

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
September 22, 2020

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the "Board") met in regular session on Tuesday, September 22, 2020, at 1:00 p.m. CDT, via WebEx call with certain staff members being at the THDA Offices located at 502 Deaderick Street; Andrew Jackson Building, 3<sup>rd</sup> Floor; Nashville, Tennessee 37243.

The following Board members were present via WebEx: Mike Hedges (Chair), Colleen Daniels (for Butch Eley, Commissioner of Finance & Administration), Secretary of State Tre Hargett, Treasurer David Lillard, Matt McGauley, Austin McMullen, Rick Neal, Tennion Reed, Chrissi Rhea, John Snodderly, and Katie Armstrong (for Comptroller Justin Wilson). Joseph Williams joined the meeting at 1:16 p.m. CDT) and Joann Massey joined the meeting at 1:18 p.m. CDT.

Chair Hedges introduced three new Board members (Mr. McGauley, Ms. Massey and Ms. Reed) and welcomed them to the THDA Board of Directors.

Chair Hedges recognized Lynn Miller, Chief Legal Counsel, who read the following statement:

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

Chair Hedges called the meeting to order. Upon motion by Mr. Neal, second by Mr. McMullen, and a roll call vote with all members identified as present voting "yes", motion carried that a necessity existed to conduct the meeting in this manner.

Chair Hedges called for consideration of the July 29, 2020 minutes that were previously circulated to all Board members. Upon motion by Mr. Lillard, second by Ms. Rhea, and a roll call vote with all members identified as present voting "yes", motion carried to approve the minutes.

Chair Hedges recognized Ralph M. Perrey, Executive Director, who gave the following Executive Director's report:

- Staff expects to propose making THDA funds available to Emergency Solutions Grant ("ESG") Program recipients to allow grant recipients to more effectively access ESG funds.

- Loan production has continued to slow. The effects of COVID on the economy and a shortage of homes on the market at THDA price points, especially in Middle Tennessee, are the culprits. Staff expects to close the year with a production rate of approximately \$500 million.
- Loan delinquency rates continue to edge up and the increase is entirely COVID related. Requests for loan forbearance are also up slightly.
- Issue 2020-4 will price next week. Market conditions are favorable and that spurred the decision to lower interest rates on THDA loans earlier this month.
- THDA staff are joining the Administrative Office of the Courts and the Department of Human Services next week in a virtual summit, discussing ways to prevent evictions.
- Ralph Perrey was invited to speak to the Governor's Financial Stimulus Accountability Group to highlight steps THDA has taken to help Tennesseans facing housing hardships as a result of COVID-related job loss.
- THDA's website ([www.thda.org](http://www.thda.org)) has been redesigned. It easier to navigate and find information.
- The final THDA Board Meeting in 2020 will be on November 17, 2020 via WebEx. Committee meetings will be on November 12 and 13, 2020. The November meeting is considered the "annual meeting", so there will be additional reports and action items on the agenda.
- Bettie Teasley, THDA's Director of Research & Planning, resigned to pursue new opportunities in North Carolina. Rebecca Anderson will start with THDA next week as the new Director of Communication. Ms. Anderson held a similar position with the Girl Scout Council of Middle Tennessee.

Chair Hedges then noted that the Board is without has a Vice-Chair. Upon a motion by Mr. Snodderly, second by Mr. Williams, and a roll call vote with twelve members identified as present voting "yes" and one abstention by Mr. Neal, motion carried to select Mr. Neal as Vice-Chair from September 2020 to November 2021.

Chair Hedges then called for consideration of the budget proposal for Fiscal Year 2021-2022 (the "Proposed Budget") and recognized Treasurer Lillard, Chair of the Audit & Budget Committee. Treasurer Lillard noted that the Audit & Budget Committee met jointly on Friday, September 18, 2020, with the Bond Finance Committee to review the Proposed Budget. Chief Financial Officer, Trent Ridley, offered a briefing, and those materials are included in the Board package. Treasurer Lillard noted the Proposed Budget comes to the Board as a motion for approval, with a second, from the Audit & Budget Committee and the Bond Finance Committee. Upon a roll call vote with eleven members identified as present voting "yes", and two abstentions by Ms. Daniels and Ms. Armstrong, motion carried to approve the Proposed Budget and to authorize staff to make changes as may be necessary during the state review and approval process.

Chair Hedges called for consideration of the proposal for THDA to become a Ginnie Mae Issuer and recognized Ms. Rhea, Chair of the Lending Committee. Ms. Rhea referenced a memo dated September 4, 2020, from Lynn Miller, Chief Legal Counsel and Lindsay Hall, Chief Operating Officer of Single Family Programs that describes the proposal to authorize THDA to become a Ginnie Mae issuer and to sell government backed mortgage loans into the secondary

market. She indicated that the actions specified in the referenced memo were recommended by the Lending Committee and comes to the Board as a motion for approval, with a second from the Lending Committee. Upon a roll call vote with all members identified as present voting “yes”, motion carried to authorize THDA to become a Ginnie Mae issuer, to submit the required application, and to authorize all actions recommended in the referenced memo.

Chair Hedges called for consideration of the sale of THDA downpayment assistance (“DPA”) loans and recognized Ms. Rhea who referenced a memo dated September 8, 2020, from Ms. Miller and Ms. Lindsay Hall. Ms. Rhea noted that THDA has the authority to sell loans and staff requested Board approval to explore and move forward with such sales, with the understanding that any sale would have to make financial sense for THDA. Ms. Rhea noted this comes to the Board as a motion for approval, with a second from the Lending Committee. Upon a roll call vote with ten members identified as present voting “yes” and Hargett, Lillard and McMullen voting “no”, motion carried to authorize the sale of DPA loans and to approve the additional authorizations contained in the referenced memo.

Chair Hedges called for consideration of the 2021 Winter Round of the Tennessee Housing Trust Fund (THTF) Competitive Grants Program Program Description (the “Program Description”) and recognized Austin McMullen, Chair of the Grants Committee, who referenced a memo dated August 31, 2020, from Cynthia Peraza, Director of Community Programs and Don Watt, Chief Programs Officer. Mr. McMullen noted that the Program Description is similar to the one for 2020, with the exception of changes described in the referenced memo, most notably realignment of the funding cycle to winter and summer, rather than fall and spring. Mr. McMullen noted the Program Description comes to the Board as a motion for approval, with a second from the Grants Committee. Upon a roll call vote with all members identified as present voting “yes”, motion carried to adopt the Program Description and to authorize staff to award these grants according to the requirements of the Program Description, all as described in the referenced memo.


Chair Hedges called for consideration of the Hardest Hit Fund Reinstatement Only Program (“ROP”) and recognized Mr. McMullen who referenced a memo dated August 27, 2020, from Ms. Peraza and Mr. Watt, Chief Programs Officer. He noted that in conjunction with the US Department of Treasury, THDA proposes to re-open the Hardest Hit Fund Reinstatement Only Program, utilizing approximately \$10 million of the \$15 million available in left-over program and administrative Hardest Hit funds. Mr. McMullen indicated that authorizing re-opening the ROP, with the modified term sheet that is part of the referenced memo and authorizing staff to make any changes required by the US Department of Treasury comes to the Board as a motion for approval, with a second from the Grants Committee. Upon a roll call vote with all members identified as present voting “yes”.

Chair Hedges called for consideration of operating assistance to Community Housing Development Organizations (“CHDOs”) and recognized Mr. McMullen who referenced a memo dated August 31, 2020, from Ms. Peraza and Mr. Watt. He explained that THDA has long allocated HOME program funds to provide operating assistance to CHDOs, however, in this year of COVID, many CHDOs have seen both an increase in their operating costs and a decline in other traditional sources of funding. The proposal is to set aside an additional \$1 million in HOME funds for operating assistance for CHDOs, to be awarded and administered as described in the referenced

memo. He noted the proposal described in the referenced memo comes to the Board as a motion for approval, with a second from the Grants Committee. Upon a roll call vote with all members identified as present voting "yes", motion carried to approve up to one million dollars in HOME funds for addition operating assistance to CHDOs and authorize staff to take all actions necessary to initiate and administer these grants as described in the referenced memo.

With no further business to address, the meeting was adjourned.

Respectfully submitted,

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

Ralph M. Perrey  
Executive Director

Approved this 17<sup>th</sup> day of November, 2020