Tennessee Housing Development Agency - Board of Directors

Committee and Board Meeting Materials
May 24, 2022

TO: THDA Board of Directors
FROM: Ralph M. Perrey, Executive Director
SUBJECT: May Committee and Board Meetings
DATE: May 13, 2022

THDA Board Members –

We look forward to welcoming you at our committee and board meetings on Tuesday, May 24. As Chairman McGauley suggested earlier this year, we will convene the Board meeting itself immediately after the last committee session, expecting to conclude the day's business around lunchtime. The first committee meeting, Bond Finance, will convene at 10am CST. The Board meeting itself will convene at 11am CST or upon conclusion of the Tax Credit committee meeting, whichever is latest.

A number of action items await your review and decision:

- The full Board will consider a request to extend the waiver authority previously granted to Executive Director to modify program deadlines and requirements. Our partners continue to experience delays and cost overruns as a result of COVID-caused shortages and supply chain disruptions. Our ability to grant waivers has helped keep developments on track, and we ask that the waiver authority be extended through the end of calendar year 2022.

- Bond Finance Committee will take up the authorization of Bond Issue 2022-2 and its accompanying Reimbursement Resolution. In addition, Bond Finance will consider the Schedule of Financing for FY 2022-23, which begins July 1, 2022. We also ask approval to issue an RFP for a second line of credit to facilitate our expanded use of secondary mortgage market financing.

- Lending Committee will be asked to adopt the updated Home Sales Price Limits as determined by the US Department of Housing and Urban Development. In addition, in furtherance of our ability to act as a Ginnie Mae Issuer, we ask you to authorize THDA to issue Ginnie Mae mortgage backed securities (MBS) and approve the names and genuine signatures of individuals authorized to act on behalf of THDA for this purpose.

- Grants Committee is asked to authorize revised program descriptions for the Emergency Repair Program, Challenge Grant Program, and Rebuild & Recover Program, and to approve certain grant extensions requested by applicants delayed by COVID-related issues.

- Tax Credit Committee is asked to accept a clarifying amendment to the 2022 Bond Program description. We also invite committee discussion and feedback on the Qualified Allocation Plan for the 2023 Tax Credit round.

As always, please feel free to contact me or Chief of Staff Stephanie Bounds with any questions or concerns. Please contact Stephanie for assistance with travel and logistics, as well.

THDA Board of Directors Committee Meetings Agendas

Tuesday, May 24 2022 at 10 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

BOND FINANCE COMMITTEE

A. **Approval of Minutes from March 29, 2022 meeting**
B. **Action Items**
    1. Authorization for Bond Issue 2022-2
    2. Schedule of Financing for FY 2022-23
    3. Permission for RFP for Second Line of Credit

LENDING COMMITTEE

A. **Approval of Minutes from January 25, 2022 meeting**
B. **Action Items**
    1. Income Limits change
    2. Ginnie Mae form 11702 signature verification and authority

GRANTS COMMITTEE

A. **Approval of Minutes from January 25, 2022 meeting**
B. **Action Items**
    1. Emergency Repair Program Description Authorization
    2. **REVISED** Challenge Grant Program Description Authorization
    3. Rebuild and Recover Program Description Authorization
    4. COVID-19 Extensions for 2019 Grants Authorization
    5. 2017 HOME Grant Extension for the City of Gatlinburg

TAX CREDIT COMMITTEE

A. **Approval of Minutes from January 25, 2022 meeting**
B. **Action Item**
    1. Amendment to the Multifamily Tax-Exempt Bond Authority Program Description for 2022
    2. 2023 QAP Discussion

THDA Board of Directors Board Meeting Agenda

Tuesday, May 24 2022 at 11 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

A. Approval of Minutes from March 29, 2022 meeting

B. Executive Director's Report

C. Board Action Items

1. Extension of Executive Director Authority to Modify Program Deadlines and Associated Requirements due to COVID-19
2. Authorization for Bond Issue 2022-2
3. Schedule of Financing for FY 2022-23
4. Permission for RFP for Second Line of Credit
5. Income Price Limits change
6. Ginnie Mae form 11702 signature verification and authority
7. Emergency Repair Program Description Authorization
8. **REVISED** Challenge Grant Program Description Authorization
9. Rebuild and Recover Program Description Authorization
10. COVID-19 Extensions for 2019 Grants Authorization
11. 2017 HOME Grant Extension for the City of Gatlinburg
12. Amendment to the Multifamily Tax-Exempt Bond Authority Program Description for 2022

D. APPENDIX

1. 2022 Multifamily Tax Exempt Bond Authority (MTBA) Program Round One Selection Matrix

Board of Directors Meeting

THDA Board of Directors Meeting Agenda

Tuesday, May 24 2022 at 11 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

A. Approval of Minutes from March 29, 2022 meeting

B. Executive Director's Report

C. Board Action Items

1. Extension of Executive Director Authority to Modify Program Deadlines and Associated Requirements due to COVID-19
2. Authorization for Bond Issue 2022-2
3. Schedule of Financing for FY 2022-23
4. Permission for RFP for Second Line of Credit
5. Income Limits change
6. Ginnie Mae form 11702 signature verification and authority
7. Emergency Repair Program Description Authorization
8. **REVISED** Challenge Grant Program Description Authorization
9. Rebuild and Recover Program Description Authorization
10. COVID-19 Extensions for 2019 Grants Authorization
11. 2017 HOME Grant Extension – City of Gatlinburg
12. Amendment to the Multifamily Tax-Exempt Bond Authority Program Description for 2022

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. (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-it's 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:

<u>Interim Certification</u>

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.

<u>Triennial Recertification (Fixed Income Households)</u>

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.

<u>Biennial Recertification (All Other Eligible Households)</u>

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,

Ralph M. Perrey
Executive Director
Approved the 24th day of May, 2022.

TO: THDA Board of Directors
FROM: Don Watt, Chief Programs Officer
SUBJECT: Extension of Temporary Authority to Modify Established Program Deadlines and Associated Program Requirements Due to COVID-19
DATE: May 9, 2022

Recommendation:

1. Staff recommends extending the temporary authority granted to the Executive Director to modify the following:

(a) THDA-established program deadlines and

(b) THDA-established fees, limits, and penalties associated with such deadlines.

Any such modifications shall be in accordance with standards and requirements established by staff and based on a demonstration of necessity, all as determined in the Executive Director's sole discretion.

Key Points:

1. This temporary authority would extend to all programs in the Community Programs Division and the Multifamily Programs Division. The temporary authority would not apply to statutory requirements or requirements specified in federal regulations or rules.

2. Extension of this authority would be granted through December 31, 2022, and may be revoked by the Board of Directors or surrendered by the Executive Director if conditions and circumstances improve.

3. Decisions made by the Executive Director under this temporary authority shall be reported to the Board, but are not appealable to the Board or any Committee thereof.

Background:

The response to the novel coronavirus and COVID-19 has caused sweeping and unprecedented changes all over the world. As always, THDA works diligently to administer programs in a prudent and common sense way. Unfortunately, staff continues to see the “ripple effects” of the pandemic substantially affecting ongoing activity in almost every program, both state and federal, administered by THDA. Some of the issues that have arisen are unforeseen, require a quick response, and occur between regularly scheduled meetings of the THDA Board of Directors.

Bond Finance Committee

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOND FINANCE COMMITTEE
March 29, 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, March 29, 2022, at 1:01 PM 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: Secretary of State Tre Hargett; Comptroller Jason Mumpower (Acting Chair); Kevin Bradley (for Treasurer David Lillard); and Alex Schuhmann (for Commissioner Butch Eley). Other Board Members present were: Erin Merrick; Todd Skelton; Austin McMullen; and John K. Snodderly.

Recognizing a quorum present, Comptroller Mumpower called the meeting to order. For the first order of business, Comptroller Mumpower called for consideration and approval of the January 25, 2022, Bond Finance Committee Meeting Minutes.

Upon motion by Mr. Bradley, second by Secretary Hargett, and following a vote with all members identified as present voting “yes”, the motion carried to approve the January 25, 2022 minutes.

Comptroller Mumpower indicated the next item for consideration was the Bond Counsel Contract extension. Bruce Balcom, THDA Chief Legal Counsel, presented the following document that was circulated for the Committee’s consideration:

- A memorandum regarding Bond Counsel Selection and the attached contract amendment from Mr. Balcom, dated March 7, 2022, that described the documents to be considered, explained why the Bond Finance Committee should exercise its option to extend its contract with Kutak Rock, LLP (“Kutak”) for an additional 12 months. This would allow the contract between THDA and Kutak to have an expiration date of June 30, 2023 as outlined in the contract amendment and would allow for continuity of support for vital federal programs

Upon motion by Comptroller Mumpower, second by Secretary Hargett, and a vote with all members identified as present voting “yes”, the motion carried to approve a one year extension of the Bond Counsel Contract.

There being no further business, Comptroller Mumpower adjourned the meeting at 1:04 PM CST.

Respectfully submitted,

Sandi Thompson,
Assistant Secretary
Approved this 24th day of May 2022

TO: THDA Board of Directors
FROM: Bruce Balcom, Chief Legal Counsel
SUBJECT: Approval of Issue 2022-2
DATE: May 9, 2022

Recommendation

Approval of the Plan of Financing and a recommendation to the Board to approve the Authorizing Resolution, including the form of the Supplemental Resolution, and the Reimbursement Resolution.

Key Points

With production increasing the last several months, Issue 2022-2 commitments began in April.

Background

Attached please find the following documents in connection with the requested authorization of the THDA bond issue, Issue 2022-2:

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 in May of 2022, with closing in June 2022. The final size and structure will be determined by the Authorized Officer.
2. THDA Plan of Financing for Issue 2022-2 Residential Finance Program Bonds, which the Bond Finance Committee will be asked to approve.
3. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing the Issuance and Sale of Residential Finance Program Bonds, Issue 2022-2, that includes the form of Supplemental Resolution for Issue 2022-2 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 2022-2 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 2022-2 complies with the Tennessee Housing Development Agency Debt Management Policy adopted on November 28, 2011, as amended (the "Debt Management Policy"). In particular, Issue 2022-2 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 20211 does not include interest rate and forward purchase agreements, conduit debt, or variable rate debt.

CSG | advisors

Atlanta • Los Angeles • New York • San Francisco

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 2022-2

DATE: May 9, 2022

Executive Summary

- CSG recommends that the THDA Board of Directors and THDA Bond Finance Committee authorize a $200 million Issue 2022-2 under the Residential Housing Finance Program Bond Resolution as new money bonds to fund THDA's mortgage loan pipeline. The exact issue size will be evaluated closer to the bond sale date based on THDA's pipeline and interest rates at the time.
- Issue 2022-1 closed on April 26, 2022, and THDA has already fully obligated the proceeds to loans.
- Issue 2022-2, if authorized, is expected to be sold the week of May 23rd for a closing the week of June 20th.

Background

On April 26th, THDA closed Residential Finance Program Bonds, Issue 2022-1 (Non-AMT). All funds available for purchasing new loans have been obligated.

THDA has already begun to purchase mortgage loans using available THDA funds, expecting that such advances will be reimbursed with proceeds of Issue 2022-2. Based on current projections, staff expects THDA has sufficient available funds on hand to continue purchasing mortgage loans through the anticipated closing of Issue 2022-2, assuming a closing in mid- to late-June.

Given the large amount of unused 2019 carryforward private activity volume cap available, Issue 2022-2 is not expected to replace and refund prior bonds in order to preserve private activity volume cap. No economic refunding component is proposed.

Proposed Sizing and Structure

Authorizing a bond issue of not to exceed $200 million is expected to allow THDA to continue purchasing mortgage loans into August and perhaps beyond. The ultimate size of the issue will depend on mortgage loan demand until pricing, on interest rates, 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 2022-1, THDA has unused volume cap carried forward from 2019 totaling approximately $314.5 million that must be used by December 31, 2022. Including potential replacement refunding of nonAMT bonds, Issue 2022-2 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 2022-2 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 1.314%. $8.42 million of zero participation loans would be created to bring the issue down 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 0.11%. This results in an aggregate yield spread of 1.427%. $12.235 million of zero participation loans would be created to bring the issue down 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 0.09%. This results in an aggregate yield spread of 1.513%. $13.98 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 interest rates of 5.75% and 5.25%, respectively, for future Great Choice and Homeownership for the Brave loan originations. Each scenario also assumes THDA has an existing pipeline (at estimated pull-through rates) of approximately $21.9 million with an average loan rate of 3.40%. Year-to-date, both bond rates and loan 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.

Given the rapid rise in interest rates prior to pricing Issue 2022-1, it consumed $38.725 million of THDA's available zeros, leaving approximately $58.865 million in zeros that can be used to subsidize new bond issues, such as Issue 2022-2. 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 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 2022-2.

Issuing the Issue 2022-2 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:

<u>Retail Sales / In-State Selling Group</u> – 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.

<u>Market Volatility</u> – 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.

<u>Complexity and Credit</u> – 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 2022-2 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. 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 comanager 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 thirdparty 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 have risen quite quickly, and remain volatile. The Federal Reserve's tightening monetary policy, Russia's attacks on Ukraine, and the coronavirus pandemic have added uncertainty related to the pace of an economic recovery. Higher-than-forecast inflation and supplychain bottlenecks have raised expectations of higher interest rates, eroding support for municipal bonds and driving competitive mortgage rates sharply higher.

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 2022-2, with a par amount not to exceed $200 million;
• Delegate to the Authorizing Officer authority to:
    o Establish the principal amount of Issue 2022-2;
    o Establish the structure, sub-series and pricing schedule of Issue 2022-2; and
    o Approve fixed-rate serial and term bonds in any combination with maturities no longer than 32 years;
• Based on current market conditions and for the reasons described above, authorize Issue 2022-2 via a negotiated sale; and
• Delegate the selection of the book-running senior manager and elevated selling group member for Issue 2022-2 to the Authorizing Officer once the underwriter team has been selected.

EXHIBIT A:
PRELIMINARY STRUCTURING ANALYSIS

EXHIBIT A: STRUCTURING SCENARIOS

Tennessee Housing Development Agency Issue 2022-2
Prepared by CSG Advisors 5/9/22

		1		2		3	
Key Structuring Variables		***No PAC***		***PAC Throughout Maturity Schedule***		***PAC Fully Backloaded***	
Great Choice Loan Rate							
Pipeline at Est. Pull-Through	21,900,000	5.40%		5.40%		5.40%	
Future Loans		5.75%		5.75%		5.75%	
Including PAC Bonds		No		Yes		Yes	
PAC Bond Maturity Years		N/A		2023 - 2053		2048 - 2053	
Bond Series and Amounts							
New Money	Non-AMT	200,000,000		200,000,000		200,000,000	
Bond Structure (at full yield spread)							
Non-AMT	Coupon / Yield						
Serials	2.100% - 4.050%	51,170,000	*26%*	36,070,000	*18%*	51,170,000	*26%*
7/1/2037 Term	4.125%	16,840,000	*8%*	11,870,000	*6%*	16,840,000	*8%*
7/1/2042 Term	4.350%	33,265,000	*17%*	23,435,000	*12%*	33,265,000	*17%*
1/1/2048 Term	4.450%	41,335,000	*21%*	30,770,000	*15%*	46,180,000	*23%*
7/1/2052 Term	4.500%	57,390,000	*29%*	34,695,000	*17%*	-	*0%*
1/1/2053 PAC Term	4.50% / 3.70%	-	*0%*	63,160,000	*32%*	52,545,000	*26%*
Total		200,000,000	*100%*	200,000,000	*100%*	200,000,000	*100%*
Yields If No Loan Participations In or Out							
Mortgage Yield		5.612%		5.612%		5.612%	
Bond Yield		4.299%		4.185%		4.099%	
Yield Spread		1.314%		1.427%		1.513%	
Future GC Loan Rate to Achieve 1.125% Spread		5.54%		5.40%		5.34%	
Loan Particip. to Achieve 1.125% Yield Spread							
0% Loans (Consumed) from Past Issues		(36,010,000)		(36,010,000)		(36,010,000)	
0% Loans Created from 2022-2		44,430,000		48,245,000		49,990,000	
Net Zero Percent Loans (Consumed) / Created		8,420,000		12,235,000		13,980,000	

New Volume Cap Needed			
2022-2 (Non-AMT)	200,000,000	200,000,000	200,000,000
Plus PAC Premium	-	2,460,714	2,050,306
Total	200,000,000	202,460,714	202,050,306 2
Added Ratings Stress from Backloaded PAC	Not applicable	Not applicable	1,500,000

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TENNESSEE HOUSING DEVELOPMENT
AGENCY AUTHORIZING THE ISSUANCE AND SALE OF
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE
2022-2 May 24, 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 May 24, 2022, approved a plan of financing for Residential Finance Program Bonds, Issue 2022-2 (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 13-23103(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 has distributed 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 2022-2" (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 May 24, 2022.

TENNESSEE HOUSING DEVELOPMENT AGENCY
PLAN OF FINANCING
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE
2022-2 May 24, 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 2022-2 (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 <u>OF PROCEEDS:</u>

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 (ii) 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 <u>TERMS OF SALE:</u>

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

<u>MATURITIES:</u>

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.

<u>BOND INTEREST RATES:</u>

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.

<u>REDEMPTION TERMS:</u>

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 2022-2 Program Loans may be as low as 60 basis points.

TENNESSEE HOUSING DEVELOPMENT AGENCY

A Supplemental Resolution

Authorizing the Sale of

Residential Finance Program Bonds

$[200,000,000] Issue 2022-2 (Non-AMT)

Adopted May 24, 2022
as approved in its amended and supplemented
form by the Designated Authorized Officer
on [______], 2022

ARTICLE I DEFINITIONS AND
AUTHORITY

ARTICLE II

TERMS AND ISSUANCE

ARTICLE III

SALE AND DELIVERY

ARTICLE IV

DISPOSITION OF PROCEEDS AND OTHER MONEYS

ARTICLE V FORM OF BONDS,
AND TRUSTEE'S CERTIFICATE
OF AUTHENTICATION

ARTICLE VI

MISCELLANEOUS

A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF

RESIDENTIAL FINANCE PROGRAM BONDS $[200,000,000] ISSUE 2022-2 (Non-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 2022-2 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 2022-2 Bonds 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 2022-2 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 J.P. Morgan Securities LLC, Wells Fargo Bank, National Association and Robert W. Baird & Co. Incorporated.

"*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 2022-2 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 2022-2 Bonds 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 2022-2 Bonds.

"*Issue 2022-2 Bonds*" means the Issue 2022-2 Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

"*Issue Date*" means the date on which the Issue 2022-2 Bonds are issued by THDA and delivered to the Underwriters, expected to occur on [____], 2022.

"*Lockout Serial Bonds*" means the Serial Bonds maturing [_____], [_____], [_____], [_____], [______], and [_____].

"*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 2022-2 Bonds.

"PAC Bonds" means the Issue 2022-2 Bonds in the aggregate principal amount of $[______] maturing [_______].

"*PAC Bonds Planned Amortization Amount*" means the cumulative amount of PAC Bonds expected to be redeemed upon the receipt of Excess 2022-2 Principal Payments at a rate equal to 100% PSA, as set forth in Exhibit B hereto.

"*Preliminary Official Statement*" means the Preliminary Official Statement dated May [16], 2022 used in connection with the offering of the Issue 2022-2 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).

"*Resolution*" means this Supplemental Resolution adopted by THDA on May 24, 2022, as approved in its amended and supplemented form by the Designated Authorized Officer on [________], 2022.

"*Serial Bonds*" means the Issue 2022-2 Bonds which are not Term Bonds.

"*Term Bonds*" means, collectively, the Issue 2022-2 Bonds maturing [_____], [_____], [_____], [_____], and [_____].

"*Underwriters*" means, collectively, RBC Capital Markets, LLC, Citigroup Global Markets Inc., Raymond James & Associates, Inc., and their respective successors and assigns, and the Co-Managers as purchasers of the Issue 2022-2 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 new Program Loans, and, without duplication, Program Securities, and the phrase "Program Loans allocable to the Issue 2022-2 Bonds" shall include any new Program Loans and Program Securities acquired with proceeds of the Issue 2022-2 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 2022-2 are hereby authorized to be issued in the aggregate principal amount of $[200,000,000]. In addition to the title "Residential Finance Program Bond," the Issue 2022-2 Bonds will bear the additional designation "Issue 2022-2 (Non-AMT)". The Issue 2022-2 Bonds shall be issued only in fully registered form. The Issue 2022-2 Bonds will consist of $[_______] principal amount of Serial Bonds and $[_______] principal amount of Term Bonds.

Section 2.02. Purposes. The Issue 2022-2 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 2022-2 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 2022-2 Bonds.

The proceeds of the Issue 2022-2 Bonds shall be applied in accordance with Article IV hereof.

Section 2.03. Amounts, Maturities, and Interest Rates.

(a) The Issue 2022-2 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 [January 1, 2023], at the rate set opposite such date in the following tables:

Issue 2022-2 Bonds

<u>Serial Bonds</u>

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate

Term Bonds

Maturity Date	Principal Amount	Interest Rate

(b) Whenever the due date for payment of interest on or principal of the Issue 2022-2 Bonds or the date fixed for redemption of any Issue 2022-2 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 2022-2 Bonds 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 2022-2 Bonds maturing in such year. The Issue 2022-2 Bonds are to be lettered "R-1," and numbered separately from 1 consecutively upwards.

(b) The Issue 2022-2 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Only one Issue 2022-2 Bond will be outstanding for each maturity and interest rate of the Issue 2022-2 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 2022-2 Bonds will be made in book-entry form only in authorized denominations set forth in Section 2.04(a). Beneficial owners of the Issue 2022-2 Bonds will not receive certificates representing their interest in the Issue 2022-2 Bonds. So long as Cede & Co. shall be the registered owner of the Issue 2022-2 Bonds, THDA will deem and treat Cede & Co. as the sole and exclusive owner of the Issue 2022-2 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 2022-2 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 2022-2 Bonds shall be executed by the manual or facsimile signature of the Chairperson or Vice Chairperson and the seal of THDA or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Issue 2022-2 Bonds and attested by the manual or facsimile signature of the Executive Director or Secretary of THDA. The Issue 2022-2 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 2022-2 Bonds upon instructions from THDA to that effect.

Section 2.07. Place of Payment; Record Date. While the Issue 2022-2 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 2022-2 Bonds shall be made in accordance with the procedures of DTC. In the event the Issue 2022-2 Bonds are no longer held in book-entry only form, the principal and Redemption Price of all Issue 2022-2 Bonds shall be payable at the designated corporate trust office of the Trustee. Interest on the Issue 2022-2 Bonds will be paid by check mailed by the Trustee to the registered owner thereof. Any registered owner of the Issue 2022-2 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 20222 Bonds shall be the 15th day of the month next preceding an Interest Payment Date.

Section 2.08. Sinking Fund Redemption Provisions of the Issue 2022-2 Bonds.

(a) The Issue 2022-2 Bonds that are Term Bonds are subject to redemption in part by lot on the dates set forth below for such maturity of Issue 2022-2 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 2022-2 Term Bonds due [______]

Amount Date Due

*Maturity

Issue 2022-2 Term Bonds due [_______]

Amount Date Due

*Maturity

Issue 2022-2 Term Bonds due [_______]

Amount Date Due

*Maturity

Issue 2022-2 Term Bonds due [______]

Maturity Date	Principal Amount	Maturity Date	Principal Amount

*Maturity

(b) Upon the purchase or redemption of Issue 2022-2 Bonds of any 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 2022-2 Bonds of such maturity will be credited by an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Issue 2022-2 Bonds of such maturity to be purchased or redeemed bears to the total amount of all Sinking Fund Payments for such maturity of Issue 2022-2 Bonds, unless otherwise directed by THDA in accordance with the General Resolution.

Section 2.09. Optional Redemption. The Issue 2022-2 Bonds maturing on and after [January 1, 2032], 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 [July 1, 2031] (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.

Section 2.10. Special Optional Redemption of the Issue 2022-2 Bonds. The Issue 20222 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 2022-2 Bonds not expected to be applied to the financing of Program Loans, (ii) repayments and prepayments of Program Loans allocated to the Issue 2022-2 Bonds not otherwise required to be applied to the special mandatory redemption of the Issue 2022-2 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 2022-2 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 (1) the Lockout Serial Bonds (A) are only subject to redemption as described in clause (i) above to the extent no other Issue 2022-2 Bonds remain Outstanding, (B) are only subject to redemption as described in clause (ii) above to the extent no other Issue 2022-2 Bonds remain Outstanding and such redemption is otherwise required by the Code, and (C) shall not be subject to redemption as described in clauses (iii), (iv) and (v) above, and (2) the PAC Bonds are subject to redemption as described in clause (i) above, but (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 PAC Bonds 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 2022-2 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 2022-2 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 2022-2 Bonds (other than the Lockout Serial 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 of Issue 2022-2 Bonds.

(a) ***Unexpended Proceeds.*** The Issue 2022-2 Bonds other than the Lockout Serial Bonds (unless no other Issue 2022-2 Bonds remain Outstanding) are subject to mandatory redemption on [_____], 2023 in the event and to the extent that there are unexpended proceeds of the Issue 2022-2 Bonds on deposit in the Issue 2022-2 Subaccount of the Loan Fund on [_____], 2023; 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 4.02 hereof.

Notwithstanding any extension of the redemption date described above, in order to satisfy requirements of the Code, the Issue 2022-2 Bonds are subject to mandatory redemption on [______], 2025, to the extent any amounts remain on deposit in the Issue 2022-2 Subaccount of the Loan Fund on [______], 2025.

The redemption price of the Issue 2022-2 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 and the Lockout Serial Bonds shall be the initial issue price thereof (par plus initial issue premium) plus accrued interest to the redemption date. The Issue 2022-2 Bonds to be redeemed shall be selected by THDA in its sole discretion (subject to the limitations provided in this Resolution); provided, however, that the PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2022-2 Bonds then Outstanding (excluding the Lockout Serial Bonds).

(b) ***Excess 2022-2 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 2022-2 Principal Payments. Any Excess 2022-2 Principal Payments so deposited in the Redemption Account shall be applied to the redemption of PAC Bonds on any Interest Payment Date commencing [January 1, 2023]; provided, however, 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 2022-2 Principal Payments shall be used as follows:

FIRST, if principal prepayments on the Program Loans allocable to the Issue 20222 Bonds are equal to or less than the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2022-2 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 2022-2 Bonds are in excess of the 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2022-2 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 2022-2 Principal Payments which is in excess of the 400% PSA Prepayment Amount, 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 2022-2 Bonds then Outstanding (other than the Lockout Serial Bonds).

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 2022-2 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 2022-2 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, financed with proceeds of the Issue 2022-2 Bonds received more than ten years after the Issue Date of the Issue 2022-2 Bonds shall be applied to redeem the Issue 2022-2 Bonds (other than the Lockout Serial Bonds unless no other Issue 2022-2 Bonds remain Outstanding) on or before the next Interest Payment Date with respect to the Issue 2022-2 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 2022-2 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 2022-2 Bonds to be redeemed shall be selected by THDA in its sole discretion (subject to the limitations provided in this Resolution); 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 2022-2 Bonds (other than the Lockout Serial Bonds) Outstanding.

Section 2.12. Selection by Lot. If less than all of the Issue 2022-2 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 2022-2 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 Chairperson, Secretary or Assistant Secretary of the Bond Finance Committee and the Executive Director of THDA are hereby authorized to execute the Bond Purchase Agreement. The Board of Directors of THDA hereby authorizes the Designated Authorized Officer to approve the purchase price of the Issue 2022-2 Bonds and to execute the Bond Purchase Agreement.

(b) The Secretary of the Bond Finance Committee of THDA is hereby authorized to make public and to authorize distribution of the Official Statement relating to the Issue 2022-2 Bonds in substantially the form presented to THDA with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Chairperson, Vice Chairperson, Executive Director and Secretary of the Bond Finance Committee are hereby authorized to sign and deliver such Official Statement to the Underwriters. The distribution of the Preliminary Official Statement relating to the Issue 2022-2 Bonds to the public is hereby ratified and confirmed.

(c) The Issue 2022-2 Bonds shall be delivered to the Underwriters in accordance with the terms of the Bond Purchase Agreement and this 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 2022-2 Bonds, THDA shall deposit such proceeds, together with any contribution from THDA of available THDA funds, in the principal amount of $[200,000,000], in the Issue 2022-2 Bond Subaccount of the Loan Fund. Amounts on deposit in the Issue 2022-2 Bond Subaccount of the Loan Fund shall be applied to (i) the financing of Program Loans, 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 2022-2 Subaccount of the Loan Fund shall be withdrawn therefrom and applied to the mandatory redemption of the Issue 2022-2 Bonds pursuant to Section 2.11(a) hereof, as set forth in the certificate of THDA delivered on or prior to the date of issuance of the Issue 2022-2 Bonds. 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 2022-2 Bonds from the income of the owners thereof for federal income tax purposes. The amount of funds on deposit in the Issue 2022-2 Bond Subaccount of the Loan Fund to be used to pay Costs of Issuance with respect to the Issue 2022-2 Bonds shall not exceed 2% of the proceeds of the Issue 2022-2 Bonds.

THDA hereby covenants that an amount equal to twenty percent (20%) of the funds deposited in the Issue 2022-2 Subaccount of the Loan Fund allocable to the new money proceeds of the Issue 2022-2 Bonds which are to be used to finance Program Loans (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 2022-2 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 2022-2 Bonds plus the amount on deposit in the Issue 2022-2 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 which, together with any excess amounts on deposit in the Bond Reserve Fund, shall satisfy the Bond Reserve Requirement.

Section 4.02. Proceeds of Issue 2022-2 Bonds. Proceeds of the Issue 2022-2 Bonds, together with any contribution from THDA of available THDA funds, initially shall be deposited in the Issue 2022-2 Bond Subaccount of the Loan Fund.

Section 4.03. Program Loan Determinations. No Program Loan shall be financed with proceeds of the Issue 2022-2 Bonds 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 2022-2 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 2022-2 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 2022-2 (Non-AMT) of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor 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 2022-2 Bonds or for any claim based thereon or on this Resolution against any member of THDA or any person executing the Issue 2022-2 Bonds and neither the members of THDA nor any person executing the Issue 2022-2 Bonds may be liable personally on the Issue 2022-2 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 2022-2 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 2022-2 Bonds. The Issue 2022-2 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 2022-2 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 Chairperson, Vice Chairperson, 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 2022-2 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 2022-2 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 2022-2 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 2022-2 Bonds, or other material events affecting the tax status of the Issue 2022-2 Bonds;

(vii) modifications to rights of the holders of the Issue 2022-2 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 2022-2 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 2022-2 Bonds or defeasance of any Issue 2022-2 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 2022-2 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 2022-2 Bonds whether or not the Rule applies to such Issue 2022-2 Bonds.

(f) THDA may amend this Resolution with respect to the above agreements, without the consent of the beneficial owners of the Issue 2022-2 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 2022-2 Bonds or (B) the holders of the Issue 2022-2 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 20222 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 2022-2 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 2022-2 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 2022-2 Bonds are herein established subject to confirmation by the Designated Authorized Officer upon the sale of the Issue 2022-2 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 20222 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	Planned Amortization Amount

400% PSA PREPAYMENT AMOUNTS
FOR ISSUE 2022-2 BONDS

EXHIBIT C

FORM OF BOND

REGISTERED

R-1-____ **$_________**

TENNESSEE HOUSING DEVELOPMENT AGENCY RESIDENTIAL FINANCE PROGRAM BOND ISSUE 2022-2 (Non-AMT)

Interest Rate	Dated Date	Maturity Date	Cusip
___%	_______, 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 [January 1, 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 2022-2" (herein called the "Bonds") issued in the aggregate principal amount of $[200,000,000] under the General Resolution, a resolution of THDA adopted on May 24, 2022, as approved in its amended and supplemented form by the Designated Authorized Officer on [________], 2022 (together 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 successor trustee to U.S. Bank National Association 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 series 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 Vice 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 ______________________________________
Matt McGauley 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 2022-2 (Non-AMT) of the Tennessee Housing Development Agency.

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

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TENNESSEE HOUSING DEVELOPMENT
AGENCY
AUTHORIZING REIMBURSMENT OF THDA
FROM PROCEEDS OF ISSUE 2022-2
May 24, 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 2022-2, 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.

TO: THDA Board of Directors
FROM: Bruce Balcom, Chief Legal Counsel
SUBJECT: Schedule of Financing for Fiscal Year 2022-2023
DATE: May 9, 2022

Recommendation

The attached Schedule of Financing is THDA's best estimate with respect to the financings for fiscal year 2022-23.

Both the Bond Finance Committee and the Board are asked to review and approve this Schedule of Financing. Assuming such approval occurs, the Schedule will be forwarded to the State Funding Board for their consideration.

Background

The attached Schedule of Financing is required by Tennessee Code Annotated Section 13-23-120(e)(1). The statutory language directs THDA to submit a Schedule of Financing to the State Funding Board showing the financings THDA proposes during the fiscal year. While the preparation of a Schedule of Financing is required, THDA is not required to carry out its financings precisely as shown on the attached Schedule.

TENNESSEE HOUSING DEVELOPMENT AGENCY

SCHEDULE OF FINANCING FISCAL YEAR 2022-2023

SUMMARY

The Tennessee Housing Development Agency ("THDA") is required, under Tennessee Code Annotated Section 13-23-120(e)(1), to submit a schedule to the State Funding Board showing financings proposed for the fiscal year. The proposed schedule for fiscal year 2021-2022 is attached.

Total amount of bonds or notes reflected on Schedule of Financing for Fiscal Year 2022-2023:	$464,000,000

TENNESSEE HOUSING DEVELOPMENT AGENCY

SCHEDULE OF FINANCING
FISCAL YEAR 2021-2022

ISSUE 2022-3 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP
2022

Sources of Funds

Proceeds of the Issue $ 164,000,000

Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds $ 164,000,000

Bond Reserve Funds)
Underwriting Fee/Bond Discount) $ THDA contribution, or no more than 1% of
Capitalized Interest) bond proceeds, or a combination thereof Cost of Issuance)

ISSUE 2023-1 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP/REFUNDING
February 2023

Sources of Funds

Proceeds of the Issue $ 150,000,000

Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds $ 150,000,000

Bond Reserve Funds)
Underwriting Fee/Bond Discount) $ THDA contribution, or no more than 1% of
Capitalized Interest) bond proceeds, or a combination thereof Cost of Issuance)

ISSUE 2023-2 - RESIDENTIAL FINANCE BONDS –NEW VOLUME CAP
June 2023

Sources of Funds		
Proceeds of the Issue		$ 150,000,000
Uses of Funds		
To Purchase Mortgage Loans or Refund Outstanding Bonds		$ 150,000,000
Bond Reserve Funds	)	
Underwriting Fee/Bond Discount	)	$ THDA contribution, or no more than 1% of bond proceeds, or a combination thereof
Capitalized Interest	)	
Cost of Issuance	)	

Single Family Bonds Sold in FY 2021-2022

	$ 99,990,000	Issue 2021-2 Residential Finance Program Bonds, Dated August 24, 2021
	$ 170,000,000	Issue 2021-3 Residential Finance Program Bonds, Dated November 17, 2021
	$ 200,000,000	Issue 2022-1 Residential Finance Program Bonds, Dated March 22, 2022
	$ 150,000,000	Issue 2022-2 Residential Finance Program Bonds Dated May 24, 2022
TOTAL	$619,990,000	
Multifamily Bonds Sold in FY 2021-2022	$ 0	
Volume Cap Used by Local Issuers For Multi-Family Housing in 2021	$ 539,812,124	From THDA's 2021 Volume Cap Allocation
Volume Cap Available to Local Issuers For Multi-Family Housing in 2022	$ 345,600,000	From THDA's 2022 Volume Cap Allocation

ASSUMPTIONS

1. A bond issue may include any structure authorized by the Board and approved by the Bond Finance Committee, including, without limitation, convertible option bonds, short term notes, variable rate debt, taxable debt, planned amortization class bonds.

2. Dates of bond issues are based on estimated absorption of available funds and expected need for additional funds for three to four months, subject to the actual rate at which mortgage loans are currently being purchased.

3. THDA anticipates taking the maximum spread allowed under federal law for each bond issue, which is 112 basis points. The maximum spread could, however, be reduced based on program requirements at the time of sale. Interest rates for THDA loans could be further subsidized.

4. THDA anticipates future bonds will be issued under the 2013 General Resolution to continue to reduce the moral obligation of the state for THDA bonds.

5. The volume cap assumption is that 50% of the annual total tax-exempt bond authority amount available in Tennessee is made available to THDA at the beginning of each calendar year. This is the allocation to THDA for all tax-exempt housing bond issuance in the state in the current Department of Economic and Community Development plan. For bond issues in calendar year 2021, volume cap carried forward from 2018 will be used. For bond issues in calendar year 2022, volume cap THDA carried forward from 2019 will be used. Unused 2018 volume cap, if any, will be made available for the THDA Mortgage Credit Certificate Program by making the required elections on or before December 31, 2021.

6. A THDA contribution may be made with each bond issue as needed to over-collateralize the bond issue for the benefit of THDA borrowers, to fund required reserves, to pay cost of issuance and to ensure that the maximum amount of bond proceeds is used to fund mortgage loans. The amount and source of the THDA contribution is determined at the time it is needed. The amount of the contribution, if needed, is based on the structure of the bond issues, an analysis of debt service requirements of the general resolution under which the bonds are issued, the fee paid to underwriters and an estimate of other costs of issuance expected to be incurred. The source of such THDA contribution is assets available for such purpose under the 2013 General Resolution, 1985 General Resolution or the 2009 General Resolution.

TO:	THDA Board of Directors
	THDA Bond Finance Committee
FROM:	Trent Ridley, Chief Financial Officer
	Bruce Balcom Chief Legal Counsel
	Lindsay Hall, Chief Operating Officer for Single Family Programs
SUBJECT:	Proposed Procurement - Additional Line Of Credit
DATE:	May 9, 2022

RECOMMENDATION:

THDA staff is requesting Committee & Board authorization to competitively procure an additional Warehouse Line of Credit (LOC) not to exceed $75 million. Specifically,

- Authorize THDA staff to competitively procure a second line of credit not to exceed $75 million
- Delegate the approval of such procurement and provider selection to Bond Finance Committee.

KEY POINT:

With the Board's approval, THDA expects to have this second LOC in place by January 2023. THDA implemented an MBS execution strategy to not only provide a conventional loan product in the market but also as a means of effectively managing debt, rating agency debt ratio requirements, and volume cap resources.

BACKGROUND:

Justification for a secondary LOC is as follows:

Enterprise Risk Management – As THDA moves into Ginnie Mae MBS executions, it is expected that 75% to 80% or more of loan production will flow through this execution type, and the resulting MBSs either sold in the market or held as assets on THDA's books through the Mortgage Revenue Bond program. From a risk mitigation standpoint, Capital Markets staff identified the need to have redundancy from a LOC perspective to ensure loan production can continue should one LOC become unavailable. While neither Freddie Mac nor Ginnie Mae require two lines of credit, it is encouraged from a redundancy standpoint.

Fannie Mae Requirement– Once Ginnie Mae MBS executions are firmly in place, staff expects to submit a Fannie Mae Seller/Servicer application, which should add to THDA's flexibility in serving more Tennesseans. Among other things, one of Fannie Mae's requirements is to have at least two LOCs in place.

Additional Program Flexibility – Currently the secondary market program is limited to borrowers with incomes less than 80% of (AMI) area median income, while the MRB program serves borrowers up to 140% of AMI. For borrowers between 81% and 140% AMI, Fannie Mae offers more favorable pricing than Freddie Mac. The addition of a Fannie Mae alternative could provide Fannie Mae lenders with a conventional loan alternative and help THDA reach more borrowers in the affordable income ranges, which increases secondary market production.

Lending Committee

Lending Committee Meeting Agenda

Tuesday, May 24 2022 at 1005 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

A. Approval of Minutes from January 25, 2022 meeting

B. Action Items

1. Income Limits change
2. Ginnie Mae form 11702 signature verification and authority

Committee Members:
Chrissi Rhea (Chair)
Commissioner Butch Eley
Erin Merrick
Rick Neal
Todd Skelton

TENNESSEE HOUSING DEVELOPMENT AGENCY
LENDING COMMITTEE MEETING MINUTES
January 25, 2022

Pursuant to the call of the Chairman, the Lending Committee (the "Committee") of the Tennessee Housing Development Agency ("THDA") Board of Directors (the "Board") met in regular session on Tuesday, January 25, 2022, at 10:10 a.m., in the Nashville room of the William R. Snodgrass Tennessee Tower Building.

The following Committee members were present: Chrissi Rhea (Chair), Erin Merrick, and Mathew McGauley (Board Chair). Also, other Board Members present were: John Snodderly, Austin McMullen, Katie Armstrong (for Comptroller Mumpower), Kevin Bradley (for Treasurer Lillard), and Secretary Tre Hargett.

Chair Rhea called the Committee meeting to order and Lindsay Hall, THDA Single Family Chief Operations Officer (COO), presented on the Housing Cost Index for 2022 as outlined in the memo from Dr. Hulya Arik and Dr. Dhathri Chunduru dated January 20, 2022. Ms. Hall explained the materials in the package and the calculations that led to an increase in the housing cost index for 2022 to 31.44 percent, which is an increase from the previous year's index of 28.30 percent.

Chair Rhea called for consideration of the minutes from the July 27, 2021. A joint motion by Chair Rhea, with a second by Ms. Merrick, and with all Committee members identified as present voting yes, to approve the previous meeting minutes and the Housing Cost Index for 2022, were approved by Chair Rhea, with a second by Ms. Merrick, and with all Committee members identified as present voting yes, THDA's request to approve the July 27, 2021 minutes and the Housing Cost Index for 2022 was approved.

Chair Rhea called on Lindsay Hall, THDA Single Family COO, to discuss her memo dated January 10 2022, to give an update on the Tennessee Homeowner Assistance Fund (HAF). On January 4, 2022, US Department of Treasury provided approval of THDA's HAF program plan called TNHAF. This approval allows THDA to open the program to all homeowners in Tennessee suffering from a COVID related hardship. On January 20, 2022 TNHAF program started accepting applications statewide with a robust start. As of January 25, 2022, 2,558 Tennesseans had registered for the program. The HAF funds were made available to mitigate financial hardships associated with the coronavirus pandemic to assist in preventing mortgage delinquencies, foreclosures, defaults and other related expenses. Tennessee's allocation was $168,239,035. As this was an update item, no motion was required.

Lindsay Hall, THDA Single Family Programs COO, then spoke before the Committee on the THDA Mortgage Process. This presentation went over THDA's role in the mortgage process. Ms. Hall shared that THDA received Ginnie Mae approval and is in the test rounds but anticipate that by third quarter THDA will be awarded full standings with Ginnie Mae. With the Ginnie Mae fully implemented the future goals and objectives for THDA are to utilize volume cap funds towards multifamily and keep being able to fund single-family deals.

There being no no further business, Chair Rhea adjourned the meeting at 10:28 a.m.

Respectfully submitted,

Ralph M. Perrey
Executive Director
Approved the 24th day of May 2022.

TO: THDA Board of Directors
FROM: Dr. Hulya Arik, Economist
SUBJECT: Single Family Mortgage Loan Program Income Limits, 2022
DATE: May 9, 2022

Recommendation:

Staff recommends the adoption of the "Proposed Calculation" method for increasing income limits, under the THDA single family mortgage loan program for all counties to be effective as of June 1, 2022.

As shown in the attached chart, this proposed methodology would yield higher income limits in all counties.

Background:

Determination of income limits for THDA's single family mortgage loan program requires two pieces of information:

- Area Gross Median Family Income (AGMFI), which is released by HUD

- Average Area Purchase Prices (AAPP), which is released by the IRS.

HUD released the FY22 AGMFI figures on April 18, 2022. Last year, Rev. Proc. 2021-19 provided permanent safe harbor guidance regarding safe harbor MRB income limit calculations stating that every year the single family MRB area median income will either be calculated with the current HUD publication of AGMFI numbers or the previous year's. Revenue Procedure 2022-21 updated AAPP and purchase prices for the MRB and Mortgage Credit Certificate programs nationwide. In prior years, we updated our income limits using either the most recent AGMFI with the recent AAPP or the previous year's AGMFI with the recent AAPP.

THDA staff calculated the 2022 income limits based on the 2021 AGMFI and 2021 AAPP (Method 1) and on 2022 AGMFI and 2022 AAPP (Proposed). Staff then compared the resulting limits with the current limits. The column in the attached chart titled, "Proposed" yields higher income limits in all counties while Method 1 results in 10 counties with declining limits, 11 counties with minor increases and no change in 74 counties. The “Proposed” 2022 Income Limits create the best opportunity to increase income limits across the state.

These calculations were reviewed by THDA bond counsel, Kutak Rock.

Possible Income Limits for 2022

	Current		2021 AGMFI and 2022 AAPP (Method 1)		2022 AGMFI and 2022 AAPP (Proposed)		Difference (Method 1-Current)		Difference (Proposed-Current)	
County	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**
Anderson	$73,900	$84,985	$73,000	$83,950	$81,600	$93,840	-$900	-$1,035	$7,700	$8,855
Bedford	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Benton	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Bledsoe	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Blount	$73,900	$84,985	$73,000	$83,950	$81,600	$93,840	-$900	-$1,035	$7,700	$8,855
Bradley	$70,080	$81,760	$70,080	$81,760	$78,360	$91,420	$0	$0	$8,280	$9,660
Campbell	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Cannon	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Carroll	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Carter	$71,389	$82,097	$72,146	$82,968	$80,880	$93,576	$757	$871	$9,491	$11,479
Cheatham	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Chester	$70,949	$81,591	$71,706	$82,462	$77,800	$90,580	$757	$871	$6,851	$8,989
Claiborne	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Clay	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Cocke	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Coffee	$71,049	$81,706	$71,806	$82,577	$81,110	$93,277	$757	$871	$10,061	$11,571
Crockett	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Cumberland	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Davidson	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Decatur	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
DeKalb	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Dickson	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Dyer	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Fayette	$82,440	$96,180	$82,440	$96,180	$93,360	$108,920	$0	$0	$10,920	$12,740
Fentress	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Franklin	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Gibson	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Giles	$71,429	$82,143	$72,120	$83,014	$80,640	$93,622	$691	$871	$9,211	$11,479

	Current		2021 AGMFI and 2022 AAPP (Method 1)		2022 AGMFI and 2022 AAPP (Proposed)		Difference (Method 1-Current)		Difference (Proposed-Current)	
County	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**
Grainger	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Greene	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Grundy	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Hamblen	$69,720	$81,340	$69,720	$81,340	$78,000	$91,000	$0	$0	$8,280	$9,660
Hamilton	$72,600	$83,490	$71,300	$81,995	$79,810	$91,782	-$1,300	-$1,495	$7,210	$8,292
Hancock	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Hardeman	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Hardin	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Hawkins	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Haywood	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Henderson	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Henry	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Hickman	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Houston	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Humphreys	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Jackson	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Jefferson	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Johnson	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Knox	$73,900	$84,985	$73,000	$83,950	$81,600	$93,840	-$900	-$1,035	$7,700	$8,855
Lake	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Lauderdale	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Lawrence	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Lewis	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Lincoln	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Loudon	$73,900	$84,985	$73,000	$83,950	$81,600	$93,840	-$900	-$1,035	$7,700	$8,855
Macon	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Madison	$70,949	$81,591	$71,706	$82,462	$77,800	$90,580	$757	$871	$6,851	$8,989
Marion	$72,600	$83,490	$71,300	$81,995	$79,810	$91,782	-$1,300	-$1,495	$7,210	$8,292
Marshall	$70,920	$82,373	$70,920	$82,740	$79,320	$92,540	$0	$367	$8,400	$10,167
Maury	$83,760	$97,720	$79,680	$92,960	$89,040	$103,880	-$4,080	-$4,760	$5,280	$6,160

	Current		2021 AGMFI and 2022 AAPP (Method 1)		2022 AGMFI and 2022 AAPP (Proposed)		Difference (Method 1-Current)		Difference (Proposed-Current)	
County	1-2 person	3+ person	1-2 person	3+ person	1-2 person	3+ person	1-2 person	3+ person	1-2 person	3+ person
McMinn	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
McNairy	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Meigs	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Monroe	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Montgomery	$70,769	$81,384	$71,526	$82,255	$80,750	$92,863	$757	$871	$9,981	$11,479
Moore	$69,949	$80,441	$70,706	$81,312	$79,750	$91,713	$757	$871	$9,801	$11,272
Morgan	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Obion	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Overton	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Perry	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Pickett	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Polk	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Putnam	$71,160	$82,327	$71,160	$83,020	$79,560	$92,820	$0	$693	$8,400	$10,493
Rhea	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Roane	$70,169	$80,694	$70,926	$81,565	$80,010	$92,012	$757	$871	$9,841	$11,318
Robertson	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Rutherford	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Scott	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Sequatchie	$72,600	$83,490	$71,300	$81,995	$79,810	$91,782	-$1,300	-$1,495	$7,210	$8,292
Sevier	$69,840	$80,899	$68,600	$78,960	$77,800	$89,470	-$1,240	-$1,939	$7,960	$8,571
Shelby	$69,709	$80,165	$70,466	$81,036	$79,490	$91,414	$757	$871	$9,781	$11,249
Smith	$70,560	$82,320	$70,560	$82,320	$78,840	$91,980	$0	$0	$8,280	$9,660
Stewart	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Sullivan	$71,520	$82,258	$71,520	$83,129	$79,920	$93,240	$0	$871	$8,400	$10,982
Sumner	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Tipton	$82,440	$96,180	$82,440	$96,180	$93,360	$108,920	$0	$0	$10,920	$12,740
Trousdale	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Unicoi	$71,389	$82,097	$72,146	$82,968	$80,880	$93,576	$757	$871	$9,491	$11,479
Union	$88,680	$103,460	$87,600	$102,200	$97,920	$114,240	-$1,080	-$1,260	$9,240	$10,780
Van Buren	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880

	Current		2021 AGMFI and 2022 AAPP (Method 1)		2022 AGMFI and 2022 AAPP (Proposed)		Difference (Method 1-Current)		Difference (Proposed-Current)	
County	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**	**1-2 person**	**3+ person**
Warren	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Washington	$71,389	$82,097	$72,146	$82,968	$80,880	$93,576	$757	$871	$9,491	$11,479
Wayne	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
Weakley	$68,600	$78,960	$68,600	$78,960	$77,800	$89,470	$0	$0	$9,200	$10,510
White	$82,320	$96,040	$82,320	$96,040	$93,360	$108,920	$0	$0	$11,040	$12,880
Williamson	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000
Wilson	$101,160	$118,020	$101,160	$118,020	$113,160	$132,020	$0	$0	$12,000	$14,000

TO: THDA Board of Directors
FROM: Steve Fisher, Director of Capital Markets
Lindsay Hall, Chief Operating Officer of Single Family Programs
SUBJECT: Ginnie Mae form 11702 signature verification and authority
DATE: May 6, 2022

Recommendation

In the effort to continue the second phase of the Ginnie Mae application, Staff requests permission by the Board to provide the following authorization as required by Ginnie Mae:

- A Resolution of an applicant's or issuer's Board of Directors authorizing:
  - the issuance of Ginnie Mae MBS and
  - the names and genuine signatures of individuals authorized to act on behalf of the applicant or issuer in connection with Ginnie Mae MBS as provided in the 11702 forms for both issuer numbers 4446 and 4447.

Key Points

The staff signatures and titles provided include all Directors in the Single Family Programs divisions, the COO of Single Family, the CFO, the CLO, the Director of Finance, the Capital Markets Advisor and the Senior Servicing Advisor. The date must be recorded when the Board approves the authorized signatories.

Grants Committee

Grants Committee Meeting Agenda

Tuesday, May 24 2022 at 1010 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

A. Approval of Minutes from January 25, 2022 meeting

B. Action Items

1. Emergency Repair Program Description Authorization
2. **REVISED** Challenge Grant Program Description Authorization
3. Rebuild and Recover Program Description Authorization
4. COVID- 19 Extensions for 2019 Grants Authorization
5. 2017 HOME Grant Extension – City of Gatlinburg

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

TENNESSEE HOUSING DEVEOPMENT AGENCY
GRANTS COMMITTEE MEETING MINUTES
January 25, 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, January 25, 2022, at 10:00 a.m. in the Nashville Room of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

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

Recognizing a quorum present, Chair McMullen called the Grants Committee meeting to order and asked for consideration of the November 16, 2021 meeting minutes. Upon motion by Mr. McMullen, second by Mr. Hargett, motion carried and the minutes were approved.

Chair McMullen recognized Cynthia Peraza, Director of Community Programs to present the 2018 HOME Grant Extension Requests. She referenced the 2018 HOME Extension Recommendation as outlined in the memo dated January 10, 2022 from herself and Don Watt, Chief Programs Officer. She noted staff is recommending a 6-month extension of the following 2018 HOME grants in order to complete rehabilitation work on the homes of specific units approved by THDA staff: City of Covington, City of Henning, Lake County, City of Mason, City of Tellico Plains, City of Trenton, and Wilson County. Grantees may not undertake rehabilitation work on any units that have not been approved by this extension by THDA staff. Additionally, staff recommends that Community Development Partners be prohibited from administering any grants for localities in the application to THDA for HOME funds during the 2022 HOME Urban/Rural application round. By offer of a motion by Mr. McMullen, second by Mr. Hargett, motion carried.

With no further business, the meeting was adjourned at 10:09 a.m.

Respectfully submitted,

Ralph M. Perrey
Executive Director
Approved the 24th day of May 2022

TO: THDA Board of Directors
FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer
SUBJECT: 2022-2023 Emergency Repair Program Description
DATE: May 5, 2022

Recommendation
Staff recommends the THDA Board take the following action:

- Adopt the attached 2022-2023 Emergency Repair Program Description to cover a 23-month program implementation through June 30, 2025;
- Authorize staff to make minor program changes and housekeeping changes to the programs, as deemed necessary by appropriate staff; and
- Authorize all appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes.

Key Points
The 2022-2023 Program Description is largely consistent with the previously approved 2021-2022 Program Description, with the exception of the updates made to the program implementation year throughout.

Additionally, the grant period start date was delayed by one month in order to prevent an overlap of the grant period with the existing ERP grant. As a result, the grant period was reduced by one month in order to bring future grant period end dates back in line with the state fiscal year.

Background
THDA provides funds annually to seven development districts and two human resource agencies to administer the Emergency Repair Program (ERP) within their service area in order to assist low-income homeowners who are senior citizens or have a disability.in completing emergency repairs on their units.

Emergency Repair Program
2023~~1~~ Program Description

Introduction

The Tennessee Housing Development Agency ("THDA") operates a state-wide Emergency Repair Program ("ERP") through the Tennessee Housing Trust Fund to provide grants to low income homeowners who are either elderly (60 years or older) or who have a disability in order to correct, repair, or replace an essential system and/or critical structural problem. The purpose of ERP is to stabilize the homeowner's residence by making essential repairs to make the home livable and enable the homeowner to maintain established supports within the community. ERP is not a comprehensive homeowner rehabilitation program.

ERP is administered through Tennessee's Development Districts or other agencies authorized to serve the counties within a Development District region to help ensure~~insure~~ that the program is available state-wide. ("Administering Agency").

Allocation of Funds

THDA will enter into a ~~two- year~~23-month contract, effective August 2, 2022, with each Administering Agency f~~f~~or the administration of ERP funds. An ("Initial Award") of funds will be allocated equally to each Administering Agency for ~~.~~the first twelve months of the contract period ("Initial Award Period").

During the Initial Award Period, ~~During the first year of the contract, the initial award of 20231 funds will be allocated equally to each Administering Agency for implementation during the first twelve months of the contract period.~~

~~Effective AugustJuly 1, 20221, THDA will make available funds from the 20232 allocation for implementation during the remaining twelve months. THDA will plan to allocate resources equally between each Administering Agency. However,~~ THDA will evaluate the performance of each Administering Agency ~~at this time~~ in its ~~program~~ administration of ERP ~~during the preceding year~~ based on the terms of the grant agreement, this program description, ~~-~~and the ERP Manual. If an Administering Agency has spent approximately 50% of its Initial Award, then such agency may be eligible for a subsequent award and possibly a bonus ("Additional Award"). However, if THDA, in its sole discretion, determines that an Administering Agency is low performing or the Administering Agency fails to spend approximately 50% of its Initial Award, the low performing

Administrative Agency may not be eligible for an Additional Award. ~~THDA, in its sole discretion, may opt to award a lower amount or reduce the funding allocation to a particular Administering Agency during the subsequent year. When such action is taken, the reduced amount may be redistributed to high performing Administering Agencies with need for the additional funds.~~

An Administering Agency is allowed to use up to ~~Each allocation will allow up to 1~~15% of any allocation for its ~~the~~ administrative costs ~~of the Administering Agency to~~in implementing ERP.

Program Requirements:

1. **Homeowner Eligibility:**

Applicants must meet all of the following requirements:

- The applicant must be at least 60 years of age or an individual with a disability.
- The applicant must occupy the property to be repaired as his/her principal residence.
- The applicant must reside in the home for at least 3 years prior to the application for assistance. THDA, at its sole discretion, may waive the 3-year requirement for repair requests involving accessibility.
- The applicant must have an ownership interest in the property to be repaired as defined in Property Eligibility below.
- The household income of the applicant must be at or below the greater of either 60% of Area Median Income for the county in which the applicant resides or 60% of the Statewide Median Income, as defined by the most current Income Limits for the HOME Investment Partnerships Program issued by the U.S. Department of Housing and Urban Development. The calculation and determination of household income must follow the guidelines provided in the Emergency Repair Program Manual.
- The applicant must be current in~~, or in a payment plan with the Tax Assessor's Office, for~~ the payment of local property taxes for the property to be assisted.
- The applicant must not have a delinquent mortgage or be in danger of foreclosure.
- The applicant must ~~have not foreclosed on a THDA mortgage loan.~~not have had a THDA mortgage that resulted in forclosure.

An applicant must be re-certified if more than six (6) months elapse between the date the application is signed and the date that the contract between the Administering Agency and the homeowner is signed to ensure that the client is still eligible.

The Administering Agency may establish additional program preferences of homeowner eligibility based on the needs and priorities of their local service area.

2. **Property Eligibility:**

The property must be an owner-occupied property in which title to the property and the home is in the form of fee simple ownership, a life estate, or a minimum 99-year leasehold interest, except for manufactured housing and homes on trust or tribal lands. In cases where manufactured homes are on leased property, such as a manufactured home park, the applicant must hold title to the manufactured home, but is not required to own the lot. Housing located on trust or tribal lands minimally must have a leasehold interest of 50 years.

The unit must be a single-family dwelling unit or other form of dwelling approved in advance by THDA. In cases where a building of more than one unit is assisted, no improvements may be made to common spaces or systems.

3. Hazard Insurance

If a claim for hazard insurance has been filed and/or received for similar repairs to an eligible property, documentation must be submitted to support the need for funds for additional repairs.

4. Subsidy Level:

The maximum amount of ERP funds awarded to an eligible homeowner for a given eligible property has a lifetime limit of $15,000. The funds provided are a grant to the homeowner and do not require a compliance period secured by a lien on the property.

5. Eligible Repairs:

ERP is intended to make repairs to an essential system so that the homeowner can continue to reside in the~~his/her~~ home. ERP does not require that the entire structure be brought into compliance with codes, but the work being done must be in compliance with local adopted codes, where applicable. If no local codes have been adopted for the type of work being done, the work must be performed in compliance with any applicable state codes. If permits are issued by a local jurisdiction for work to be performed, then the permits must be obtained and the work must be inspected by the local jurisdiction.

The following are approved repair activities and represent the type of repairs ERP is meant to address:

- Roofs
- Electrical systems
- Plumbing systems
- Septic systems
- Heating and air systems
- Structural repairs to floors or walls

- Bathroom modifications and ramps necessary for the homeowner with a physical disability to access and use the home for basic life functions.

The homeowner will help define the nature of the emergency repair. However, an initial inspection of the proposed work will be required to be completed by a qualified, independent, third-party inspector ~~of the work proposed is required~~ in order to create the work write-~~–~~up for the project. Upon completion of the project, a final inspection must also be conducted by a qualified, independent, third-party inspector. With the understanding that the purpose of ERP is not to gain code compliance for~~with~~ the entire structure, but to correct an immediate issue to an essential system for habitability, only those items that are repaired as part of the ERP funded project must receive a final inspection by a qualified inspector. The cost of both the initial and final inspection is an eligible soft cost for the project.

Contractors who perform ERP repairs for a given homeowner may not conduct initial inspections of the work to be conducted or final inspections of the work that has been completed. However, if the contractor is a volunteer service organization, that organization's staff is authorized to complete the initial inspection and work write-~~–~~up, but the project must still receive a final inspection by a qualified, independent, third-party inspector.

If the inspector is not an FHA-approved inspector or licensed as either a building codes or home inspector, the Administering Agency must obtain THDA's approval of the inspector's qualifications prior to authorizing the inspector to begin performing inspections on ERP projects.

In many instances, additional work will need to be completed to the house that cannot be addressed with ERP~~,~~ and there may not be a visible difference in the house once the emergency repairs have been completed. The Administering Agency must receive THDA approval to implement activities beyond those noted above.

When applicable, repair work should include measures to improve the energy efficiency of the home.

THDA reserves the right to deny assistance if it is determined that the repairs needed are beyond the scope of the Emergency Repair Program.

6. Ineligible Activities:

The following are ineligible activities associated with the ERP funded projects:

- The purchase or repair of appliances not permanently attached to the home, including refrigerators, dishwashers, washers, and dryers.
- Off-site infrastructure.
- Landscaping, except for the restoration of the site following an eligible activity or for health and safety reasons.

- Driveway repairs, except as part of an eligible accessibility activity for ingress/egress to the home
- Relocation costs of the homeowner.

7. Contractor Qualifications

The emergency repairs must be completed by a contractor licensed for the type of repair work being performed, when required by law. When a license is not required for the type and amount of work to be performed, the contractor must still be bonded. The Administering Agency will procure qualified contractors and provide the homeowner with a choice of qualified contractors. The Administering Agency will review the cost estimates with the homeowner. The contractor with the lowest bid~~or best bid~~ will~~shall~~ be selected to do the work.

Should the homeowner or the Administering Agency decide to select a bid other than the lowest bid, the Administering Agency must provide the reason/justification on behalf of the owner to THDA in writing before accepting the bid. If the justification is not acceptable to THDA, the Administering Agency or owner will be required to finance any costs in excess of the lowest bid from the Administering Agency's or homeowner's own resources.

8. EPA Renovate, Repair and Paint Rule (RRP)

The EPA's Renovate, Repair, and Paint Rule applies to any home proposed for assistance with ERP funds that was built prior to 1978, if the work to be performed will disturb more than six square feet of painted, varnished, or stained surfaces per interior room or more than twenty square feet of exterior painted, varnished, or stained surfaces. If the RRP Rule applies to a given project, the Administering Agency must ensure that the contractor selected is an EPA Lead Safe Certified Firm. The certified contractor is responsible for complying will all elements of the RRP Rule in order to protect the occupants of the home from lead-based paint hazards during repair.

9. Eligible Administrative Costs:

ERP funds may be used to pay administrative costs incurred by the Administering Agency in the performance of program activities, but may not exceed the amount of administrative funds allocated in THDA's agreement with the Administering Agency. Administrative funds may be used for the following activities and as further described in the ERP Manual:

a. General management, oversight, and coordination of the program, including travel costs incurred and billed at the State approved rate.
b. Public information, including the provision of information and other resources to residents and citizen organizations participating in the planning, implementation and assessment of projects assisted with ERP funds.
c. Indirect costs based on a cost allocation plan approved by the cognizant agency.

<u>Program Administration Requirements:</u>

1. Equal Opportunity:

No person shall on the grounds of race, color, religion, sex, familial status, national origin, or disability be excluded from participation, denied benefits or subjected to discrimination under this program.

2. Conflict of Interest:

Any person who is an employee, agent, consultant, officer or elected official or appointed official of THDA or the Administering Agency and who exercises or has exercised any functions or responsibilities with respect to activities assisted with ERP funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may not obtain a financial interest or financial benefit from an ERP assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to any ERP assisted activity, or the proceeds from such activity, either for themselves or those whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister) grandparent, grandchild, and in laws of a covered person.

Administering agencies must avoid conflict of interest and the appearance of a conflict of interest in administering ERP. Activities which raise the appearance of a conflict of interest must be presented to and reviewed by THDA prior to any actions by the Administering Agency. The Administering Agency may be required to repay any ERP funds used in a way that violates this provision.

3. Compliance with Emergency Repair Program Manual

Administering agencies will implement ERP in accordance with all policies and procedures outlined in the Emergency Repair Program Manual, including, but not limited to:

- Outreach to Beneficiaries
- Requests for Payment
- Appeals
- Accessibility of Location to Accept Applications
- Recordkeeping
- Random File Monitoring
- Reporting
- Marketing of Program Outcomes
- Grant Close-Out

Board Action:

The Tennessee Housing Development Agency Board of Directors authorized staff in that board meeting on May 24, 2022 to make minor program changes and housekeeping changes to the program, as deemed necessary by appropriate THDA staff or as directed by any federal agency, and for appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes. THDA may provide notice of changes by posting such changes to its web site at https://thda.org/help-for-homeowners/need-home-repairs/erp.

MEMORANDUM

TO: THDA Board of Directors

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

SUBJECT: 2023 THDA Challenge Grant Program Description REVISED

DATE: May 23, 2022

Recommendation

Staff recommends the THDA Board take the following action:

- Adopt the attached 2023 THDA Challenge Grant Program Description;
- Authorize staff to set-aside $500,000 from the Tennessee Housing Trust Fund allocation to cover a three-year program implementation through September 30, 2025;
- Authorize staff to make minor program changes and housekeeping changes to the programs, as deemed necessary by appropriate staff; and
- Authorize all appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes.

Staff will provide information to the Committee and Board regarding associated funding awards at the meeting that immediately follows the date of the awards.

Key Points

The 2023 Program Description is largely consistent with the previously approved 2020 Program Description, with the exception of the following changes:

- Updated program implementation dates as follow:
  - Application Information Release Date: On May 23, 2022;
  - Application Due Date: July 1, 2022 at 4:00 PM CDT
  - Award Announcement Date: By July 20, 2022
  - Contract Start Date: August 1, 2022
  - Contract End Date: July 30, 2025

Background

THDA created the Challenge Grant Program to help provide initial seed funding, and encourage the commitment of additional funds, to support the private fundraising efforts of nonprofit organizations across Tennessee to implement housing and related activities, that represent unique milestones, are part of a broad community initiative, or are part of a significant expansion of work outside the normal day-to-day activities of the organization. THDA requires the nonprofit to leverage cash in an amount equal to 300% of the value of the grant awarded and report its milestones periodically throughout the contract term.

TENNESSEE HOUSING TRUST FUND

THDA CHALLENGE GRANT PROGRAM

FY ~~2021~~2023 PROGRAM DESCRIPTION

The THDA Challenge Grant Program provides initial seed funding to support the private fundraising efforts of nonprofit organizations across Tennessee to implement housing and related activities that represent unique milestones, are part of a broad community initiative, or are part of a significant expansion of work outside the normal day-to-day activities of the organization. Selected proposals must generate cash leverage of at least 300% within nine months of THDA's commitment of Challenge Grant resources to the housing initiative.

A. ELIGIBLE APPLICANTS

To be eligible, an organization must meet all of the following:

- Be organized and existing under the laws of the State of Tennessee or organized and existing under the laws of another state, but authorized to do business in Tennessee;
- Must demonstrate at least two years of experience providing affordable housing or affordable housing-related services in the State of Tennessee;
- Have a 501(c)3 designation from the Internal Revenue Service; and
- Be compliant and in good ~~program~~ standing in all programs administered and/or funded by ~~with~~ THDA.

B. FUNDS AVAILABLE

THDA will determine in its sole discretion the funding amount to be made available annually for THDA Challenge Grants and, in any given year, may determine that funding will not be available. THDA has allocated $500,000 to this program for FY ~~2021~~2023; however, THDA reserves the right to~~-~~ not make any awards for FY ~~2021~~2023.

C. MAXIMUM GRANT

The maximum grant to be awarded is $500,000 and the minimum grant is $50,000.

~~THDA will determine, in its sole discretion, whether any THDA Challenge Grant will be awarded in any given year and may determine, in its sole discretion, to not award any Challenge Grant in any given year.~~

D. ELIGIBLE ACTIVITIES

The housing activity proposed must be outside of the normal business of the applicant and/or not part of an ongoing or existing project. The activity must represent a unique milestone or opportunity for the applicant and for Tennessee. The scope of the housing activity must demonstrate broad community support and result in a significant community or regional impact.

The housing activity must include or directly support one of the following broad goals:

- Significantly expand or preserve the supply of housing for sale to low and moderate income homebuyers, including new construction, reconstruction, and rehabilitation of housing.
- Significantly preserve and enhance the supply of existing owner-occupied units.
- Significantly expand or preserve the supply of rental housing for low and moderate income households, including new construction and rehabilitation of rental housing.
- Significantly reduce the number of individuals who are homeless or move a significant number of a more vulnerable population into housing.

Applications are more likely to be successful if the~~ir~~ application clearly demonstrates how the housing activity:

- Is part of a comprehensive community development initiative that integrates infrastructure improvements, neighborhood development or redevelopment, commercial development or the provision of services;

  OR
- Supports the implementation of a comprehensive community-wide initiative that delivers housing and related services to the homeless or other vulnerable populations.

A THDA Challenge Grant must~~shall~~ only be used for the implementation of the housing activity approved. Funds may be used for demolition that is undertaken as part of the approved housing activity.

E. PROHIBITED ACTIVITIES

No portion of a THDA Challenge Grant shall be used for the following activities or costs:

1. Administrative costs of the applicant or any other participant in the proposed project
2. Non-housing costs associated with the approved housing activity
3. Acquisition of land or housing
4. Rental assistance

F. LEVERAGE

The THDA Challenge Grant is designed to encourage the commitment of additional funds to support the proposed housing activity. THDA requires the nonprofit to leverage cash in an amount equal to 300% of the value of the THDA Challenge Grant provided for the proposed housing activity. The leveraged resources must be cash and be used for the approved housing activity. The applicant must present a fundraising plan to generate the cash leverage requirement.

In order to demonstrate broad community support for the proposed activity, all cash contributions eligible for leverage must be from third party, private entities with no expectation of repayment by the third party contributor. All cash must be secured through formal documentation provided within nine (9) months of THDA's commitment to the proposal. No THDA funds will be made available by THDA prior to THDA's receipt of formal, third party documentation demonstrating a binding commitment of resources and any associated terms. To be considered a "binding commitment", the documentation must demonstrate that the obligation to provide the resources cannot be broken and reasonable expectation of its receipt can be enforced under state law. The commitment also must demonstrate that receipt of the cash contribution will occur during the grant term. Fundraising and capital campaign pledges will not be considered toward meeting the leverage requirement. Commitment letters from corporations on company letterhead may be considered as formal documentation of a cash commitment from a third party entity. Pledges from individuals will not be considered toward meeting the leverage requirement.

The following additional resources will not be considered towards the leverage requirements for this program:

1. Administrative costs of the applicant or its partners in the initiative.
2. Other funds of the applicant that are currently on hand.
3. Project resources provided through any other programs administered by THDA.
4. Resources from any federal, state or local public entity or any quasi-public entity, such as the Federal Home Loan Bank.
5. Private equity generated from the sale of low income housing tax credits, new market tax credits, historic tax credits, or other similar federal or state tax credit financing mechanisms.
6. Donated materials, land or services.
7. In-kind services.
8. Funds invested in earlier phases of a project or committed to the activity prior to THDA's commitment of the THDA Challenge Grant.
9. Costs of infrastructure, development or redevelopment activities not directly associated with the housing activity supported by the THDA Challenge Grant.

G. MARKETING REQUIREMENTS

Each successful applicant shall work with the Industry and Government Affairs Division and the Communications Division of THDA to publicize the housing activity and the involvement of THDA. This marketing can include, but is not limited to, photo opportunities and beneficiary stories. THDA shall be listed on all marketing and signage as a contributor of funds in support of the approved housing activity.

H. REPORTING

The THDA Executive Director shall periodically report to the THDA Board of Directors regarding THDA Challenge Grants awarded. Each report shall include information about the eligible housing activity, the successful applicant and local community involved, the amount of the Challenge Grant awarded, progress made by the applicant in fundraising and in implementation of the approved housing activity, and, following completion, the impact of the approved housing activity. Grantees shall provide all data, in a form and with the substance as requested by THDA, in its sole discretion.

I. APPLICATION PROCESS AND REVIEW

THDA will offer a single application process for FY~~2021~~2023. THDA will release information on its website regarding the application process by Friday, June 10~~2~~, 2022~~0~~. Applications must be submitted by 4:00 PM CDT on Thursday, August 4~~6~~, 2022~~0~~.

Applications will be reviewed by designated senior staff of THDA and a recommendation for funding consideration will be made to the THDA Executive Director. The THDA Executive Director will make a recommendation for funding to the THDA Board of Directors for their consideration and approval at their September meeting. THDA reserves the right not to select any proposal submitted.

THDA will provide a preference for applications that:

- Are unique opportunities for the organization;
- Incorporate volunteerism as a key component of the project;
- Result in neighborhood-wide or area-wide redevelopment;
- Address a significant challenge to the community;
- Benefit vulnerable populations, including the homeless, individuals with a disability, youth aging out of foster care, and ex-offenders;
- Have a robust fundraising plan; and,
- Propose the generation of cash leverage in excess of the program requirements.

THDA will announce funding determinations by September ~~30~~9, 2022~~0~~. Contracts for selected applicants will begin October 1, 2022 and end on September 30, 2025.~~1, 2020.~~

J. BOARD ACTION

The Tennessee Housing Development Agency Board of Directors authorized staff in that board meeting on May , 2022 to make minor program changes and housekeeping changes to the program, as deemed necessary by appropriate THDA staff or as directed by any federal agency, and for appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes.

THDA may provide notice of changes by posting such changes to its web site at https://thda.org/government-nonprofit-partners/tennessee-housing-trust-fund/thda-challenge-grant-program.

TO: THDA Board of Directors
FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer
SUBJECT: Rebuild and Recover Disaster Program Description
DATE: May 5, 2022

Recommendation

Staff recommends the THDA Board take the following action:

- Adopt the attached 2023 Rebuild and Recover Disaster Program Description;
- Authorize the set-aside of $500,000 in Housing Trust Fund (HTF) funding to cover the program implementation;
- Authorize staff to make minor program changes and housekeeping changes to the programs, as deemed necessary by appropriate staff; and
- Authorize all appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes.

Key Points

The 2023 Program Description is largely consistent with the previously approved 2017 Program Description, with the exception of the following changes:

- Section B – Eligible Grantees
    - Nonprofit Agencies were added as an eligible grantee.
    - Clarification that only one award is issued per eligible incident, regardless of who is administering the Rebuild and Repair Program.

- Section G (3) Subsidy Limit
    - The maximum per unit subsidy limit was increased from $40,000 to $65,000 to help cover the recent increase in building costs.

Background

THDA created the Rebuild and Recover Disaster Program to help address weather-related incidents in communities when it is doubtful that the damage will qualify for assistance from either the Federal Emergency Management Agency (FEMA) or the Tennessee Emergency Management Agency (TEMA). This Program Description broadens that goal to also assist communities with a declared federal disaster declaration where the impact to housing has been so severe that additional resources are necessary to assist in the community's recovery.

TENNESSEE HOUSING TRUST FUND

REBUILD AND RECOVER DISASTER PROGRAM

Program Description

The Rebuild and Recover Disaster Program ("Rebuild and Recover") was created to address weather-related incidents in local communities when it is doubtful that the damage will qualify for assistance from ~~either~~ the Federal Emergency Management Agency ("FEMA") ~~or the Tennessee Emergency Management Agency (TEMA)~~. This Program Description broadens that goal to also assist communities with a declared federal disaster declaration where the impact to housing has been so severe that additional resources are necessary to assist in the community's recovery.

A. ELIGIBLE INCIDENT

An eligible incident is any weather-related event in a geographically defined area that either:

1. Includes at least 25 damaged owner-occupied homes ~~and that~~where the incident is not likely to rise to the level of a Presidential Disaster Declaration for Individual Assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act or be the subject of a state disaster declaration by the Tennessee Emergency Management Agency ("TEMA").

   OR

2. Has received a Presidential Disaster Declaration for Individual Assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and the event was of the severity and magnitude that the need for supplemental Federal assistance was determined to be necessary prior to the completion of joint Federal, State, and local government Preliminary Damage Assessment as permitted by 44 CFR §206.33(d) and §206.36(d).

Staff of the Tennessee Housing Development Agency ("THDA") will schedule a visit to the affected community to assess the level of damage. THDA will then wait a week to see if FEMA or TEMA make any declaration concerning the geographical area. THDA's Executive Director will have the sole discretion to determine whether a community is eligible for assistance and, if so, what the appropriate amount of assistance is. If the Executive Director determines a community is eligible for assistance, then THDA will issue a Rebuild and Recover grant contract to an eligible grantee within the area.~~If an eligible incident occurs, as determined by the THDA Executive Director in the Executive Director's sole discretion, and neither FEMA nor TEMA makes a declaration within a week of the eligible incident, the THDA Executive Director may make a Rebuild and Recover grant available to the local community in which the eligible incident occurred in an amount as determined by the THDA Executive Director, in the Executive Director's sole discretion.~~

If FEMA or TEMA ultimately make de~~terminations~~clarations that permit individual assistance for the eligible incident, THDA will not rescind the Rebuild and Recover grant.

B. ELIGIBLE GRANTEES

Only local ~~communities~~ governments and non-profit agencies that meet the requirements listed below are eligible to receive a grant under the Rebuild and Recover Program.~~grant recipients.~~

1. Local Governments. ~~—~~A County or City Mayor may elect to administer the Rebuild or Recover Program for their jurisdiction. To be considered eligible, the jurisdiction must be located within a geographical area impacted by an eligible incident.

   However, a local government should consider its capacity to fairly and equitably administer the grant and consider entering into one of the following agreements:

   a. Administration Agreement. The local government could enter into an Administration Agreement with ~~. The local government may contract with~~ the local development district or, after following applicable procurement requirements, ~~procure~~ an eligible non-profit or for-profit organization to administer the grant on behalf of the local government.

      i. Non-profit Administrator. To be an eligible administrator of the grant, the local government must provide THDA with documentation that the non-profit organization meets all of the requirements of a non-profit grantee under Section B.2., with the exclusion of the charter and by-laws.

      ii. For-profit Administrator. To be an eligible administrator of the grant, a for-profit organization must have at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee satisfactory to THDA in its sole discretion.

      iii. ~~; however, t~~The local government will remain responsible for all grant requirements and any agreements and other legal documents will remain between the local government and the affected homeowner.

   b. Sub-grant Agreement. With THDA's consent, a local government may sub-grant the Rebuild and Recover funds to a non-profit organization. The local government must provide THDA with documentation that the non-profit organization meets all of the requirements of a non-profit grantee under Section B.2. before any sub-grant is executed.

      i. Subgranting the funds to a non-profit agency is not the same as procuring a non-profit as a program administrator. As a subgrantee, the non-profit will administer the program, enter into all agreements with homeowners to provide assistance, and remain responsible for the long-term compliance requirements associated with each unit assisted. However, the grantee will remain responsible to THDA under the grant contract for assuring all program compliance requirements are met.

Non-profit Organization. To be an eligible grantee under the Rebuild and Recover Program, the non-profit organization must provide THDA with a letter of acknowledgement from the County Mayor that the County has designated the nonprofit organization to seek Rebuild and Recover assistance on behalf of the County and

~~To be an eligible administrator of the grant, a non-profit organization must:~~

~~Have a 501(c)(3) designation letter from the Internal Revenue Service (IRS);~~

~~A current Certificate of Existence from the Tennessee Secretary of State, i.e. dated within thirty (30) calendar days of submission of the local government's application for assistance to THDA; and,~~

~~Have at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee satisfactory to THDA, in its sole discretion.~~

~~To be an eligible administrator of the grant, a for-profit organization must have at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee satisfactory to THDA, in its sole discretion.~~

~~Non-profit Organization – To be an eligible grantee under the Rebuild and Recover Program, A nonprofit agency may be selected by a County or City Mayor to administer the Rebuild or Recover Program for their community. Tthe non-profit organization agency must Submit a letter of acknowledgement from the County Mayor that the County has designated the nonprofit organization to seek Rebuild and Recover assistance on behalf of the County.~~

2. documentation that the non-profit meets the following requirements~~, to be considered eligible, to administer the Rebuild and Recover program for a community~~:

   a. Current Charter and By-Laws;~~.~~

   b. Valid 501(c)(3) designation letter from the Internal Revenue Service (IRS); ~~for the organization;~~

   c. Current Certificate of Existence from the Tennessee Secretary of State dated within thirty (30) calendar days of the application to THDA under the Rebuild and Recover program; and

   d. Has~~ve~~ at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee, ~~that is~~ satisfactory to THDA~~,~~ in its sole discretion.~~; and,~~

   ~~a. Submit a letter of acknowledgement from the County Mayor that the County has designated the nonprofit organization to seek Rebuild and Recover assistance on behalf of the County.~~

   ~~A current Certificate of Existence from the Tennessee Secretary of State, i.e. dated within thirty (30) calendar days of the effective date of the grant with the nonprofit entity.~~

~~Have at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee satisfactory to THDA, in its sole discretion.~~

~~Local Community – A County or City Mayor may elect to administer the Rebuild or Recover Program for their community. To be considered eligible to access the Rebuild and Recover program the community must be located within an area impacted by an eligible incident.~~

~~Requests for Rebuild and Recover assistance must come from the County or City Mayor, as applicable. Only one request per eligible incident per County or City Mayorper will be accepted by THDA.per eligible incident. If a County or City Mayor elects to have a nonprofit agency administer the Rebuild and Recover Program for them, no further funding will be awarded to the County or City for the eligible incident.~~

~~THDA staff will schedule a visit to the affected community to assess the level of damage and to assess whether the affected community is eligible for Rebuild and Recover assistance. The THDA Executive Director, in the Executive Director's sole discretion, will determine eligibility for and the appropriate amount of Rebuild and Recover assistance. If the THDA Executive Director determines a local community is eligible and determines an appropriate amount of assistance, THDA will issue a Rebuild and Recover contract to the Granteelocal government or non-profit organization. local community. The Granteelocal community should consider its capacity to fairly and equitably administer the grant, and can use either its development district or a non-profit or for-profit agency to administer the grant on its behalf.~~

C. MAXIMUM GRANT

The maximum grant awarded to any ~~community~~ under the Rebuild and Recover Program is $500,000 and the minimum grant is $100,000. Only one request per eligible incident per will be accepted by THDA.

D. ELIGIBLE ACTIVITIES

1. **Rehabilitation of owner-occupied housing.** Rebuild and Recover funds will be provided as grants to owner-occupants to address repairs, including reconstruction, not covered by insurance or other disaster relief programs.

2. **Demolition.** Rebuild and Recover funds may be used to cover the cost to demolish owner-occupied housing that cannot be rehabilitated and re-occupied.

3. **Relocation.** Rebuild and Recover funds may be used to cover the cost to relocate homeowners out of a flood plain.

4. **Administration**. Up to 5% of a Rebuild and Recover grant may be used for administrative costs.

E. PROHIBITED ACTIVITIES

1. Pledge Rebuild and Recover funds as support for tax exempt borrowing by local grantees;

2. Provide off-site improvements or neighborhood infrastructure or public facility repairs or improvements;

3. Provide assistance to private, for-profit or to private non-profit owners of rental property.

4. Provide assistance to public housing authorities.

5. Provide assistance for the development of housing for sale to home buyers.

6. Provide rental assistance.

F. MATCH/LEVERAGE

The Rebuild and Recover Program requires a 50% match for any Rebuild and Recover grant. The matching funds can be provided by in-kind services from other State agencies; federal sources such as the CDBG program, USDA Rural Development or the Federal Home Loan Bank (FHLB) disaster program; contributions or in-kind services by local church groups or local agencies; or contributions by individuals. Other THDA programs including, without limitation, HOME grants to communities or non-profit agencies, will *not* be eligible sources of the matching funds. However, while they will not qualify as matching funds, other THDA-funded programs, including the HOME and Emergency Repair Program may be used to complete the rehabilitation or reconstruction of the damaged unit.

Although a ~~community~~ grantee may meet the local match requirement from in-kind services by state agencies, or local agencies or church groups, there will still be a need for additional assistance to fully rehabilitate individual homes. Insurance payments, donated materials and volunteer labor to eligible homeowners may also count as match. Grantees are encouraged to ~~utilize~~ access the FHLB ~~disaster~~ Disaster Reconstruction program, which can provide an additional $20,000 per unit.

In order to leverage additional funds, twenty-five percent (25%) of a Rebuild and Recover grant may be drawn as the first funds in the recovery effort before the ~~Grantee~~ grantee has secured the required match.

G. PROGRAM REQUIREMENTS

1. INCOME LIMITS

Rebuild and Recover grants may only be used to benefit low or very-low-income households. “Low income” means an individual or household whose gross income does not exceed 80% of the area median income, adjusted for family size. "Very low income" means an individual or family unit whose gross annual income does not exceed 50% of the area median income, adjusted for family size.

Rebuild and Recover grants use the income limits established by the US Department of Housing and Urban Development for the HOME Program, and household income as defined by the Section 8 Rental Assistance Program. Current income limits are posted on the THDA website at www.thda.org under the Community Programs tab. The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other family member residing in the home. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

2. PROPERTY STANDARDS

Property standards must be met when a Rebuild and Recover grant is used for a project. Any housing constructed or rehabilitated with any Rebuild and Recover grant must meet all applicable local codes and zoning ordinances at time of project completion. Additionally, all units must meet THDA's Design Standards for Rehabilitation or, if reconstructed, THDA's Design Standards for New Construction, at the time of project completion.

In the absence of a local code, new construction of single-family units or duplexes must meet the current, State-approved edition of the International Residential Code for One- and Two-Family Dwellings; and the rehabilitation of existing homeowner units must meet the current, State-approved edition of the International Existing Building Code.

New construction projects must also meet the 2012 International Energy Conservation Code as well as accessibility and disaster mitigation requirements as applicable per State and local codes, ordinances, etc.

THDA must review and approve plans, work write-ups and written cost estimates and determine cost reasonableness for both reconstruction and rehabilitation prior to putting the project out to bid.

All completed work must be inspected by a qualified inspector. THDA has defined a "qualified inspector" as an individual with credentials appropriate for the type of work being performed, such as inspectors licensed by the State of Tennessee as Building Inspectors or Home Inspectors; individuals certified by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code Congress as a Housing Inspector; or individuals qualified as FHA Fee Inspectors. Other qualifications may be accepted on a case by case basis.

3. SUBSIDY LIMIT

The maximum per unit subsidy from a Rebuild and Recover grant is $~~40,000~~65,000. This amount may not be sufficient to rehabilitate a homeownership unit in compliance with the Property Standards referenced in Section G. 2 above. ~~Grantees~~ Grantees should seek additional funding specific to eligible homeowners.

4. COMPLIANCE PERIOD

Grants for homeowner rehabilitation projects that do not include reconstruction will~~shall~~ have a compliance period of five years with a forgiveness feature of 20% annually. In order to enforce the compliance period, THDA will require that a ~~Grantee~~ grantee have assisted homeowners execute a grant note and a recorded deed of trust.

Grants for homeowner rehabilitation projects that include reconstruction will ~~shall~~ have a compliance period of fifteen years with a forgiveness feature of 6.67% annually. In order to enforce the compliance period, THDA will require that a ~~Grantee~~ grantee have assisted homeowners execute a grant note and a recorded deed of trust.

If the homeowner of a property that has been rehabilitated dies during the compliance period and the property is inherited by heirs, the property may be rented without repaying the unforgiven portion of the Rebuild and Recover subsidy to THDA. However, if the house is sold by the heirs during the compliance period, the remaining unforgiven portion must be repaid to THDA.

Grants for the demolition of owner occupied housing will not require a compliance period.

H. PROCUREMENT

The solicitation of bids for goods and services, materials, supplies and/or equipment using Rebuild and Recover grants, must be open and competitive. Rebuild and Recover ~~Grantees~~ grantees must follow their procurement policies. At a minimum, there must be an established contractor selection procedure and a written rationale for selecting the successful bid or proposal.

~~I. SUBGRANTS TO NON-PROFIT AGENCIES~~

~~With THDA's concurrence, a local government may If the Rebuild and Recover Grantee plans to subgrant the Rebuild and Recover funds to a non-profit organization. T, the Rebuild and Recover Grantee grantee must provide THDA with a copy of the following documentation As a subgrantee, the non-profit will administer the program, enter into all agreements with homeowners to provide assistance, and remain responsible for the long-term compliance requirements associated with each unit assisted. about for the non-profit before any sub-agreements are made with the non-profit:~~

~~The Charter and By-laws;~~

~~The 501(c)(3) designation letter from the Internal Revenue Service (IRS);~~

~~A current Certificate of Existence from the Tennessee Secretary of State, i.e. dated within thirty (30) calendar days of the effective date of the grant with the non-profit entity.~~

~~Have at least two (2) years of experience providing affordable housing or affordable housing related services in the state of Tennessee satisfactory to THDA, in its sole discretion.~~

~~A non-profit organization acting as a grantee to THDA may not subgrant the Rebuild and Recover funds to another non-profit.~~

~~NOTE: Subgranting the funds to a non-profit agency is not the same as procuring the services of a program administrator. As a subgrantee, the non-profit will administer the program, enter into all agreements with homeowners to provide assistance, and remain responsible for the long-term compliance requirements associated with each unit assisted.~~

J. MARKETING REQUIREMENTS

Each successful Rebuild and Recover ~~Grantee~~ grantee must work with the Industry and Government Affairs Division and the Communications Division of THDA to publicize the availability and effectiveness of the Rebuild and Recover Program in their communities. This marketing can include, but is not limited to, photo opportunities and beneficiary stories.

K. FAIR HOUSING AND EQUAL OPPORTUNITY

Each ~~Grantee~~ grantee funded under Rebuild and Recover must comply with both state and federal laws with regard to fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of: race, color, national origin, religion, age, disability, familial status or sex.

In particular, program administrators will need to be aware of discrimination issues with regard to: housing opportunities; employment opportunities; business opportunities; and benefits resulting from activities funded in full or in part by Rebuild and Recover.

THDA requires that each ~~Grantee~~ grantee establish procedures and hold a public meeting to outline the application process for potential homeowners, including the income guidelines, match requirements, and property standards of the program; and federal Fair Housing laws.

L. REPORTING

The ~~THDA~~ Executive Director shall periodically report to the THDA Board of Directors regarding Rebuild and Recover grants awarded. Each report must~~shall~~ include information about the eligible incident, the local community involved, the amount of the Rebuild and Recover grant awarded, and information about FEMA or TEMA declarations, if any.

M. BOARD ACTION:

The Tennessee Housing Development Agency Board of Directors authorized staff in that board meeting on May 24, 2022 to make minor program changes and housekeeping changes to the program, as deemed necessary by appropriate THDA staff or as directed by any federal agency, and for appropriate staff to do all things necessary and proper, including execution of all documents, to carry out the described changes.

THDA may provide notice of changes by posting such changes to its website at: https://thda.org/government-nonprofit-partners/tennessee-housing-trust-fund/rebuild-and-recover-program.

TO: THDA Board of Directors
FROM: Cynthia Peraza, Director of Community Programs
Don Watt, Chief Program Officer
SUBJECT: COVID-19 Extensions for 2019 HOME Program Grants
DATE: May 5, 2022

Recommendation

THDA is aware of the increasingly negative impact the COVID-19 pandemic is having on our Grantees and their ability to administer state and federally funded programs. Many of our Grantees have expressed challenges with procuring contractors, purchasing building materials, delays in the delivery of building materials, and a large increase in costs associated with construction.

To help provide some relief to the 2019 HOME Grantees, staff is making a recommendation to extend the following grants:

HOME PROGRAM:

Staff is recommending to extend 12 of its HOME Grants that expended a minimum of 20% of their award for a period of 12 months. This would extend the existing Contract End Date from June 30, 2022 to June 30, 2023.

CONTRACT NUMBER	GRANTEE	COUNTY	FUNDED CONTRACT AMOUNT	AMOUNT SPENT CURRENT	PERCENTAGE OF FUNDS SPENT	GRANT TERM ENDS
HM-19-11	Erwin	Unicoi	$250,000	$56,257.00	23%	6/30/2022
HMCH-19-01	Clinch Powell RC&D	Claiborne, Grainger & Jefferson	$750,000	$214,268.76	29%	6/30/2022
HM-19-15	Samburg	Obion	$500,000	$169,716.75	34%	6/30/2022
HM-19-13	Maury City	Crockett	$500,000	$200,270.00	40%	6/30/2022
HM-19-06	Clay County	Clay	$500,000	$214,250.00	43%	6/30/2022

HM-19-08	Henderson County	Henderson	$500,000	$265,452.00	53%	6/30/2022
HM-19-02	Milan	Gibson	$500,000	$287,334.00	57%	6/30/2022
HM-19-12	Gates	Lauderdale	$500,000	$310,000.00	62%	6/30/2022
HM-19-17	Van Buren County	Van Buren	$375,000	$ 275,734.00	74%	6/30/2022
HM-19-14	Mount Carmel	Hawkins	$250,000	$ 186,752.00	75%	6/30/2022
HM-19-03	Sneedville	Hancock	$250,000	$ 193,939.00	78%	6/30/2022
HMCH-19-04	Neighborhood Housing	Sevier	$473,118	$ 399,713.00	84%	6/30/2022

MEMORANDUM

TO: THDA Board of Directors

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

SUBJECT: 2017 HOME Program Extension – City of Gatlinburg

DATE: May 23, 2022

Recommendation

Staff is recommending authorization to extend the 2017 HOME Program Grant Contract for the City of Gatlinburg for a period of 12-months, changing their contract end date from June 30, 2022 to June 30, 2023, due to the natural disaster Sevier County experienced in 2016, compounded by delays resulting from COVID-19, and other building delays they have experienced which were out of their control.

Background

The City of Gatlinburg was awarded a HOME Program grant in 2017 to help rehabilitate or reconstruct 3 homes impacted by the Sevier County fires in 2016. Since their award in 2017, two extensions have been granted to the City, as detailed below:

1. In July of 2020, THDA provided its 2017 Grantees with a 12-month grant extension due to the increasingly negative impact the Grantees were facing due to COVID-19. This extension extended the Grantee's Contract End Date from June 30, 2020 to June 30, 2021.

2. In May 2021, the Board approved a 12-month extension for the 2017 HOME Program Grants that had expended a minimum of 65% of their award as of June 30, 2021. The extension was recommended to help provide the Grantees with additional time (that was lost due to COVID-19) to complete their projects. Although the City of Gatlinburg had not met the 65% spend down requirement approved by the Board, staff recommended a 12-month extension due to the unforeseen delays they encountered directly and indirectly as a result of COVID-19, and due to the numerous building delays caused by the aftereffects of the wildfires that engulfed Sevier County in 2016.

As of May 2022, the City of Gatlinburg has expended over 41% of their award. Of the three (3) projects they proposed to complete with these program funds, one project has been completed, the second project is 85% complete, and the last project was lined up to start before the end of 2021, but has encountered numerous delays related to unsuitable soil discovered while working on its foundation. The Grantee has reported having to complete five redesigns for the property due to soil related issues. The City is currently waiting on the Engineer to make one required change to the foundation drawing before the Contractor can be able to proceed with the new set of plans.

Due to the on-going work that is in progress for this last HOME project, THDA staff is making a recommendation to extend the City of Gatlinburg's 2017 HOME Program contract for a period of 12 months to provide the Grantee with sufficient time to complete the last project. This extension will extend their grant from June 30, 2022 to June 30, 2023.

OFFICE OF CITY MANAGER

May 19, 2022

Ms. Cynthia Peraza
Tennessee Housing Development Agency
Director of Community Programs
502 Deaderick Street, Second Floor
Nashville, TN 37243

RE: HOME Grant Extension – City of Gatlinburg (HM-17-05)

Dear Ms. Peraza,

As of this date, plans for the 556 Woodland Drive has undergone five redesigns. There have been innumerable delays in the design and implementation of the reconstruction of this home due to the rough terrain of the lot and setback requirements in place per the Sevier County Health Department. Construction was proceeding with the Contractor fully expecting to be done with the construction of the home by June 30, 2022. However, in the middle of getting the foundation in the Contractor encountered unsuitable soils and we had to go back to the drawing board. GeoServices, LLC completed soil testing at the site and then provided recommendations for soil remedies. This prompted two additional redesigns of the project; both a Structural Engineer and an Architect have been involved since the initial design stages of the project to ensure the stability of the home. The City had to wait for the new design which took several months to complete. The most recent design has undergone a review by the City's building and planning department; one required change to the foundation drawing is in process.

The Contractor, David Clark Construction & Remodeling, along with the City of Gatlinburg, are committed to seeing the family of 556 Woodland Drive get back into their home after a devastating loss due to the wildfires. The Contractor has continued to persevere throughout the many obstacles of the project. He has spent countless hours, paid all of his sub-contractors and has stuck with it trying to assist in finding a solution to the challenges this lot presents.

We realize that the HOME program isn't the best fit because of terrain in and around Gatlinburg, but this is why we don't normally apply for HOME grants. However, due to the need for replacement homes for these low-income wildfire victims, we are committed to the successful completion of this unit. The City of Gatlinburg respectfully requests an extension for this one remaining home that is currently under construction – 556 Woodland Drive. Thank you in advance for your consideration. If you have any questions, please contact our Administrator, Heather Allen with Community Development Partners at 615-386-0222 or hallen@cdpllc.com.

Sincerely,

Mike Werner
Mayor

cc: Bill Lord, THDA
Ralph Perrey, THDA
Heather Allen, CDP, LLC.

Tax Credit Committee

Tax Credit Committee Meeting Agenda

Tuesday, May 24 2022 at 1015 AM CST
The Nashville Room – Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

A. Approval of Minutes from January 25, 2022 meeting

B. Action Item

1. Amendment to the Multifamily Tax-Exempt Bond Authority Program Description for 2022
2. 2023 QAP Discussion

Committee Members:
John Snodderly (Chair)
Commissioner Butch Eley
Secretary Tre Hargett
Treasurer David Lillard
Erin Merrick

TENNESSEE HOUSING DEVELOPMENT AGENCY
TAX CREDIT COMMITTEE MEETING MINUTES
January 25, 2022

Pursuant to the call of the Chairman, the Tax Credit Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met in regular session on Tuesday, January 25, 2022, at approximately 10:26 a.m. Central Time in The Nashville Room of the William R. Snodgrass Tennessee Tower Building, Nashville, TN 37243.

The following Committee members were present: John Snodderly (Chair), Secretary of State Tre Hargett, Kevin Bradley (for State Treasurer David Lillard), Matt McGauley, and Erin Merrick. Absent were Commissioner Butch Eley.

Seeing a quorum present, Chair Snodderly called the Committee meeting to order and called for consideration of the previously circulated November 16, 2021 Committee meeting minutes. Upon a motion by Ms. Merrick, second by Mr. Hargett, the meeting minutes were approved by all members present voting "yes".

Chair Snodderly recognized, Don Watt, Chief Program Officer who deferred to Felita Hamilton, Multifamily Programs Division, Allocation Manager to present the Summary of Substantive Changes in Multifamily Tax-Exempt Bond Authority Draft Program Description 2022. Ms. Hamilton described each change and the content for each item. Changes are listed in the materials packet for the meeting. Secretary of State Tre Hargett asked if there might be comments from some of the developers in the audience. The Committee heard from Dwayne Barrett with Reno and Cavanaugh; Phyllis Vaughn with Vaughn Development Group; and Evan Holliday with Holliday Ventures. After the public comments, a motion was offered by Ms. Merrick, second by Mr. Hargett, the motion carried to approve the Multifamily Tax Exempt Bond Authority Program Description for 2022, with the substantive changes as summarized in the memo dated January 10, 2022 from Don Watt, Chief Program Officer. Document includes non-substantive housekeeping and conforming changes to the draft 2022 Program Description and the Low-Income Housing Credit 2022 Qualified Allocation Plan.

With no further business, the meeting was adjourned at 10:56 a.m. by Chair Snodderly.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved this 24th day of May, 2022.

TO: THDA Board of Directors
FROM: Don Watt, Chief Program Officer
SUBJECT: Amendment to 2022 Multifamily Tax-Exempt Bond Authority Program Description
DATE: May 9, 2022

Recommendation

Staff recommends and requests that the Multifamily Tax-Exempt Bond Authority Program Description for 2022 be amended by inserting the following as Section 8.C.5.

"In the event of a scoring tie among 2 or more Initial Applications under this Section 8.C, priority will be given to the Initial Application in the census tract with the highest percentage of cost-burdened rental households at or below the 50% AMI, as determined by THDA, in its sole discretion."

Background

In reviewing the Initial Applications submitted in round 1, staff determined that a tie-breaker will likely be needed for round 2. The THDA Research and Planning Division has access to the data needed to make the determination described above.

Appendix

TO: THDA Board of Directors

FROM: Don Watt, Chief Program Officers

DATE: May 23, 2022

RE: 2022 Multifamily Tax Exempt Bond Authority (MTBA) Program Round One Selection Matrix

THDA received over $552M in applications under Round 1 of the MTBA Program to develop affordable rental housing across Tennessee. THDA announced funding on May 16, 2022, of its award of over $357M in funding as provided on the attached matrix.

Remaining funds will be made available in Round 2 that is scheduled to open on July 6, 2022.

2022 MTBA Round One Activity

THDA #	Previous TN #	Development Name	County	Grand Divison	New Con.	Acquisition Rehab	Rehab	Type	Firm Commitment Letter Issued	PD Score	Development Group	Contact	Email
22-208		Cleveland Forward Phase Two	Bradley	East		X		PHA-REhab	$16,000,000	14.1666	Cleveland Housing Authority	Paul Dellinger	paul@clevelandhousingauthority.org
22-207		Cleveland Forward Phase One	Bradley	East		X		PHA-Rehab	$16,000,000	14.0790	Cleveland Housing Authority	Paul Dellinger	paul@clevelandhousingauthority.org
22-214		Western Heights Rehab / Western Heights 3-1	Knox	East		X		PHA-Rehab	$21,000,000	12.4571	Knoxville Housing Development Corporation	James Hatifield	jhatfield@kcdc.org
22-218		Austin Homes Phase 3	Knox	East	X			PHA-NEW	$35,000,000	20.0000	Knoxville Housing Development Corporation	James Hatifield	jhatfield@kcdc.org
22-230		McKenzie Acres Apartments	Anderson	East		X		Rehab	$11,272,000	13.0084	CPP-Housing	Scott Fink	sfink@cpp-housing.com
22-201		Loudon Gardens Apartments	Loudon	East		X		Rehab	$5,000,000	12.9508	LHP Captial	Mike Rodgers	mrodgers@lhp.net
22-213		Norris Garden Apartments	Anderson	East			X	Rehab	$4,933,251	12.6572	AAMCI	Joe Engle	joe.engle@aamci.com
22-202	06-207	Westview Tower	Knox	East		X		Rehab	$32,000,000	12.2851	LHP Captial	Mike Rodgers	mrodgers@lhp.net
22-211	07-207	Ridgebrook Apartments	Knox	East		X		Rehab	$25,014,200	11.7214	SDG Housing	Michael Arman	mike@sdghousing.com
22-217		Central Terrace	Knox	East	X			New-QCT-CCRP	$16,000,000	18.1320	Southeast Captial	David Varner	david@southeastcapitaltn.com
								Total	**$182,219,451**				
								MTBA Available	$126,000,000				
								MTBA Firms Issued	$109,205,251				
								Unable to Fund	$73,014,200				
22-229	04-211	Chapel Ridge of Gallatin	Sumner	Middle		X		Rehab	$30,000,000	12.0934	Dominium Incorprated	Ryan Lunderby	rlunderby@dominiuminc.com
22-212	06-200	Ramblewood Apartments	Montgomery	Middle		X		Rehab	$12,802,875	11.4488	SDG Housing	Michael Arman	mike@sdghousing.com
22-210	07-209	Margaret Robertson Apartments	Davidson	Middle		X		Rehab	$20,818,796	10.9420	SDG Housing	Michael Arman	mike@sdghousing.com
22-221		Tullahoma Village	Coffee	Middle		X		Rehab	$8,518,018	10.0000	CPP-Housing	Scott Fink	sfink@cpp-housing.com
22-222		Poplar Bend 2	Davidson	Middle	X			New- DDA	$4,800,000	10.0000	Elmington Captial Group	John Shephard	jshepard@elmingtoncapital.com
22-204		Stone Bridge Lofts	Davidson	Middle	X			New	$43,000,000	10.0000	Holladay Ventures	Evan Holladay	evan@holladayventures.com
22-219		Clarksville Pike	Davidson	Middle	X			New-QCT-CCRP	$43,000,000	12.4327	Woodbine Community Organzation	Tony Woodham	twoodham@woodbinecommunity.org
22-223		Ewing Heights	Davidson	Middle	X			New-QCT-CCRP	$35,000,000	10.0000	LDG Development Group	Joshua Haston	jhaston@ldgdevelopment.com
22-228		Ben Allen Ridge	Davidson	Middle	X			New-QCT-CCRP	$35,000,000	10.0000	The Clear Blue Company	Ashley Horton	ashley@theclearbluecompany.com
22-234		Birchstone Village	Davidson	Middle	X			New-QCT-CCRP	$36,500,000	10.0000	Trent Development Group	Alex Trent	atrent@trentdevelopmentgroup.com
								Total	**$269,439,689**				
								MTBA Available	$168,000,000				
								MTBA Firms Issued	$162,939,689				
								Unable to Fund	$106,500,000				
22-205		MH Strategies	Shelby	West		X		PHA-Rehab	$22,150,000	14.2436	Memphis Housing Authority	Dexter Washington	dwashington@memphisha.org
22-206		MH Strategies II	Shelby	West		X		PHA-Rehab	$23,850,000	13.8123	Memphis Housing Authority	Dexter Washington	dwashington@memphisha.org
22-225		Edgeview at Legends Park	Shelby	West	X			PHA-New	$13,400,000	20.0000	Memphis Housing Authority	Dexter Washington	dwashington@memphisha.org
22-209	05-217	Breezy Point Apartments	Shelby	West		X		Rehab	$14,000,000	17.3317	Alco	Robert Hyde	rhyde1@alcomgt.com
22-216	06-214	Rolling Hills Apartments	Shelby	West		X		Rehab	$11,750,000	16.7245	Alco	Robert Hyde	rhyde1@alcomgt.com
22-215	20-220	Washington Square Apartments	Shelby	West	X			New-QCT	$15,260,545	0.0000	Bluff City Development	Carl Mabry	mabrycarl91@gmail.com
								Total	**$100,410,545**				
								MTBA Available	$ 84,000,000.00				
								MTBA Firms Issued	$ 73,400,000.00				
								Statewide Firm To Be Issued	$11,750,000				
								Unable to Fund	$15,260,545				
***The grey shaded rows indicate that a Firm Commitment was issued**						**2022 Total Available for Round One**		$ 378,000,000.00	**Statewide Funding**				
****22-216 will receive a Firm Commitment per Section 9-A-6**						**Total Funded for Round One before Statewide**		$ 345,544,940.00	**22-216 Rolling Hills**		$11,750,000		
*****The remaining funds will be carried forward to Round Two as no other firm commitments can be offered per 2022 MTBA PD Section 9-A-7**						**Carry Forward for Statewide**		$ 32,455,060.00	**Remaining Carry-Forward to Round One**		$ 20,705,060.00		
										Total Funded	**$ 357,294,940.00**		