

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
March 21, 2023

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the "Board") met in regular session on Tuesday, March 21, 2023, at 10:08 AM CT in the Nashville Room of the William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

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

Chair McGauley called the Board meeting to order and introduced the new board format, the dissolution of non-statutory committees, and the addition of regular Single Family and Multifamily business updates.

Chair McGauley then opened the floor to anyone present from the public who wished to address the board. Seeing no one, he closed the floor to public comment.

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

This year's Tennessee Housing Conference was the best, and best attended, conference THDA has ever had. There were 759 attendees at the Music City Center. Ed Brady, President of the Homebuilders Institute (HBI), was the opening speaker. His organization supports vocational training in the building trades, and HBI is considering locating one of their centers in Middle Tennessee, an effort that THDA may well want to support.

The Biden Administration has introduced its budget proposal for the federal fiscal year that begins in October. Some items in the President's budget could impact our work. These items include:

- *Funding for the Affordable Housing Credit Improvement Act (AHCIA)*. This would increase the amount of housing tax credits available to us by 50% over a two year period and index it for inflation thereafter. It would also reduce the so-called "50% test" on bonds to 25%, which would enable THDA to provide tax credits to support perhaps half-again as many bond developments.
- *Neighborhood Homes Investment Act*. This creates a tax credit to provide an incentive for developers to build and rehab homes in places where the cost to build is more than the appraised value of the finished product.

- *First Generation Down-Payment Assistance.* It provides a down payment grant to first generation homebuyers.

The Biden budget also proposes a small increase for the HOME program, and a significant increase in the amount of Housing Choice Vouchers.

We are keeping an eye on legislation in the General Assembly that would create a state tax credit that can be layered on top of the housing tax credits we administer. Tennessee does not have a state income tax, so this is a bit more complicated and the fiscal note is likely to be an issue for state legislators. There are some operational concerns, as well, but it could potentially provide additional subsidy for tax credit developments, enabling THDA to potentially support more developments.

At the conclusion of Mr. Perrey's remarks, Chair McGauley recognized Ms. Lindsay Hall, the Chief Operating Officer for Single Family Programs for a Single Family Programs Business Update. Ms. Hall's update included a comparative loan production report, background on the need for taxable bonds to support the Freddie Mac HFA Advantage product, and the introduction of the new Homeownership for Heroes program.

Next, Chair McGauley recognized Mr. Eric Alexander, the Director of Multifamily Programs for a Multifamily Programs Business Update. Mr. Alexander's update included the number of MBTA applications, with break downs by grand division, the timeline for the 2024 QAP development timeline, and comprehensive review and reorganization of the elements of the current QAP to better inform the 2024 QAP.

Next Chair McGauley recognized Mr. Don Watt, Chief Program Officer, as well as members from the Community Programs and Rental Assistance Divisions to share information about the THDA administered programs that help combat homelessness and/or assist individuals in danger of homelessness.

At the conclusion of the presentation, Chair McGauley asked for consideration of the January 24, 2023 board meeting minutes. Upon motion by Mr. McMullen and a second by Mr. Schuhmann, the motion carried and the minutes were approved.

Chair McGauley asked for consideration of past committee minutes from the Grants, Lending, Rental Assistance, and Tax Credit Committees. He asked board members if there were revisions or changes to any of the minutes. All board members responded that they had no changes to any of the minutes as presented in the board packet. Upon motion by Mr. Neal and a second by Mr. McMullen, the motion carried and the past minutes from the Grants, Lending, Rental Assistance and Tax Credit Committee minutes were approved.

Mr. McGauley then recognized Ms. Cynthia Peraza, Director of Community Programs to present the recent 2022 HOME-ARP Rental Development Program Awards. Ms. Peraza highlighted that THDA awarded over \$10 million of the \$15 million set aside to five organizations that would be creating 81 new units of affordable rental housing. Mr. McMullen asked Ms. Peraza what would be done with the remaining \$5 million and if applicants that did

not meet threshold requirements this time could reapply for that additional money? Ms. Peraza said that there would be another window for HOME-ARP Rental Development Program applications in the future and that new organizations or previous organizations that did not previously meet threshold requirements could reapply.

Mr. McGauley then presented a motion and a second from the Bond Finance Committee to approve Bond Issue 2023-2 as presented in the committee and outlined in the board materials. Upon vote from the full Board, the motion was carried.

Chair McGauley recognized Ms. Cynthia Peraza, Director of Community Programs, to present on the Update to the 2022 Eviction Prevention Pilot Program, as outlined in the memo dated February 22, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted that these funds should be granted directly to the Chattanooga Regional Homeless Coalition for implementation. Upon motion by Mr. McMullen and a second by Secretary Hargett, the motion to approve the Update to the 2022 Eviction Prevention Pilot Program description was carried.

Chair McGauley recognized Mr. Ralph Perrey, Executive Director of THDA, to present on the proposed Grant to support CONVERGENCE-Memphis, as outlined in the memo dated March 9, 2023, from himself as found in the board packet. Mr. Perrey highlighted that this grant of \$250,000 would support three specific initiatives detailed in the board packet. Mr. Neal asked Mr. Perrey if there were any other restrictions on the spending of this money and how progress would be measured? Mr. Perrey confirmed that the grant was restricted to activities outlined in the three initiatives in the board packet and the Executive Director of CONVERGENCE-Memphis will keep the CONVERGENCE-Memphis Board apprised of progress and that information will be shared with the THDA Board of Directors. Upon motion by Ms. Akbari and a second by Ms. Rhea, the motion to approve the \$250,000 grant to support CONVERGENCE-Memphis was carried.

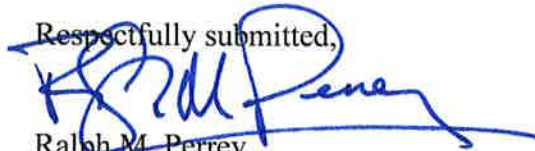
Chair McGauley recognized Ms. Cynthia Peraza, Director of Community Programs, to present on the 2023 Weatherization Assistance Program Application Submission Authorization, as outlined in the memo dated February 13, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted that THDA expects to be awarded \$5.8 million for this program. Upon motion by Mr. Neal, and a second by Ms. Rhea, the motion to approve the 2023 Weatherization Assistance Program Application Submission Authorization was carried.

Chair McGauley again recognized Ms. Cynthia Peraza, Director of Community Programs, to present on the 2020 HOME Program Grant Extension Requests as outlined in the memo dated February 14, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted the challenges these grantees have faced. Mr. McMullen asked Ms. Peraza what happens if the Board does not extend these grant windows and if there is a limit to the number of extensions a grantee can receive? Ms. Peraza responded that we can recapture unexpended funds for projects if grantees do not meet deadlines and reallocate those funds to other grantees, and that the HOME Program does not limit the number of extensions a grantee can request, however it does require the projects to be completed within a 4-year window. Mr.

Neal asked for a further explanation of what the term 'in process' in the board memo encompassed? Ms. Peraza responded that 'in process' covered a wide range of activities from contract approvals, bids, inspections to actual construction. Upon motion by Secretary Hargett, and a second by Mr. McMullen, the motion to approve the 2020 HOME program Grant Extension Requests for the City of Dyer, the City of Paris, the City of Savannah, DeKalb County, and Union City were carried.

With no further business, the meeting was adjourned at 1154 AM CT.

Respectfully submitted,



Ralph M. Perrey  
Executive Director

Approved this 23rd day of May, 2023