

**Audit & Budget Committee did not meet in the month of
July 2020.**

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOND FINANCE COMMITTEE MEETING MINUTES
July 17, 2020

Pursuant to the call of the Chairman, the Bond Finance Committee of the Tennessee Housing Development Agency (THDA) Board of Directors (the "Committee") met in regular session on Friday, July 17, 2020, at 8:01 a.m., via a WebEx call with certain staff members physically present at the THDA Offices located at 502 Deaderick Street, Andrew Jackson Building, 3rd Floor, Nashville, Tennessee 37243 in the Cades Cove Conference Room.

The following Committee members were present via WebEx: Mike Hedges (Chair); Jonathan Rummel (for Secretary of State Tre Hargett); Treasurer David Lillard; Katie Armstrong (for Comptroller Justin Wilson) and Colleen Daniels (for Commissioner of Finance & Administration Butch Eley).

Recognizing a quorum present, Chair Hedges called the Committee meeting to order and recognized Lynn Miller, THDA Chief Legal Counsel, who read the following statement:

"Certain Committee 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 Committee today require timely action and the physical presence of a sufficient number of Committee members to constitute a quorum is not possible within the timeframe in which action is required and also because of COVID-19. Therefore, it is necessary for some members to participate via telephone. Committee members participating by telephone were sent documents relevant to today's meeting."

Upon motion by Treasurer Lillard, second by Mr. Rummel, and a roll call vote with Hedges, Rummel, Lillard, Daniels and Armstrong voting "yes" and no member voting "no", motion carried that necessity existed to conduct the Bond Finance Committee in this manner.

Chair Hedges called for consideration of the March 24, 2020, meeting minutes. Upon motion by Treasurer Lillard, second by Ms. Armstrong, and a roll call vote with Hedges, Rummel, Lillard, Daniels, and Armstrong voting "yes" and no member voting "no", the minutes were unanimously approved.

Chair Hedges recognized Lynn Miller, THDA Chief Legal Counsel, who presented the Schedule of Financing for Fiscal Year 2020-2021 (the "Schedule of Financing") included in the meeting materials. She indicated that, based on THDA projections, the Schedule of Financing provided for four bond issues in a total principal amount of \$475 million for Fiscal Year 2020-2021 plus approximately \$30 million in anticipated refundings. Upon motion by Treasurer Lillard, second by Ms. Daniels, and a roll call vote, with Hedges, Rummel, Lillard, Daniels and Armstrong voting "yes" and no member voting "no", the motion carried to recommend the Schedule of Financing to the Board for approval.

Chair Hedges recognized Ms. Miller who presented the following documents, that were previously circulated, regarding authorization of Issue 2020-4:

- a memorandum regarding Issue 2020-4 from Ms. Miller, dated July 14, 2020, that described the documents to be considered, explained how the authorization for Issue 2020-4 complied with THDA's Debt Management Policy, and included recommendations regarding bookrunning senior manager and rotating co-manager based on information provided in a separate memo dated July 13, 2020, by CSG Advisors incorporated ("CSG"), financial advisor for THDA;
- a separate memorandum from CSG dated July 13, 2020, that recommended authorization of Issue 2020-4 under the 2013 General Resolution, through a negotiated sale, in an aggregate principal amount not to exceed \$200 million, to refund certain outstanding THDA bonds, and for Citigroup Global markets Inc. to serve as bookrunning senior manager and for Robert W. Baird to serve as the rotating co-manager;
- the Plan of Financing for Issue 2020-4 in an aggregate principal amount not to exceed \$200 million that was approved by the Bond Finance Committee ("Plan of Financing");
- Resolution of the Board of Directors of the Tennessee Housing Development Agency authorizing the issuance and sale of Residential Finance Program Bonds, Issue 2020-4, that includes the form of Supplemental Resolution for Issue 2020-4 and that authorizes the referenced bond issue and delegates authority to the Authorized Officer to determine all final terms and conditions of the bonds (the "Authorizing Resolution");
- Resolution of the Board of Directors of the Tennessee Housing Development Agency authorizing reimbursement of THDA from proceeds of Issue 2020-4 in an amount not to exceed \$100,000,000 (the "Reimbursement Resolution"); and,
- the form of Supplemental Resolution for Issue 2020-4.

Upon motion by Treasurer Lillard, second by Mr. Rummel, and a roll call vote with Hedges, Rummel, Lillard, Armstrong (for Wilson), and Daniels (for Eley) voting "yes" and no member voting "no", the Plan of Financing for Issue 2020-4 was unanimously approved, the Authorizing Resolution and the Reimbursement Resolution were recommended to the Board for approval.

Chair Hedges recognized Ralph Perrey, Executive Director, to present 2020 Volume Cap Use. Mr. Perrey referenced his memo dated July 14, 2020, and described certain highlights regarding single family and multifamily need for volume cap. He noted that, to recognize the priority on volume cap use needed for single family programs, staff asked that the Bond Finance Committee establish a minimum amount of volume cap that should be carried forward in 2020 to support future single-family mortgage loans. He explained that based on staff projections, staff recommended that THDA plan to carry forward at least \$450 million of 2020 volume cap for single family use in subsequent years. He indicated that the Department of Economic and Community Development currently has no requests for 2020 volume cap, so he assumes that volume cap

remaining at year end will be allocated to THDA for carry forward. He noted that if that assumption is correct, then THDA could allocate additional volume cap to the multifamily bond program. Upon motion by Treasurer Lillard, second by Ms. Daniels, and a roll call vote with Hedges, Rummel, Lillard, Armstrong (for Wilson), and Daniels (for Eley) voting "yes" and no member voting "no", motion carried to recommend to the Board that a minimum of \$450 million in 2020 volume cap be carried forward.

With no further business, the meeting was adjourned.

Respectfully submitted,

Assistant Secretary

Approved the __ day of September, 2020

TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE MEETING MINUTES
July 23, 2020

Pursuant to the call of the Chairman, the Grants Committee of the Tennessee Housing Development Agency Board of Directors (the "Board") met in regular session on Thursday, July 23, 2020, at 1:00 p.m. Central Time via WebEx Call.

The following Committee members were present: Austin McMullen (Chair), Jonathan Rummel for Secretary of State Tre Hargett, John Krenson, Rick Neal, and Katie Armstrong for Comptroller Justin Wilson.

Recognizing a quorum present, Chair McMullen called the meeting to order and recognized THDA Chief of Staff Stephaine Bounds, who read the following notice:

"Certain 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. Therefore, it is necessary for some members to participate via telephone. Board members participating by telephone were sent documents relevant to today's meeting."

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

Chair McMullen then called for consideration of minutes from the January 29, 2020, meeting. Upon motion by Ms. Armstrong, second by Mr. Rummel, and with a roll call vote with all Committee members identified as present voting yes, motion carried to approve the January 29, 2020 minutes.

Chair McMullen then recognized Cynthia Peraza, THDA Director of Community Programs, who referenced a memo dated July 14, 2020, from herself and Don Watt, Chief Program Officer, that describes the proposed THDA application to the U.S. Department of Health and Human Services (HHS) for the LIHEAP Program Year 2021 funds by the federal deadline of September 1, 2020. She explained that staff anticipates approximately \$65,000,000 will be received, with approximately \$6,500,000 available for administrative costs and \$58,500,000 available for program costs. Upon motion by Mr. Neal, second by Ms. Armstrong, and a roll call vote with all Committee members identified as present voting yes, motion carried to recommend approval of the THDA LIHEAP Program Year 2021 application to the Board.

Chair McMullen then recognized Ms. Peraza, who referenced her memo dated July 14, 2020, describing the Bright Futures Bridge Subsidy Pilot Program, together with a proposed program description, to assist with housing opportunities for youth transitioning out of foster care. Upon motion by Mr. Krenson, second by Ms. Armstrong, and a roll call vote with all Committee members identified as present voting yes, motion carried to recommend to the Board authorizing \$2,000,000 in 2020 HOME funds for the pilot program, approving the proposed program description for the Bright Futures Bridge Subsidy Pilot Program and authorizing the Executive Director to award funds to in compliance with the referenced program description.

Chair McMullen again recognized Ms. Peraza who referenced her memo dated July 14, 2020, proposing modifications to the 2017, 2018, 2019 and 2020 HOME Program Descriptions to include manufactured housing as an eligible housing type. Ms. Peraza provided an overview of the proposal. Upon motion by Mr. Neal, second by Ms. Armstrong, and a roll call vote with all Committee members identified as present voting yes, motion carried to recommend approval of proposed modifications to the 2017, 2018, 2019 and 2020 HOME Program Descriptions as described in the referenced memo.

Chair McMullen again recognized Ms. Peraza, who referenced her memo dated July 14, 2020, proposing modifications to the Hardest Hit Fund (HHF) Program. She provided a summary of the proposed modifications. Upon motion by Mr. Rummel, second by Ms. Armstrong, and a roll call vote with all Committee members identified as present voting yes, motion carried to recommend to the Board that \$4,500,000 be moved from the HHF Administrative Budget to the HHF Blight Elimination Program, that the HHF Program end date be extended to December 31, 2021, and that staff be authorized to make changes as required by the U.S. Department of Treasury.

Chair McMullen again recognized Ms. Peraza, who referenced her memo dated July 14, 2020, requesting approval of a grant extension for the City of Boliver, to June 30, 2021. She explained that THDA awarded a \$321,000 grant to the City of Boliver from the 2015-2016 HOME Program and, in the past year, work was on pace to allow the majority of the grant to be expended by the June 30, 2020 contract end date. She noted that production slowed due to COVID-19. Mr. Perrey explained that the City of Boliver made a timely request and that longer extensions have been granted due to COVID-19 related issues. Upon motion by Mr. Neal, second by Mr. Krenson, and a roll call vote with all Committee members identified as present voting yes, the motion carried to recommend the referenced extension to the Board.

Chair McMullen then referenced the following additional materials provided to Committee members:

1. Tennessee Housing Trust Fund Competitive Grants Program Changes
2. 2020 HOME Program Awards
3. 2020 Emergency Solutions Grants Program Awards
4. 2020 Spring Round Tennessee Housing Trust Fund Competitive Grants Program Awards Summary
5. 2020 National Housing Trust Fund Program Awards
6. Creating Homes Initiatives-2 Funding Recommendations
7. THDA COVID-19 Supplemental Funding from two Continuum of Care

Chair McMullen noted that the above listed materials were for informational purposes only and no Board action was need. With no comments, questions or further business, meeting was adjourned.

Respectfully submitted,

Ralph M. Perrey,
Executive Director

Approved the 15th day of September, 2020

TENNESSEE HOUSING DEVELOPMENT AGENCY
LENDING COMMITTEE MEETING MINUTES
July 20, 2020

Pursuant to the call of the Chairman, the Lending Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met in regular session on Monday, July 20, 2020, at 9:00 a.m., via Cisco WebEx Meeting.

The following Committee members were present: Chrissi Rhea (Chair), Regina Hubbard, John Krenson, Colleen Daniels for Commissioner of Finance and Administration Butch Eley, and Joseph Williams.

Recognizing a quorum present, Chair Rhea called the Committee meeting to order and recognized Lynn Miller, THDA Chief Legal Counsel, who read the following statement:

"Certain Committee 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 Committee today require timely action and the physical presence of a sufficient number of Committee members to constitute a quorum is not possible within the timeframe in which action is required and also because of COVID-19. Therefore, it is necessary for some members to participate via telephone. Committee members participating by telephone were sent documents relevant to today's meeting."

Upon motion by Chair Rhea, second by Mr. Krenson, and a roll call vote with all Committee members identified as present voting yes, motion carried that necessity existed to conduct the Lending Committee in this manner.

Chair Rhea called for consideration of the minutes from the January 29, 2020, meeting. Upon motion by Ms. Daniels, second by Mr. Krenson, and a roll call vote with all Committee members identified as present voting yes, except for Mr. Williams who abstained, the referenced minutes were approved.

Chair Rhea next called for consideration of income limits for THDA single family loan programs and referenced a memo from Dr. Hulya Arik dated July 13, 2020. She explained that staff recommends adoption of the Proposed 2020 Income Limits based on 2020 data, effective as of August 1, 2020, as described in the referenced memo. She noted that the recommended income limits result in increased limits for 91 counties. Upon motion by Mr. Krenson, second by Ms. Daniels and a roll call vote with all Committee members identified as present voting yes, the staff recommended income limits were approved for recommendation to the Board.

Chair Rhea next requested ratification of the downpayment assistance loan change referenced in a memo from Lindsay Hall, dated June 4, 2020. Mr. Perrey explained that the term of the downpayment assistance second mortgage loan was changed from 30 years to 15 years, effective July 1, 2020, to allow more effective recycling of downpayment assistance in a low interest rate environment. He noted that the referenced memo provides details. Upon motion by

Ms. Daniels, second by Mr. Krenson, and a roll call vote with all Committee members identified as present voting yes, the term of the downpayment assistance second mortgage loan change from 30 years to 15 years was ratified for recommendation to the Board.

There being no questions and no further business, Chair Rhea adjourned the meeting.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved the day of , 2020.

**Rental Assistance Committee did not meet in the month of
July 2020.**

TENNESSEE HOUSING DEVELOPMENT AGENCY
TAX CREDIT COMMITTEE MEETING MINUTES
July 22, 2020

Pursuant to the call of the Chairman, the Tax Credit Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met in regular session on Wednesday, July 22, 2020, at 8:00 a.m., via Cisco WebEx Meeting.

The following Committee members were present: John K. Snodderly (chair); Jonathan Rummel for Secretary of State Tre Hargett; Treasurer David Lillard; Colleen Daniels for Commissioner Butch Eley; Joseph Williams and Board Chair Mike Hedges.

Recognizing a quorum present, Chair Snodderly called the Committee meeting to order and recognized Lynn Miller, THDA Chief Legal Counsel, who read the following statement:

"Certain Committee 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 Committee today require timely action and the physical presence of a sufficient number of Committee members to constitute a quorum is not possible within the timeframe in which action is required and also because of COVID-19. Therefore, it is necessary for some members to participate via telephone. Committee members participating by telephone were sent documents relevant to today's meeting."

Upon motion by Mr. Lillard, second by Ms. Daniels, and a roll call vote with Committee members voting 4 yes, 0 no, 2 abstain (Rummel and Williams), motion carried that necessity existed to conduct the Tax Credit Committee in this manner.

Chair Snodderly recognized Edwin King, Director of Multifamily Programs to present changes to the 2020-2021 Low Income Housing Credit Qualified Allocation Plan ("QAP"). Mr. King explained that staff came before the committee with proposed changes during the May 19, 2020 meeting and have since then received feedback from the committee and incorporated that feedback, making a redline draft of the which was posted for public comments on June 26, 2020. These changes were based on the written public comments that we received and in the public comments we received during the July 16, 2020 public hearing. Mr. King noted that staff recommends a few changes to the 2020-2021 draft before the Committee approves the draft for a full recommendation to the Board. Mr. King outlined the motions and changes as follows:

1. Increase Pool 1 reservations from 2 to 3 by providing for up to 3 reservations in Pool 1, and 2 reservations each in Pool 2, Pool 3, and Pool 4 in Section 3-C-2-A."
2. Remove the PHA set-aside preference based on public comments/questions we received by withdrawing all modifications to Section 10-B and restoring Section 10-B to the same language as in Section 10-B of the 2019-2020 QAP."

3. Delete the “Leverage” Scoring criterion and reassigns the points by deleting the “Leverage” scoring criterion in Section 14-A-13 and reassigning the associated 5 points by increasing Section 14-A-11 “Waiving the ability to participate in the Qualified Process” from 10 points to 13 points, and by increasing the 20 year tier of Section 14-A-12 “Extended Recapitalization Waiver” from 10 points to 12 points.”
4. Remove the HAP contract preference based on public comments received by deleting Section 14-B-2-D-(i) related to the preference for developments that have a Housing Assistance Payment Contract and keeping Section 14-B-2-D at 3 points.
5. Approve the Low-Income Housing Credit 2021 Qualified Allocation Plan be recommended incorporates changes discussed in the May TCC meeting and the changes discussed/approved in this (July) TCC meeting as posted on the THDA website on June 26, 2020, and as modified by the Committee today, be approved and that staff be authorized to make non-substantive, conforming and housekeeping changes.”

Upon motion by Mr. Lillard, second by Mr. Rummel, with a roll call vote, motion carried unanimously to approve all changes to the QAP and present to the Board for approval. Committee members identified as present voted: 6 yes, 0 no, 0 abstain.

Following a very lengthy discussion among members about the tie breaker and 360 scoring, and upon motion by Mr. Hedges, second by Mr. Lillard, with a roll call vote, motion carried unanimously to defer all changes to the Low-income Housing Credit 2021 Qualified Allocation Plan to the next meeting with further research can be completed. Committee members identified as present voted: 6 yes, 0 no, 0 abstain.

Chair Snodderly continued to the next item, the 2020 Volume Cap for 2020 Multifamily Tax-Exempt Bond Authority Program. He explained that on Friday, September 17, 2020, the Bond Finance Committee met and approved carrying forward \$50,000,000 of 2020 volume cap to single family programs based on the assumption that THDA will at the end of the year, receive the remainder of the State’s 2020 volume cap from ECD. Under this assumption, THDA is able to make an additional \$41,576,975 of 2020 Multifamily Tax Exempt Bond (“2020 MTBA”) available. He continued to explain the \$41,576,975 addition to the remaining 2020 MTBA balance of \$20,074,936 raises the remaining 2020 MTBA balance to a grand total of \$61,541,911. This remaining 2020 MTBA balance can be made for not more than one “special Request” under Section 6 of the Multifamily Tax Exempt Bond Authority Program Description for 2020, at the discretion of the Tax Credit Committee. No additional 2020 volume cap is available for Special Requests or otherwise. Upon motion by Mr. Lillard, second by Mr. Rummel, with a roll call vote, motion carried unanimously to allocate the additional amount as described. Committee members identified as present voted: 6 yes, 0 no, 0 abstain.

Chair Snodderly continued to the last item, the 2020 Multifamily Tax Exempt Bond Authority Special Requests. He referred to a memo and spreadsheet from Edwin King, Director of Multifamily Programs dated July 10, 2020. Chair Snodderly noted that as a result of the prior item, staff received two “special request applications” for 2020 Multifamily Tax Exempt Bond Authority. Both applications are from the Memphis Housing Authority; and, while both applications are from the same agency, they noted their preference is the TN20-606 requesting \$70 million of the MTBA be given first priority on the allocation. Upon a motion by Mr. Hedges,

second by Mr. Lillard, with a roll call vote, motion carried unanimously to deny the special request as submitted. Committee members identified as present voted: 6 yes, 0 no, 0 abstain.

With no further business to discuss, meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ralph M. Perrey", with a horizontal line extending to the right from the end of the signature.

Ralph M. Perrey
Executive Director

Approved this 12th day of November, 2020.

TENNESSEE HOUSING DEVELOPMENT AGENCY
TAX CREDIT COMMITTEE MEETING MINUTES
July 28, 2020

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Tax Credit Committee met in special session on Tuesday, July 28, 2020, 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 in the Cades Cove Conference Room.

The following Board members were present via WebEx: John Snodderly (Chair); Mike Hedges; Jonathan Rummel (for Secretary of State Tre Hargett); Kevin Bradley (for Treasurer David Lillard); Colleen Daniels (for Commissioner of Finance & Administration Butch Eley); and Joseph Williams.

Chairman John Snodderly called the Special Called Tax Credit Committee Meeting to Order. Noting a quorum was present, Chairman Snodderly thanked all participants and asked Lynn Miller, Chief Legal Counsel to read the statement as it relates to electronic participation as follows:

“Certain Committee 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 Committee today require timely action and the physical presence of a sufficient number of Committee members to constitute a physical quorum is not possible within the timeframe in which action is required. Therefore, it is necessary for some members to participate via telephone. This is also necessary to protect everyone’s health and safety during this time of COVID-19. Committee members participating by telephone were sent documents relevant to today’s meeting.”

Chair Snodderly recognized Ralph M. Perrey, Executive Director, to present the two proposed amendments as outlined in the memo from Edwin King, Director of Multifamily Programs and Don Watt, Chief Programs Officer, dated July 27, 2020 describing changes as:

As a follow up to the July 22, 2020, Tax Credit Committee meeting, staff recommends that the Tax Credit Committee recommend approval of the Low-Income Housing Credit 2021 Qualified Allocation Plan, as posted on June 26, 2020, with the changes recommended by the committee on July 22, 2020, and with the following additional changes:

1. Modify the proposed Section 6-A-2 (regarding approval of a site change becoming a Major Significant Adverse Event) to include a subparagraph 2-a reading *“There will be no penalty under this section 6-A-2 if THDA, in its sole discretion, determines that the site change was necessitated by circumstances beyond the applicant’s anticipation or control”*; and
2. Delete the proposed changes in Section 14-A-1 regarding Opportunity 360 Score, revert to use of the County Need Score and add 5 points to County Need Score making the

maximum points 20, which is the same as the maximum points for the County Needs Score in the 2019-2020 QAP. In connection with this changes, reverse the additional points for Section 14-A-11, "Deferral of the Qualified Contract Process" (so that the maximum points for this item is 10), and Section 14-A-12, "Extended Recapitalization Wavier" (so that the maximum points for this items is 10).

- a. Please note that, initially, 5 points were removed from Opportunity 360 and assigned to "Leverage". "Leverage" was then deleted by the Tax Credit Committee, and the 5 points were re-distributed to "Deferral of the Qualified Contract Process" and "Extended Recapitalization Waiver"; and
- b. Authorize staff to make non-substantive, conforming, and housekeeping changes as needed.

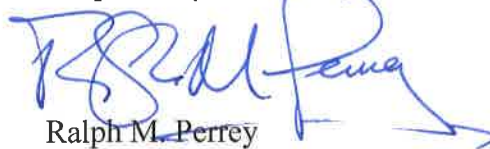
Upon a motion by Mr. Rummel, second by Mr. Hedges and with a roll call vote motion carried to approved these changes with a vote of 6 yes, 0 no and 0 abstentions.

Chair Snodderly asked Edwin King, Director of Multifamily Development to further educate the Committee members on the Opportunity 360 scoring in an upcoming meeting.

Chair Snodderly then asked for a motion to approve the 2021 Low-Income Housing Credit Qualified Allocation Plan and present it to the THDA Board of Directors for approval. With a motion from Mr. Bradley, second by Mr. Rummel and with roll call vote, motion carried to approve the QAP and present it to the Board for approval. Vote was 6 yes, 0 no and 0 abstentions.

With no further business to discuss, meeting was adjourned.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved this 12th day of November, 2020