

BOARD OF DIRECTORS MEETING MINUTES  
March 29, 2022

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the "Board") met on Tuesday, March 29, 2022, at 1:04 PM CST, in the Nashville Room, William Snodgrass Tennessee Towers, Nashville, Tennessee 37243.

The following Board members were present Alex Schuhmann (for Commissioner Butch Eley), Secretary of State Tre Hargett, Kevin Bradley (for State Treasurer David Lillard), Katie Armstrong (for Comptroller Jason Mumpower), Austin McMullen, Todd Skelton, Erin Merrick, and John Snodderly, Acting Chairman of the Board. Board members who were absent: Matt McGauley, Rick Neal, Chrissi Rhea, and Tennion Reed.

Seeing a quorum present, Chair Snodderly called the meeting to order.

Chair Snodderly called for consideration of the February 17, 2022, minutes that were previously circulated to all Board members. Upon motion by Secretary Hargett, second by Mr. Bradley, and vote with all Board members identified as present voting yes, the minutes were approved.

Chair Snodderly recognized Ralph M. Perrey, Executive Director, for his report to the Board. Mr. Perrey acknowledged THDA staff members who have hit significant service milestones this year, recognized the staff contributions to this year's Tennessee Housing Conference earlier this month followed, and followed with some business updates:

- Applications for the THDA *Great Choice* mortgage loans will top \$45 million this month, continuing the encouraging upswing we have seen since October. THDA's suspects this reflects buyers anxious to get ahead of rising interest rates. Going forward, the Agency expects that the combination of higher mortgage interest rates and the shortage of homes for sale at entry-level price points will remain a drag on THDA's production this year.
- The Homeowner Assistance Fund has disbursed roughly \$3.8 million to 303 homeowners since it began earlier this year. THDA has another 1500 applications in the pipeline and, on average, is seeing about 350 new applicants per week.
- THDA has provided over \$73 million in COVID Rent Relief (ERA1) to over 16,000 households. THDA has provided an additional \$150 million to the four counties administering their own programs, as well as, provided \$11.8 million to 32 public housing authorities to cover their eligible tenants. Over \$10 million was paid in March, a record, but even if THDA sustains that pace through September, all of the \$383 million allocated to Tennessee will not be utilized and some will be returned some to the federal government.
- However, THDA still has \$128 million in ERA2, which the Agency expects to begin utilizing this spring. The Director explained a catch, however – THDA will not get the remaining \$180 million or so allocated to Tennessee for ERA2 because it will not be able to use the funds already on hand. Those funds will be reallocated to states that still have demand for rental assistance. But, if those states don't need all of the money for rent relief they are allowed to use it for other housing purposes. Several southern states argue that they ought to be able to keep more of their allocation and be able to use it for other purposes, an idea is getting some traction in Congress.

- THDA received 26 applications for multifamily bond authority in the first round, requesting a total of \$552 million. THDA can award up to \$378 million and expect to issue commitment letters by mid-April.
- The THDA Multifamily staff is also working through tax credit applications for the 2019 and 2020 developments that will need additional credits to cover increased building costs. Twenty eight developments have applied, seeking \$8 million in additional housing tax credits. Reservation notices are going out later this week, allowing developments to close on equity pricing in the coming weeks.
- THDA has fully transitioned our Performance-based contract administration (PBCA) responsibilities to CGI. Gwen Coffey, Director of Compliance & Asset Management, is finalizing the Quality Management process, which will provide oversight on CGI's (the THDA PBCA subcontractor) work for us.
- Congress this month passed an Appropriations bill providing small increases in funding for several of the programs THDA administers. The Infrastructure bill that passed earlier provides a significant additional allocation for Weatherization Assistance. THDA expects to get at least \$50 million for this – about ten times our normal allocation.
- THDA hopes to provide *Rebuild & Recover* funds to help Waverly build back after last summer's flood. The Director will be there next week to talk with program partners and local officials. He will exercise the wavier authority you granted me to raise the cost ceilings for *Rebuild & Recover* projects, as costs are much higher today than they were when the limits were last adjusted in 2017.
- Finally, The Director called attention to the new *Investments & Impact Report*, now available online at [thda.org](http://thda.org). (Click the "Research & Reports" tab at the top), highlighting the map feature, which can be customized to see how particular programs are being utilized in our state.

Ms. Jeboria Scott, Director of Section 8 Rental Assistance, provided an overview of the Family Self-Sufficiency program-its purpose, program elements and examples of successful program graduates- to close out the report to the board.

Chair Snodderly recognized the Director of Community Programs, Ms. Cynthia Peraza, to present the Authorization request for the 2022 Weatherization Assistance Program. This request would authorize the Executive Director to determine whether submission of an application to the Weatherization Assistance Program is in the best interest of the Agency, submit an application, and approve changes to the program to meet Department of Energy requirements. With a motion from Secretary Hargett, and a second from Mr. McMullen, and a vote with all Board members identified as present voting yes, the motion as outlined in the board materials was approved.

Chair Snodderly again recognized the Director of Community Programs, Ms. Cynthia Peraza, to present the 2021 Low Income Household Water Assistance Program Summary Recommendation. This recommendation would adopt the 2021 Low Income Household Water Assistance Program Summary, authorize staff to make minor and housekeeping changes as necessary, including execution of all documents, or as directed by the US Department of Health and Human Services. With a motion from Secretary Hargett, and a second from Mr. McMullen, and a vote with all Board members identified as present voting yes, the motion as outlined in the board materials was approved.

Chair Snodderly then recognized Director of Section 8 Rental Assistance, Ms. Jeboria Scott, for an update on the Section 8 Rental Assistance Program. Ms. Scott explained that THDA's Housing Choice Voucher Program (HCV) assists low income families, the elderly, and the disabled to access decent, safe, and affordable housing opportunities. A federal rental subsidy is provided on behalf of the family or individual to allow participants to choose any housing that meets program requirements. This is not limited to units located in subsidized housing projects.

Due to significant external factors related to the ongoing COVID19 pandemic, effective immediately, THDA will implement an updated recertification policy for all qualified HCV families. HUD published a final rule containing changes to streamline HCV regulatory requirements and reduce the administrative burden on Public Housing Authorities (PHA) by streamlining income recertification procedures for HCV families. The following processes will be modified to reflect this change:

#### Interim Certification

THDA will discontinue processing interim certifications when the change represents an increase in family income, unless there is a change in household composition. The adoption of this policy results from the need to increase leasing activities and reduce the administrative burden associated with processing interim certifications. HUD regulations only require PHAs to process interim changes when the household experiences a decrease in income. Program participants must continue to report all changes in family composition, income, and assets within thirty (30) days of the change.

#### Triennial Recertification (Fixed Income Households)

HUD Regulations permit PHAs to conduct full income recertifications every three (3) years, instead of annually, for families with 90 percent or more of their income from fixed income sources.

#### Biennial Recertification (All Other Eligible Households)

HUD regulations also permit PHAs to conduct full income recertifications every two (2) years for households who meet the following criteria:

- Any income from wages
- Mixed income from wage source and fixed source (e.g. SS, SSI)
- Mixed income from a wage source and a temporary source (e.g. TANF, child support)

Adopting streamlined income determinations does not alter the requirement, applicable under the current regulations, that families certify that all the information submitted for income verification, including the sources of income, is accurate.

The desired changes may be adopted immediately, as the changes are less restrictive than the rule currently in place and is a necessity to address staffing challenges and other external factors related to the COVID-19 global pandemic. The program participants will be notified of this immediate change via email notification and posting on THDA's website. Additionally, these changes will be updated in Phase III of the THDA's Administrative Plan's Updates.

With the conclusion of Ms. Scott's report and with no further business to discuss, the meeting was adjourned, at 1:22 PM CST.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "R. M. Perrey", with a long horizontal flourish extending to the right.

Ralph M. Perrey  
Executive Director  
Approved the 24<sup>th</sup> day of May, 2022.