

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
September 27, 2022

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the "Board") met in regular session on Tuesday, September 27, 2022, at 11:22 AM CT in the Nashville Room of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following board members were present in person: Chair, Matt McGauley, Rick Neal, Sara Queirolo (for Treasurer David Lillard), Alex Schuhmann (for Commissioner of F&A Jim Bryson), Rob Mitchell, Austin McMullen, and Katie Armstrong (for Comptroller Jason Mumpower). Tennion Reed, Chrissi Rhea and John Snodderly were present telephonically. Those absent were: Secretary of State Tre Hargett, Todd Skelton, and Dan Springer.

Recognizing the need to conduct the meeting with members in person and on the phone, Chair McGauley called upon Chief Legal Counsel, Bruce Balcom, to read the Electronic Meetings statement:

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

With a motion by Mr. McGauley and a second by Mr. McMullen, and a roll call vote with 10 ayes, a motion was approved to conduct the meeting in this manner.

Chair McGauley called the Board meeting to order and asked for consideration of the July 19, 2022, meeting minutes. Upon motion by Mr. McMullen and a second by Mr. Schuhmann, and a roll call vote with 10 ayes, the motion carried and the minutes were approved.

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

- Knoxville has been awarded one of four Choice Neighborhoods grants by HUD. This \$30 million in federal funds, leveraged with funds from the City of Knoxville, will enable Knoxville to transform the Western Heights area. Just as THDA supported the South

City Choice Neighborhoods development in Memphis, the Agency will make the same multi-year commitment to Knoxville.

- THDA increased interest rates on our Great Choice mortgage loans this week. They are at 6.375% for loans financed through bond sales. Conventional rates are at 6.875% and 7.25%, depending on whether borrowers take advantage of down payment assistance. Given the tight income requirements on the Freddie Mac conventional product, THDA will see little opportunity to grow conventional business unless the GSE's provide a more flexible set of options for state housing finance agencies.
- While short supply and rising home prices have been the main drag on loan production this year, rapidly rising interest rates are now taking their toll, as well. A homebuyer with THDA's average size mortgage loan (\$210,000), is paying about \$400 per month more this year than they would have paid at last year's interest rates. That \$400 a month is enough to knock a number of potential THDA homebuyers out of the home buying market.
- The Tennessee Homeowner Assistance Fund has paid out over \$10.4 million to 885 homeowners, providing an average of \$14,000 per household to cover over-due mortgage payments. There are currently almost 900 applicants in process.
- On the Rent Relief side, THDA has disbursed not quite \$125 million on behalf of over 26,000 Tennessee households. There is over \$100 million left, some of which will be able to be used for other purposes. We will be reviewing options next month.

At the conclusion of Mr. Perrey's remarks, Chair McGauley then asked for motion to approve the Proposed Budget for Fiscal Year 2023-2024 as presented in the Audit and Budget Committee and outlined in the board materials. Presented as a motion and second from both the Audit and Budget and Bond Finance committees by Mr. McGauley and a roll call vote with 9 ayes the motion carried. Mr. Schuhmann abstained from voting on this action item.

Chair McGauley then asked Mr. McMullen for any recommended actions from the Grants Committee. Mr. McMullen, sighting the in-person or telephonic presence of all voting board members at the Grants Committee meeting asked if there were additional questions or additional discussions on any items present during the Grants Committee. Hearing none, Mr. McMullen presented as a motion and a second from the Grants committee, approval of the following items presented in the Grants Committee and outlined in the board materials:

1. Grant Extension Request - Crossroads Campus – THTF-19F-01
2. Grant Extension Request – Crossroads Campus – NHTF-19-01
3. 2022 THTF Eviction Prevention Pilot Program & Program Description
4. 2022 HOME Rental Development Program & Program Description
5. 2022 ARP-HOME Rental Development Program & Program Description

6. 2022 HOME CHDO Homeownership Development Program & Program Description
7. 2023 Weatherization Infrastructure Bill Grantee Submission Authorization
8. ESG CARES Act Supplemental Funding Distribution Methodology

Upon a roll call vote with 10 ayes, all 8 action items were approved.

Chair McGauley then asked for motion to approve the Project-Based Voucher Pilot Program as presented in the Rental Assistance Committee and outlined in the board materials. Presented as a motion and a second by the Rental Assistance Committee by Mr. McGauley and a roll call vote with 10 ayes, the motion carried.

Chair McGauley then asked for motion to approve 2023 Qualified Allocation Plan and the Amendment to the MTBA program as presented in the Tax Credit Committee and outlined in the board materials. Presented as a motion and a second for both items by the Tax Credit Committee by Mr. McGauley and a roll call vote with 9 ayes, the motion carried. Mr. Mitchell abstained from voting.

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

Respectfully submitted,



Ralph M. Perrey  
Executive Director

Approved this 15th of November, 2022