible	E	McMinn	\$ 235,000.00	\$ 15,000.00	\$ 250,000.00	4	Homeowner Rehabilitation	-2	39	6	8	0	0	10	2	5	68	\$ 3,525,000.00	
Hamblen County	Eligible	E	Hamblen	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	10	Homeowner Rehabilitation	-5	47	5	4	0	0	10	2	5	67	\$ 2,820,000.00	
Greene County	Eligible	E	Greene	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	6	Homeowner Rehabilitation	-10	48	5	7	0	0	10	2	5	67	\$ 2,350,000.00	
Scott County	Eligible	E	Scott	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	10	Homeowner Rehabilitation	-10	47	9	3	0	0	10	2	5	66	\$ 1,645,000.00	
Claiborne County	Eligible	E	Claiborne	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	10	Homeowner Rehabilitation	-10	47	7	5	0	0	10	2	5	66	\$ 940,000.00	
Cannon County Government	Eligible	M	Cannon	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	6	Homeowner Rehabilitation	0	37	7	3	0	0	10	2	5	64	\$ 470,000.00	
Bledsoe County	Eligible	E	Bledsoe	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	7	Homeowner Rehabilitation	-10	39	9	8	0	0	10	2	5	63	\$ 470,000.00	
Pickett County	Eligible	M	Pickett	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	6	Homeowner Rehabilitation	0	40	1	1	0	0	10	2	5	59	\$ -	
Total Requested by All Applicants: 17 Applications				\$ 8,615,100.00	\$ 549,900.00	\$ 9,165,000.00	118													
Total Awarded: 16 Applications				\$ 8,145,100.00	\$ 519,900.00	\$ 8,665,000.00	112													

Approved By:   
Ralph M. Perrey, Executive Director

6/21/22  
Date

\* Additional Project Funds (\$2,425,000) transferred from 2022 Urban Round.  
\* Additional Admin Funds (\$141,000) transferred from 2022 Urban Round.  
\* Additional Project Funds (\$1,320,100) transferred from 2021 HOME Allocation

## 2022 HOME Urban Funding Matrix

- REVISED 6/20/2022

Total Urban Project Funds:  
\$ 3,600,000.00

APPLICANT	ELIGIBILITY STATUS FOR SCORING	Grand Division	COUNTY	PROJECT FUNDS REQUESTED	ADMIN. FUNDS REQUESTED	Total	# of Households	Units	Prior Year Unexpended HOME Funds Deduction	Program Design	Need	Not Served	Match	Leverage	Disaster	Energy	Growth	Total	PROJECT FUNDS REMAINING		
City of Elizabethton	Eligible	E	Carter	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	6	Homeowner Rehabilitation	-1	45	8	5	0	0	10	5	5	77	\$ 3,130,000.00		
Tulahoma	Eligible	M	Coffee	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	11	Homeowner Rehabilitation	-1	45	3	7	0	0	10	2	5	71	\$ 2,425,000.00		
Cleveland	Eligible	E	Bradley	\$ 470,000.00	\$ 30,000.00	\$ 500,000.00	7	Homeowner Rehabilitation	-10	41	3	8	0	0	10	2	5	59	\$ -		
City of Gallatin	Eligible	M	Sumner	\$ 705,000.00	\$ 45,000.00	\$ 750,000.00	8	Homeowner Rehabilitation	-5	30	1	8	0	0	10	2	5	51	\$ -		
<b>Total Requested by All Applicants:</b>				4 Applicants	\$ 2,350,000.00	\$ 150,000.00	\$ 2,500,000.00	32													
<b>Total Awarded:</b>				2 Applicants	\$ 1,175,000.00	\$ 75,000.00	\$ 1,250,000.00	17													

\* Remaining Project Funds (\$2,425,000) will be transferred to 2022 Rural Round

\* Remaining Admin Funds (\$141,000) will be transferred to 2022 Rural Round

Approved By:



Ralph M. Perrey, Executive Director

6/21/22  
Date



# Tennessee Housing Development Agency

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

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

**TO:** THDA Board of Directors

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

**SUBJECT:** 2022 National Housing Trust Fund Program – Funding Awards

**DATE:** July 1, 2022

### Award Update

Attached is the approved funding matrix associated with the award of funds under the 2022 National Housing Trust Fund (“NHTF”) Program Description. THDA had approximately \$9.8 million available to award for the program and received seven (7) applications requesting over \$8.5 million in NHTF Program funds. Only three (3) applications passed threshold.

The Executive Director awarded three (3) applications for \$4,136,395 in program funds to help create 65 new affordable housing units in Tennessee. No applications were received from Middle Tennessee.

Below are the list of applicants who received awards:

- Knoxville Leadership Foundation - East Region
- The Greater Kingsport Alliance for Development - East Region
- Ripley Housing Authority - West Region

Below are the list of applicants who did not receive an award:

- Maryville Housing Authority - East Region
- Rebuild America - East Region
- South Memphis Alliance - West Region
- Cumberland Regional Development Corporation - East Region



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA  
THDA is an equal opportunity, equal access, affirmative action employer.





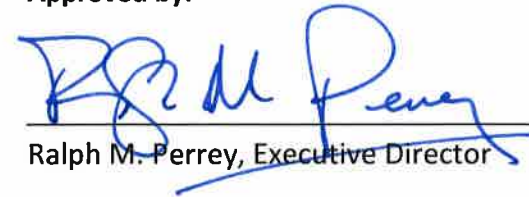
## 2022 National Housing Trust Fund Matrix

			Funds Available		\$9,824,641.00		
NHTF Applications Received	Region	Score	Funds Requested	Funds Awarded	Remaining Balance	Total Units	NHTF Units
Knoxville Leadership Foundation	E	70.5	\$1,500,000	\$1,500,000	\$8,324,641	52	26
The Greater Kingsport Alliance for Development	E	70	\$1,136,450	\$1,136,450	\$7,188,191	12	12
Riply Housing Authority	W	68.5	\$1,136,450	\$1,499,945	\$6,051,741	35	27
<b>Total Funds Awarded:</b>				<b>\$4,136,395</b>			

Not Eligible/ Failed Threshold	Region	Score	Funds Requested	Reason	Total Units	
Maryville Housing Authority	E	58	\$1,500,000	The 60 point requirement was not met	118	42
Rebuild America	E	62	\$1,500,000.00	Found to be For-Profit entity (final ownership)	113	16
South Memphis Alliance	W	31	\$1,000,000.00	The 30 year proforma does not demonstrate long term viability based on underwriting	30	9
Cumberland Regional Development Corporation	E	41	\$750,000.00	The 30 year proforma does not demonstrate long term viability based on underwriting	16	6

Funds Available:	\$9,824,641.00	Total of NHTF Units
Funds Requested:	\$8,522,900.00	376
Total Awarded:	\$4,136,394.60	65
Funds Not Awarded:	\$5,688,246.40	

Approved by:

  
 Ralph M. Perrey, Executive Director

  
 Date