

Mark your calendars for the...

**2010
Governor's
Housing
Summit**
Oct. 19-20

at the Airport Marriott in Nashville.



**Photos from the
2009 Governor's
Housing Summit**

2009 Governor's Housing Summit A Success

More than 400 housing experts gathered at the 2009 Governor's Housing Summit on Oct. 19 and 20 at the Marriott Nashville Airport Hotel to receive training, to share success stories, and to learn about best practices, financing options and economic analysis. This year's Summit focused on the future of affordable housing in the midst of our state's changing economy.

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2009 Governor's Housing Summit Continued

The event got off to a great start at the opening luncheon where Don Klein CEO of the Greater Nashville Association of REALTORS® and Brenda Lee, the famous singer and a Nashville Area Habitat for Humanity Advisory Board Member, presented Chris McCarthy, Nashville Area Habitat for Humanity President and CEO, the National HOPE Award for Leadership. Then we all took a roller coaster ride with THDA Executive Director Ted Fellman as he presented the highs and low in the past year's housing market.

The event continued with informative and engaging sessions including Low Income Housing Tax Credits, Lending and Alternative Financing for Green Affordable Housing, Challenges to Affordable Housing, Recovery Programs, The Green Construction Circle, Transportation -Oriented Development, and What Does the Future Hold? The 2009 Governor's Housing Summit concluded with a Federal Home Loan Bank 20th Anniversary Award Presentation and rousing closing remarks by keynote speaker Dave Timmons.

"This meeting is an important part of Tennessee's continued success in housing development," said Fellman. "THDA will continue to bring conceptual and hands-on experts together to energize the work being done. We thank everyone who presented, exhibited and attended. We thank our sponsors for making it affordable."

Mark your calendars now for the 2010 Governor's Housing Summit on October 19-20, 2010 at the Marriott Nashville Airport Hotel. Speaker and session topic suggestions are welcome. To share your suggestion, or for information about sponsorship or exhibitor opportunities, please contact Patricia M. Smith at (615) 815-2185 or psmith@thda.org.

Presentations and handouts from many of the speakers are available on the THDA website, www.thda.org, on the Governor's Housing Summit page.

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Fellman Presents Stimulus' Housing Opportunities

As printed in the Tennessean on November 10, 2009

An important point has surfaced through the healthy debate about the various stimulus packages put forth by the Obama Administration and Congress: housing is a vital component of any economic recovery. The recent extension and expansion of the homebuyer tax credit is evidence of the national recognition of housing as an economic and social catalyst. Another housing initiative has also recently been approved by the Administration – albeit with much less fanfare and attention – that has the potential to have a tremendous impact on the home buying market, benefit other segments of the population who need help with affordable housing, and happen at no cost to the taxpayers.

Next month, under the New Issuance Bond Program (NIBP), the U.S. Treasury will purchase bonds from the Tennessee Housing Development Agency (THDA) and other housing finance agencies

across the country through Fannie Mae and Freddie Mac. The commitment from Treasury is to purchase 60% of the HFAs long term debt for the coming year – for THDA that could be approximately \$360 million – at rates significantly below the current market for mortgage revenue bonds. Because this would lower THDA's cost of debt, the savings would result in lower mortgage rates for first time homebuyers of low to moderate income applying for a THDA loan through our statewide network of lenders.

For the skeptics out there who are ready to declare this as another government program that will add to our national debt, here is some great news - under the NIBP the federal government will at a minimum break even and could actually make money! The U.S. Treasury will not only get paid back on the bonds (which in THDA's case

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Butterworth Elected President of the NCSHB

Ann Butterworth, the Assistant to the Tennessee Comptroller of the Treasury for Public Finance, Justin Wilson, and his voting representative on the Tennessee Housing Development Agency's board of directors, was elected as President of the 2009 – 2010 National Conference of State Housing Boards (NCSHB) Board of Directors. The NCSHB exists to provide educational and training opportunities for state housing finance agencies' board members to help them advise their agencies most effectively.

As the assistant to the Comptroller for Public Finance,

Butterworth is responsible for reviewing and responding to local, state and national legislative and regulatory actions making an impact on public finance in Tennessee. In 2007, she was given the additional title of Director of the Office of Open Records Ombudsman.

In addition to THDA and NCSHB, Butterworth serves on the board of the Women in Public Finance, a non-profit corporation based in Chicago; on the executive committee for the Nashville Chapter of the American Constitutional Law Society and she is a member of the National

Association of Bond Lawyers.

Prior to her appointment as Assistant to the Comptroller, Butterworth served as Director of the Division of Bond Finance in the Comptroller's Office where she was responsible for the administration and issuance of debt by the state level debt issuers including THDA. Butterworth received her JD from Vanderbilt University (1981) and her BA from Duke University (1978). She practiced law in Florida and Tennessee before entering state service and continues to be licensed in those states.

Stimulus' Housing Opportunities Continued

are rated AA+ and AA1), but will charge a fee for purchasing the bonds. Fannie Mae and Freddie Mac also will charge fees for the transactions. Even with these fees, the cost of issuance for THDA will be lowered, so it is truly a "win" for everyone.

Lower mortgage rates combined with the homebuyer tax credit means more first time homebuyer activity. This will result in overall increased home sales as sellers are able to move up in the market. In addition, the combination of

THDA's ability to provide lower rates, homebuyer education counseling and down payment assistance will not only produce an increase in homeowners, it will produce successful homeowners. All this without costing the taxpayers one dime!

One additional benefit in Tennessee: in the past few years THDA has invested revenue from our mortgage program to provide \$30 million in grants to assist Tennesseans of very low income, special needs populations and our

elderly citizens. These grants meet myriad of needs across the state, including emergency repairs for homes owned by elderly citizens and building ramps for homeowners with physical disabilities. As THDA's mortgage production increases, we are able to provide even more assistance to those Tennesseans that need it the most.

For those looking for signs of economic recovery in 2010, the NIBP initiative is a reason for optimism.

THDA Attended Campus for Human Development Luncheon

THDA's staff recently attended a luncheon celebrating the completion of the vertical concrete construction of the Room In The Inn's Campus for Human Development Expansion Project. After the luncheon, Toni Shaw, community project coordinator for THDA, was given a tour of the new facility by Lisa Stetar, the project manager.



THDA's Housing Trust Fund invested \$1.6 million for the \$10 million Nashville project that will include 38 apartments, community rooms and a small rooftop garden for formerly homeless individuals. The building will also provide space for an expanded education/job readiness program and a day center that will provide access to social services, laundry, mail, transportation and daily meals for the homeless. The center is scheduled to open by June 30, 2010.

Room In The Inn's Campus for Human Development is a religious non-profit organization formed out of three

other organizations: Room In The Inn, The Guest House and FOCUS (Faith

Organizations in Covenant for Understanding and Service). The Campus for Human Development is a model of public/private partnerships, committed to providing enhanced services to the people who are homeless as well as improving the "system" by which these services are delivered.



94 Counties Represented

Rental Property Website Grows to 62,000 Units

TNHousingSearch.org, THDA's rental housing resource website, helps renters find housing and property owners/managers to list housing all for free. Now more than 62,000 properties, representing 94 of Tennessee's 95 counties, are listed on the site.

"Across Tennessee families are looking every day for appropriate rental housing and this website is a tremendous resource for those families," said THDA's Chief Strategy Officer Lorrie Shearon. "The site can list all the amenities of a property including how many bedrooms, baths and levels it has; its accessibility features, pictures of the property and utility history. The site also has links to resources like local Chambers of Commerce, school districts, public transportation and community services. There is even a rent affordability calculator to help people find a home that they can afford."

THDA secured the services of Socialserve.com to develop TNHousingSearch.org. To date, 23 other states and numerous housing authorities have partnered with socialserve.com to create useful technology applications. Established in Charlotte, North Carolina in 1999, socialserve.com, the 501(c)3 not-for-profit has been recognized by the US Conference of Mayors and the National Housing Institute.

There is no limit to how many rental properties can be posted and the site covers all rent levels. Properties can be manufactured housing, duplexes, complexes or single family homes. The listings and searches are free. Property owners and managers are invited to register their properties online or contact

socialserve.com at 1-877-428-8844 for a registration form. Socialserve.com's call center is open from 8 a.m. to 7 p.m. Central time, staffed with English and Spanish-speaking staff and can answer questions from landlords or renters. Apartment complexes with duplicate amenities are easily posted. Support for associations seeking properties for persons with disabilities is available.



Once a property is listed, it remains in the database. When it is leased, the landlord can mark it unavailable and it does not appear when

a searcher requests information. A simple process brings the property into a search when available again.

On TNHousingSearch.org, potential renters have the ease of shopping on-line, placing several options on a map for a neighborhood visual and comparing property amenities such as security deposits, pet welcome, rent levels and more. With all of these available search criteria, prospective renters can get an up-to-date list of vacant rental properties that meet their specific needs. Interested persons who do not have access to the Internet can call toll-free 1-877-428-8844 and receive the same information, in English or Spanish, by phone, fax or mail. The number will be answered from 8 a.m. to 7 p.m. Central time, Monday through Friday.

The creation of this website is a continuation of THDA's efforts to be a leader in housing in Tennessee. To assist renters in their searches, please contact the landlords in your area and encourage them to place their units online at www.TNHousingSearch.org

Questions about the site can be directed to Shearon at lshearon@thda.org or 615-815-2013.

ARRA Programs Underway for Affordable Rental Housing and Homelessness Prevention

THDA is administering three programs funded under the American Recovery and Reinvestment Act (ARRA) – the Tax Credit Assistance Program (TCAP), the Cash Payments in Lieu of Tax Credits (the “Section 1602” Program), and the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

TCAP and Section 1602 Programs Close First Contracts

The TCAP and Section 1602 programs both work with the existing Low Income Housing Tax Credit program and are designed to compensate for lower prices being offered for housing credits in the syndication market, a significant component in a development’s financing. THDA was awarded \$39 million in TCAP funds from HUD and \$53 million in Section 1602 funding from the US Treasury. A threshold factor for Section 1602 eligibility was that a development had received an allocation of the Low Income Housing Tax Credit no earlier than Oct. 1, 2006 and no later than Sept. 30, 2009, excepting those that had been placed in service by Dec. 31, 2008, or were required to be placed in service by that date. Full program descriptions are available on the Multifamily Development page on www.thda.org.

As of mid-December, THDA has issued conditional commitment letters for funding under both programs and is in the midst of closing 21 contracts before the end of the calendar year. Developments in Cookeville (Cane Creek, 76 units), Kingsport (City View, 44 units and Model City, 256 units), and McMinnville (Bersheeba Heights, 100 units) are closed.

THDA expects to fill funding gaps with TCAP and Section 1602 funds, but only to a level necessary to achieve financial feasibility for the development as affordable rental housing.

HPRP Demand is Exceeding Supply

THDA was awarded \$13.5 million from the Department of Housing and Urban Development to administer the statewide Homeless Prevention and Rapid Re-Housing Program (HPRP). The primary goal the program is to provide housing stability to individuals and families most affected by recent economic conditions or experiencing a life crisis leading to homelessness.

HPRP provides homeless prevention assistance to households who would otherwise become homeless and to provides assistance to rapidly re-house persons who are experiencing homelessness. Assistance includes: rental assistance, housing relocation and stabilization services, including, security or utility deposits, utility payments, moving cost assistance and case management. The program is scheduled to last two years. In the first year alone, THDA plans to serve almost 5500 individuals in 2200 households. Financial assistance is temporary and ideally short-term (2-3 months), but assistance can be provided up to 12 months in extreme cases.

THDA has contracted with Tennessee’s 10 Continuum of Care organizations to provide HPRP services. The 10 Continuum of Care organizations, representing every region of the state, signed contracts effective Oct. 1, 2009 to implement the program. The Continuum of Care organizations serve as area planning and service delivery organizations that focus on homelessness and supportive housing programs for some of Tennessee’s most vulnerable populations.

Since October, awareness of the program has spread and demand for HPRP funds has grown tremendously. The program has also brought to light the lack of affordable housing stock in Tennessee. In many cases there is a significant gap between the resources families have available for rent and the affordability of rental housing in the area. Another discovery through the

Continued on next page

ARRA Programs Underway _____ Continued

program is the impact a health care emergency or disabling condition can have on households of low income.

“We all expected there would be a demand for the program because of the economy and the loss of manufacturing jobs especially in rural areas, but demand exceeds what we anticipated,” said Steve Meinbresse, the HPRP coordinator.

A complete HPRP description is posted on the THDA website, www.thda.org/commpros/hprp/progdesc.pdf. A state map with local HPRP information and contacts is available at www.TNHousingResource.org and at www.thda.org/commpros/hprp/cocmap.pdf.

In order to meet the transparency and accountability requirements of the ARRA, Programs funded under the Act include extra reporting requirements. Fund recipients (THDA) and sub-recipients are reporting data on a quarterly basis to the federal government, beginning with the quarter that ended Sept. 30, 2009, and continuing through the life of the program.

To keep up-to-date with these programs, bookmark THDA’s Recovery Act page, www.thda.org/recovery/index.html. Information about all of Tennessee’s recovery act funding is found at www.tnrecovery.gov.



On Aug. 21, 2009, THDA Executive Director Ted R. Fellman spoke at the Annual Habitat for Humanity of Tennessee Conference in Murfreesboro. He is pictured with fellow conference speakers: (L to R) Ralph Perrey, Fannie Mae; Fellman; Carol Peterson, Federal Home Loan Bank of Cincinnati; and Don Harris, USDA Rural Development.

THDA Extends Stimulus Second Mortgage Program

On Nov. 6, 2009 President Obama signed an extension of the \$8,000 tax credit for first-time homebuyers. Under the new law, an eligible taxpayer must buy, or enter into a binding contract to buy, a principal residence on or before April 30, 2010 and close on the home by June 30, 2010.

Because of the tax credit extension, THDA has also extended its Stimulus Second Mortgage Program beyond the original November 30, 2009, deadline and incorporated the new deadlines. The Stimulus Second Mortgage Program

is a loan to be used in conjunction with THDA’s Great Rate and Great Advantage loan programs that will make the \$8,000 tax credit usable at the beginning of the home buying process. With the Stimulus Mortgage Program a first-time homebuyer can receive up to 3.5% of purchase price for down-payment and closing cost assistance in a 0% deferred second mortgage loan.

Due to severe storms over the past several years, the following Tennessee counties were included in Presidentially-Declared disaster areas: Benton, Henry, Lewis,

McMinn, Montgomery, Perry, Rutherford, Shelby, Sumner, Weakley, and Williamson. Borrowers purchasing a home in a county included in a Presidentially-declared disaster area did not have to be a first-time homebuyer during a period of time ending December 31, 2009. If legislation extends the exemptions, THDA will follow.

THDA is not incorporating the new provisions for existing home owners under its Stimulus Second Mortgage Program.

THDA Receives NCHSA Special Achievement Award

The Tennessee Housing Development Agency was one of two state housing finance agencies (HFAs) that was awarded the National Council of State Housing Agencies (NCSHA) 2009 Special Achievement Award. The Special Achievement Award recognizes HFA's programs, projects or actions that respond in an outstanding manner to an important state need; have a significant impact on a population, geographic area, or economy; and cut across



traditional program lines. Judging criteria for the special achievement category includes the degree to which they are innovative, respond to an important state need, achieve intended results and provide benefits that outweigh costs.

THDA staff members are pictured accepting the award. From left to right are Laura Sinclair, Ron Erickson, Larry

Richardson, Ted Fellman, Trent Ridley and Lorrie Shearon.

Fellman Appointed to the MSRB Issuer Advisory Group

THDA's Executive Director Ted Fellman has been appointed by the Municipal Securities Rulemaking Board (MSRB) as a member of their Issuer Advisory Group. This appointment carries a two-year term. In this role Fellman will represent housing issuers on the Advisory Group. "I am honored to be selected and I am excited about the opportunity" Fellman said.

MSRB Chair Peter T. Clarke said the advisory group appointments enhance the industry knowledge and experience available to the MSRB. "The diverse perspectives of our new advisory members will

enhance the MSRB's ability to protect investors and the public interest, and promote a fair and efficient municipal market," he said. "We are grateful for their willingness to serve the market in this role and we look forward to working with them."

The MSRB was established in 1975 by Congress to protect investors and promote a fair and efficient municipal securities market. To accomplish this mission, the MSRB regulates securities firms and banks that underwrite, trade and sell municipal securities, and collects and disseminates market information.

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