

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
September 28, 2021

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors (the "Board") met in regular session on Tuesday, September 27, 2021 at 1:00 p.m. Central Standard Time., in the Conference Rooms A and C of the William R. Snodgrass Tennessee Tower Building, in Nashville, Tennessee.

The following Board members were present and in person: Mike Hedges (Chair), Kevin Bradley (for Treasurer David Lillard), Katie Armstrong (for comptroller, Jason Mumpower). Those Board members participating via Webex were: Chris Mustain (for Secretary Tre Hargett), Joann Massey, Matt McGauley, Austin McMullen (joined the meeting at 1:16 p.m. CT), Tennion Reed, Chrissi Rhea and John Snodderly. Board members, Mike Hardwick, Doree Hicks (for Commissioner Butch Eley), Erin Merrick and Rick Neal were 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. Hedges on behalf of the Board, and a roll call vote, with all members identified as present voting "yes" (9 ayes); motion carried that a necessity exists to conduct the meeting in this manner.

Chair Hedges called for consideration of the July 27, 2021, minutes that were previously circulated to all Board members. Upon motion by Mr. Hedges, second by Mr. McGauley, and a roll call vote with eight members identified as present voting "yes" (8 ayes) (Mustain, Bradley, Massey, McGauley, Armstrong, Reed, Snodderly, Hedges) and one member abstaining (Rhea); the minutes were approved.

Chair Hedges recognized Ralph M. Perrey, Executive Director of Tennessee Housing Development Agency to present the Executive Directors Report.

- We have a call tomorrow with the US Department of the Treasury regarding our proposal for the Homeowner Assistance Fund, which we hope will lead to their approval of our plan and the release of funding so we can open the program. . In the meantime, we have sent agreements to scores of other loan servicers and are essentially ready to open the program whenever the federal government gives us the go-ahead.

- We have launched the Homeowner Assistance Fund on a pilot basis with just THDA mortgage holders. We have contacted about 2000 borrowers who are either delinquent or in forbearance. So far, roughly one fourth of those are somewhere in process.
- On the Rent Relief program, two things of note here – the Urban Institute this month issued a report that says what we’ve been saying for months -- *“what matters... is how many eligible renters they are able to save from eviction... not the percentage of appropriated funds they have managed to spend...which is a misleading metric given how much more money has been appropriated than is needed in many states.”*
- We are among a small number of state HFAs working on a process and document standardization project. The objective being to make it easier for large regional and national lenders to work with state HFAs. I’m pleased to report that THDA is the first housing finance agency to adopt Freddie Mac’s *Application Programming Interface*, and will soon be the first to adopt Freddie’s *4 month lender engagement plan*. This is inside baseball as far as our customers are concerned but it is an encouraging first step toward engaging with more lenders and offering a wider array of mortgage products to the Tennesseans we serve.
- We are not a first responder agency but we are doing what we can to help those impacted by the flooding in Waverly earlier this month. We have made housing choice vouchers available to some of those displaced. A 70-unit tax credit development was extensively damaged; we are exploring what assistance we can provide to make those units habitable again. We have also notified local officials that we can make roughly \$325,000 from our Rebuild & Recover funding available to eligible homeowners in Humphries County.
- Governor Lee will recommend allocated \$90 million of Recovery Act funding to THDA to allow us to provide subsidies to tax credit developments impacted by the sharp rise in construction cost. The Financial Stability Accountability Group will receive that recommendation October 6 and is expected to act on it later in the month. THDA’s multifamily team is already collecting updated financial information from developers so that we can move quickly to offer commitments, as you have authorized us to do.
- HUD has finally released guidance for the \$53 million in HOME-ARP funding we received last spring. The funds are intended to help those who are homeless, at risk of homelessness, or fleeing a violent domestic situation. We are analyzing the federal requirements now.
- THDA’s Sunset Review Hearing is scheduled November 10. We look forward to updating the General Assembly on what we’ve accomplished since our last one four years ago.

Chair Hedges then gave the report on the Audit & Budget Committee Meeting. He referenced a memo from Gay Oliver, Director of Internal Audit, dated September 7, 2021 explained that the Committee is requesting approval for the addition of a consequences section to

the Code of Conduct, the addition of a table tracking revisions, and formatting the Code of Conduct to match other THDA policies. Upon a motion by Chair Hedges and a roll call vote with all members identified as present voting “yes” (9 ayes), motion carried.

Chair Hedges continued to report on the next item, the Bond Finance Committee Meeting. He noted the 2021-3 Bond Issue (Bond Finance Committee) and referenced the memo from Bruce Balcom, Chief Legal Counsel dated September 7, 2021, which outlined the Committee recommendation to approve the Plan of Financing and recommends to approve the Authorizing Resolution, including the form of the Supplements Resolution, and the Reimbursement Resolution. By an offer of a motion on behalf of the Committee by Chair Hedges, and a roll call vote with all members identified as present voting “yes” (9 ayes), motion carried.

Chair Hedges proceeded to report on the Grants Committee Meeting referring to a memo from Cynthia Peraza and Don Watt dated September 1, 2021 outlining the following recommendations from the Grants Committee on the 2022 Winter Round Competitive Grants Program Description.

Committee is recommending:

- Adoption of the Proposed 2022 Winter Round of the THTF Competitive Grants Program. Description (“Program Description”);
- Authorize the Executive Director or a designee to award the 2022 Winter Round of the THTF Competitive Grants funds to applicants for applications scored by staff. Scoring is based on the rating scale contained in the approved Program Description. Funds will be awarded in descending order from highest score to lowest score until available funding for the eligible applications is exhausted, subject to all requirements in the approved Program Description; and,
- Allow Staff to make minor programmatic changes as deemed necessary and appropriate and as approved by the Executive Director.
- Staff will provide information to the Committee and Board regarding associated funding awards at the meeting that immediately follows the date of the awards.

Upon a motion by Chair Hedges and a roll call vote with all members identified as present voting “yes” (9 ayes), motion carried.

Chair Hedges recognized Mr. Snodderly to report on the Rental Assistance Committee meeting. Mr. Snodderly referenced a memo from Ralph M. Perrey, Executive Director dated September 08, 2021 and noted the Committee is recommending to the Board approval of an extension of THDA’s contract to administer the Project Based Contract Administration Program until HUD is able to award it to another entity and permission for THDA to subcontract that work in the meantime. Upon a motion from Mr. Snodderly and a roll call vote with nine members identified as present voting “yes” (Mustain, Bradley, Massey, McGauley, Armstrong, Reed, Rhea, Snodderly and Hedges); one person to abstaining (McMullen), motion carried.

Next, Mr. Snodderly presented two Allocation requests for approval referring to memos dated September 7, 2021 from Josie Kotsioris, Director of Multifamily Programs and Don Watt, Chief Programs Officer. Mr. Snodderly explained the Committee is recommending the following:

TN21-801 Flats at Mooreland

Approval for the return of \$1,100,000/year of 2019 Low-Income Housing Credit (LIHC); and, an approval of a new allocation of an equal amount of 2021 LIHC.

TN21-802 Hill Place

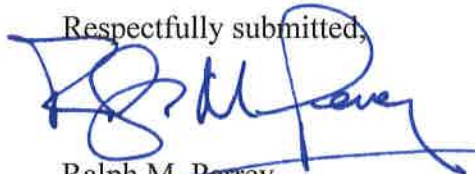
Approval for the return of \$1,159,155/year of 2019 Low Income Housing Credit (LIHC); and, an approval of new allocation for an equal amount of 2021 LIHC.

Upon a motion from Mr. Snodderly and a roll call vote with nine members identified as present voting "yes" (Mustain, Bradley, Massey, McGauley, Armstrong, Reed, Rhea, Snodderly and Hedges); one person to abstaining (McMullen), motion carried.

Mr. Snodderly noted that the last item on the Tax Credit agenda included a discussion around the Low Income Housing Credit Program, and the decision was made to defer any further discussion or decisions until a Special Called Meeting in the latter part of October 2021.

Chair Hedges encouraged all Board members to attempt to attend the November meeting in person. With no further business, meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ralph M. Perrey", written over a horizontal line.

Ralph M. Perrey  
Executive Director

Approved the 16<sup>th</sup> day of November, 2021.