

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
November 17, 2020

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the "Board") met in regular session on Tuesday, November 17, 2020, at 1:03 p.m. CDT, via WebEx call with certain staff members being at the THDA Offices located at 502 Deaderick Street; Andrew Jackson Building, 3rd Floor; Nashville, Tennessee 37243.

The following Board members were present via WebEx: Mike Hedges (Chair), Doree Hicks (for Butch Eley, Commissioner of Finance & Administration), Secretary of State Tre Hargett, Kevin Bradley (for Treasurer David Lillard), Joann Massey, Matt McGauley, Austin McMullen, Erin Merrick, Rick Neal, Tennion Reed, Chrissi Rhea, John Snodderly, and Katie Armstrong (for Comptroller Justin Wilson).

Chair Hedges recognized Bruce Balcom, Assistant 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 or electronically. Board members so participating were sent documents relevant to today's meeting."

Chair Hedges called the meeting to order. Upon a roll call vote, with all members identified as present voting "yes", motion carried that a necessity exists to conduct the meeting in this manner.

Chair Hedges called for consideration of the September 22, 2020, minutes that were previously circulated to all Board members. Upon motion by Mr. Neal, second by Mr. McMullen, and a roll call vote with all Board members identified as present voting yes, except for Ms. Hicks who abstained, the minutes were approved.

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

- THDA received a clean audit from HUD for the Contract Administration division. They handle all rental developments with project based vouchers, as assigned to THDA by HUD. HUD had no findings and no concerns.

- HUD extended the THDA contract to administer the project based rental assistance program through January 2022.
- HUD awarded an additional \$2 million in CARES Act funds to THDA to offset the cost of increased housing voucher amounts for those who lost income due to COVID-related economic shutdowns. Roughly 16% of THDA voucher holders qualified for higher payments. THDA also earned “High Performer” status from HUD again this year.
- Don Watt, THDA Chief Program Officer, has been appointed by Governor Lee to the Mental Health and Substance Abuse Services Statewide Planning & Policy Council.
- The following items in the Appendix to the Board packet are of note:
 1. State Form CT-2053, Report on Debt Obligation for Issue 2020-2, Issue 2020-3 and Issue 2020-4 that provides a summary of each transaction that must be presented to the THDA Board and filed with the Comptroller’s Office.
 2. Five Year Financial Plan. Trent Ridley, Chief Financial Officer, described highlights of the Plan.
 3. Official Statement for Issue 2020-4. Lynn Miller, Chief Legal Counsel, describe the purpose of official statements and describe the various sections and data contained in each. She noted that Board members have an obligation to review this information and to communicate with staff regarding any issues or concerns Board members may have.
- The following Veterans among THDA staff were recognized:
 - US Army – Melva Boyd, Kimberly Green, and Stephanie Bounds
 - US Navy – Bill Lord and Jessica Davis
 - US Marine Corp – Kavin Williams and Da’Marcus Hunt
 - US Air Force – Mike Costa

Chair Hedges then offered a time for public comment. No comments were made.

Noting that November is the annual meeting, Chair Hedges announced the following Committee assignments:

Lending:	Rhea (Chair), Eley, McGauley, Merrick, Neal
Grants:	McMullen (Chair), Hargett, Wilson, Massey, Neal, Reed
Tax Credit:	Snodderly (Chair), Eley, Hargett, Hedges, Lillard, McGauley, Massey, Merrick
Rental Assistance:	Snodderly (Chair), Massey, Merrick, Reed
Audit & Budget:	Hargett (Chair for 2021), Hedges, Lillard, McMullen, Neal, Rhea
Bond Finance:	Hedges (Chair), Eley, Hargett, Lillard, Wilson

Chair Hedges referenced the selection of Rick Neal as vice chair in September. Upon motion by Mr. McMullen, second by Ms. Massey and a roll call vote with all Board members

identified as present voting yes, except for Mr. Neal who abstained, the selection of Mr. Neal as vice-chair was ratified.

Chair Hedges recognized Mr. Snodderly for the Tax Credit Committee report. Mr. Snodderly referenced a memo dated November 13, 2020, from Edwin King, Director of Multifamily Programs, describing a request from Forest Creek Townhomes, LLC to exchange 2017 low income housing credits for an equal amount of 2021 low income housing credits for Forest Creek Townhomes (TN17-907) in Memphis. Mr. Snodderly noted that this is unusual because it is a request for a second exchange of low income housing credit. He pointed out that the developer has had five years to complete this development, but has been unable to do so. Mr. Snodderly explained that the Tax Credit Committee voted 5 to 2, with one abstention, to recommend granting the exchange subject to the six conditions outlined in Mr. King's memo. Chair Hedges noted that the Committee recommendation comes to the Board as a motion for approval, with a second, from the Tax Credit Committee. Upon motion by Mr. McGauley, second by Mr. Snodderly, and a roll call vote with Hicks, Hargett, Bradley, McGauley, Merrick, Rhea, Snodderly, Armstrong, Hedges voting yes and Massey, McMullen, Neal, Reed abstaining, the following amendments were made to the Tax Credit Committee motion:

1. 100% of all units must be ready for occupancy no later than June 30, 2021; and
2. Forest Creek Townhomes, LLC may receive a reservation notice, but will not be eligible for a carryover allocation; and
3. A final application for Forest Creek Townhomes must be submitted to THDA no later than August 2, 2021.

Chair Hedges called for consideration of the original motion as amended. Following extensive discussion among Board members, the meeting was recessed and Barry Cohen, the representative of Forest Creek Townhomes, LLC was permitted to address the Board. Following Mr. Cohen's extensive comments, Chair Hedges asked for questions. Hearing none, Chair Hedges reconvened the Board meeting. Upon a roll call vote with Hicks, Hargett, Bradley, McGauley, Merrick, Rhea, Snodderly, Armstrong, and Hedges voting no and Massey, McMullen, Neal and Reed abstaining, the original motion, as amended, did not pass.

Chair Hedges recognized Secretary of State Hargett for the Audit & Budget Committee report. Secretary of State Hargett, who was handling the meeting at the request of Treasurer Lillard, noted that the first item was the annual performance evaluation for the Executive Director. Secretary of State Hargett explained that the Audit & Budget Committee recommended an "advanced" rating for Mr. Perrey's performance in 2020, and a salary increase and any associated bonus to be awarded the same as provided to other staff who also received an advanced rating for the October 1, 2019, to September 30, 2020 evaluation period. He noted that this recommendation comes to the Board as a motion for approval, with a second, from the Audit & Budget Committee. Upon a roll call vote with all Board members identified as present voting yes, the motion was approved.

Secretary of State Hargett referenced two memos from Gay Oliver, Director of Internal Audit, both dated November 2, 2020, containing reports describing the annual disclosure analysis for Board members and staff. He noted that both reports come to the Board as a motion, with a second, from the Audit and Budget Committee to accept both reports for inclusion in the official records of the Board. Upon a roll call vote, with all members identified as present voting yes, motion carried.

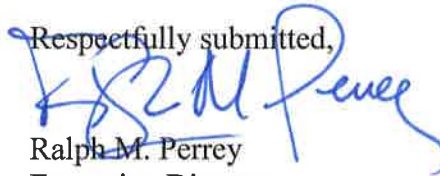
Chair Hedges recognized Mr. McMullen for the Grants Committee report. At the suggestion of Chair Hedges, Mr. McMullen described the following items and noted that each comes to the Board in one motion for approval, with a second, from the Grants Committee:

1. 2020 Emergency Solutions Grant CARES Act Part II Program Description as described in a memo from Cynthia Peraza, Director of Community Programs, and Mr. Watt, dated November 4, 2020.
2. 2021 Emergency Solutions Grants Program Description as described in a memo from Ms. Peraza and Mr. Watt dated October 27, 2020.
3. 2020 HOME – CHDO Mini Round Program Description as described in a memo from Ms. Peraza and Mr. Watt dated October 28, 2020.
4. 2020 Homebuilders Demonstration Grant as described in a memo from Ms. Peraza and Mr. Watt dated October 30, 2020.

Upon a roll call vote with all members identified as present voting yes, motion carried to approve the three described program descriptions and the Homebuilders Demonstration Grant.

Chair Hedges recognized Mr. Snodderly for the final item from the Tax Credit Committee. Mr. Snodderly referenced a memo from Mr. King and Mr. Watt dated October 30, 2020, regarding the Multifamily Tax-Exempt Bond Authority Program Description for 2021. Mr. Snodderly highlighted some of the changes, as more specifically described in the referenced memo, and noted that the Multifamily Tax-Exempt Bond Authority Program Description for 2021 comes to the Board as a motion for approval, with a second, from the Tax Credit Committee. Upon a roll call vote, with all members present voting yes, except for Mr. McMullen, who abstained, the Multifamily Tax-Exempt Bond Authority Program Description for 2021 was adopted.

With no further business, the meeting was adjourned.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved this 26th day of January, 2021