

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
March 30, 2021

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the "Board") met in regular session on Tuesday, March 30, 2021, at 1:02 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), Chris Mustain (for Secretary of State Tre Hargett), Treasurer David Lillard, Joann Massey, Matt McGauley, Austin McMullen, Erin Merrick, Rick Neal, Tennion Reed, Chrissi Rhea, John Snodderly, and Katie Armstrong (for Comptroller Jason Mumpower). Mike Hardwick, Board member, was absent.

Chair Hedges recognized Bruce Balcom, 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 motion by Mr. McMullen and a second by Mr. Mustain and a roll call vote, with all members identified as present voting "yes", (13 ayes) motion carried that a necessity exists to conduct the meeting in this manner.

Chair Hedges called for consideration of the January 26, 2021, minutes that were previously circulated to all Board members. Upon motion by Mr. Neal, second by Mr. McGauley, and a roll call vote with all Board members identified as present voting yes (13 ayes), the minutes were approved.

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

Mr. Perrey noted that yesterday he had an opportunity to update Governor Lee's Financial Stability Accountability Group on THDA's administration of the additional federal funds coming our way. He offered that same update to the Board.

Under last year's CARES Act:

- \$33.5 million for Emergency Solutions Grants. That's 11 times as much as we would normally get. The funds support organizations that help the homeless and those at imminent risk of homelessness.
- An additional \$18 million for Low Income Home Energy Assistance, in addition to the \$64 million we normally receive.
- An additional \$4.7 million for housing choice vouchers – this paid for the increases in voucher amounts for recipients who had lost income due to COVID.

In December's appropriation bill:

- \$383.4 million for the Rental Relief program, which we launched this month.
- Congress also created a new program to help low income Tennesseans pay overdue water and sewer bills. That's so new it doesn't have its own acronym yet, but we will receive between \$11-14 million.

Then, under the American Recovery Act:

- Another \$75-80 million for energy assistance
- Another \$300 million for Rent relief
- Another \$9-11 million for that water/sewer program
- Another \$54 million for HOME
- And, we estimate over \$200 million for Homeowner Assistance.

The COVID 19 Rent Relief program successfully opened on March 1. We had over five thousand applicants on the first day. As of last night, almost eighteen thousand had applied, requesting an average of \$5,800.00 for back rent and utilities.

We are preparing to launch a similar program for Homeowners who, because of COVID, have fallen behind on their mortgage payments. The US Department of Treasury expects to issue program guidance within 30 days, so we won't be able to finalize plans until that's received. We expect this program will be similar to the foreclosure prevention program we administered under the Federal Hardest Hit Fund, and most likely, this will be somewhat less complicated. This is a very different set of circumstances than during the Financial Crisis.

While we await further guidance, we are proceeding with our plans – lining up vendors, technology applications, reassigning staff. Our prior experience with mortgage assistance programs gives us an advantage, and we will work to have this program going at the earliest practical date, once we have direction from Washington. Based on what we are hearing, we expect to launch the Homeowner Assistance program by mid-summer.

We will also have to await federal guidance about that new water/sewer program.

And we are looking into what else we can do with HOME funds, including, possibly, providing support to multifamily developments struggling with sharply higher costs for materials.

We will keep you updated on all of these.

Other highlights -

- We are very pleased with the result of last week's pricing for bond issue 2021-1. The market moved in our direction in the days leading up to the pricing. The offer was oversubscribed by a factor of four, resulting in more favorable pricing than we had expected.
- Matching the overall mortgage market, THDA this month adjusted the interest rate on our *Great Choice* mortgage loans to 3.0%, up from 2.75%. The rate for *Homeownership for the Brave* loans is 2.5%.
- I am pleased to introduce THDA's new Director of Research and Planning – Dhathri Chunduru.

We have been meeting virtually for the full year now. There seems to be a little light at the end of the COVID tunnel as more of us are vaccinated. Mr. Chairman, I'd be interested in getting a sense of board's feelings about potentially resuming in-person meetings, or hosting those who wish to come and having others join by WebEx. Chairman Hedges asked to follow up with Mr. Perrey in a week or so.

Chair Hedges proceeded to the agenda, and recognized Don Watt, Chief Programs Officer to present the first item, Amendment to 2021 Qualified Allocation Plan – Disaster Declaration Counties. By offer of a motion from Mr. Snodderly to approve the amendment of the Low-Income Housing Credit 2021 Qualified Allocation Plan as described in the memo from Don Watt, Chief Programs Officer dated March 15, 2021 including the most recent change to include the Disaster Declaration Counties special round will be open to new construction only, second by Mr. Mustain and a roll call vote with all Board members identified as present voting yes (13 ayes), the motion carried.

Next, Chair Hedges recognized Don Watt, Chief Programs Officer to present the Multifamily Bond Allocation – Proposed Increase to the Aggregate Amount of THDA Private Activity Volume Cap Available as 2021 Multifamily Tax-Exempt Bond Authority as outlined in the memo from Mr. Watt dated March 15, 2021. By offer of a motion from Mr. Snodderly to approve amending the Multifamily Tax Exempt Bond Authority Program Description for 2021 amending the second paragraph of Section 1 of the 2021 program description to reflect the aggregate amount of 2021 MTBA available is \$375 million, second was offered by Ms. Reed, and with a roll call vote with all Board members identified as present voting (13 ayes), the motion carried.

Chair Hedges then proceeded to the next item and recognized Lindsay Hall, Chief Operating Officer of Single Family Programs who referenced her memo dated March 15, 2021 and explained that staff is recommending a program that will allow homeowners with THDA mortgage revenue bond loans (Great Choice Loans) to receive a reimbursement for any Federal Recapture Tax that is owed and paid. By offer of a motion from Ms. Rhea, to approve a program that will allow homeowners with THDA mortgage revenue bond loans (Great Choice Loans) to

receive a reimbursement for any Federal Recapture Tax that is owed and paid. With a second from Mr. McGauley, and a roll call vote with all Board members identified as present voting yes (13 ayes), the motion carried.

Next, Chair Hedges recognized Cynthia Peraza, Director of Community Programs to bring for the Fiscal Year 2022 Summer Round Tennessee Housing Trust Fund Competitive Grants. Ms. Peraza referenced a memo from herself and Don Watt, Chief Programs Officer dated March 15, 2021 and noted staff is recommending the Board authorize the Executive Director to:

- Adopt the 2022 Summer Round of the THTF Competitive Grants Program Description, and
- Award, or authorize a designee to award, 2022 Summer Round THTF Competitive Grants Program funds to applicants for applications scored by staff based on the rating scale contained in the approved Program Description in descending order, subject to all requirements in the approved Program Description.

By offer of a motion from Mr. McMullen, second by Mr. Snodderly, and a roll call vote with all Board members identified as present voting yes (13 ayes), the motion carried.

Chair Hedges then proceeded to the 2021 Weatherization Assistance Program Application Submission Authorization, and recognized Cynthia Peraza, Director of Community Programs who referenced a memo from herself and Don Watt, Chief Programs Officer dated March 1, 2021 and noted staff is recommending the Board authorize the Executive Director to:

- Determine whether submission of an application is in the best interest of THDA;
- If so, submit an application to the U.S. Department of Energy (“DOE”) for the 2021 Weatherization Program Year by the federal deadline of May 1, 2021, incorporating the changes noted below; and
- Approve changes deemed necessary, within his sole discretion, to meet DOE program requirements.

THDA also proposed the following material policy changes for the 2021 Program Year: Increase the Average Cost Per Dwelling Unit (“ACPU”) from \$7,669.00 to the approved rate as published by DOE in accordance with the increase to the limit set annually by DOE to accommodate the cost increases to implement weatherization activities.

By offer of a motion from Mr. McMullen, second by Mr. Neal, and a roll call vote with all Board members identified as present voting yes (13 ayes), the motion carried.

Lastly, Chair Hedges proceeded to the Modification to 2020 ESG-CV2 Program Description and recognized Cynthia Peraza, Director of Community Programs who referenced a memo from herself and Don Watt, Chief Programs Officer dated March 15, 2021. Ms. Peraza noted that staff is recommending Board authorization for the Executive Director to take the following actions:

- Adopt the attached revised 2020 Emergency Solutions Grants CARES Act Part II (ESG-CV2) Program Description (“Program Description”);
- Authorize the Executive Director or a designee to award 2021 ESG-CV2 funds in accordance with the program description
- Authorize staff to make any necessary programmatic changes as deemed necessary and approved by the Executive Director or as deemed necessary by the U.S. Department of Housing and Urban Development (HUD) due to COVID-19.

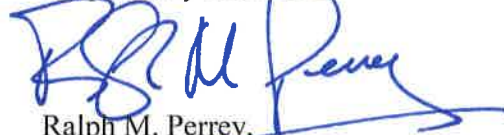
THDA proposes the following material policy changes for the 2021 program year:

- Include entitlement jurisdictions in the award of noncompetitive ESG CV-2 funding; and
- Provide eligible Continua of Care (CoC) with funding to support their efforts to solicit, review and rank ESG-CV2 applications, to provide applicants with technical assistance, and provide monitoring and/or reporting support to THDA

By offer of a motion from Mr. McMullen, second by Mr. McGauley, and a roll call vote with all Board members identified as present voting yes (13 ayes), the motion carried.

With no other business to come before the Board, meeting was adjourned.

Respectfully submitted,



Ralph M. Perrey,
Executive Director

Approved the 25th day of May, 2021.