

July Committee Meeting Minutes

TENNESSEE HOUSING DEVELOPMENT AGENCY
AUDIT & BUDGET COMMITTEE MEETING MINUTES
July 27, 2021

Pursuant to the call of the Chairman, the Audit & Budget Committee of the Tennessee Housing Development Agency Board of Directors met on Tuesday, July 27, 2021, at 10:00 a.m., in the Nashville Room of the William R. Snodgrass Tennessee Tower Building; Nashville, Tennessee.

The following Committee members were present: State Treasurer David Lillard, (Chairman), Mr. Austin McMullen, Mr. Chris Mustain (for Secretary of State Tre Hargett) and Mr. Rick Neal. Mr. Mike Hedges, and Ms. Christine Rhea were absent.

Recognizing a quorum present, Chairman Lillard called the meeting to order, and asked for approval of the minutes for the meeting held on November 12, 2020. Upon motion by Mr. Rick Neal and second by Chairman Lillard the minutes were approved.

Chairman Lillard recognized Ms. Gay Oliver, THDA Director of Internal Audit, to discuss the Internal Audit Charter. Ms. Oliver noted that THDA's Internal Audit division is preparing for its first External Quality Assessment, an executive branch initiative that will evaluate the Internal Audit division's adherence to internal auditing standards developed by the Institute of Internal Auditors (IIA). She explained that one of the requirements is that the Internal Audit Charter be reviewed and revised. Ms. Oliver noted that the following changes are recommendations from the IIA and have been added to the Charter: core values, a section on independence and objectivity, expanded information on the internal audit director's responsibilities, and a quality assurance and improvement program. Ms. Oliver recommended that the Committee approve the revisions to the Internal Audit Charter, as no Board action is required. Upon motion by Mr. McMullen and second by Chairman Lillard, and with the members being identified as being present voting yes, the motion passed.

Chairman Lillard recognized Ms. Oliver to discuss the Fiscal Year 2022 Audit Plan. Ms. Oliver noted a draft of the Audit Plan was previously circulated to Committee members and a list of projects to be completed was distributed prior to this meeting. Ms. Oliver noted that the Audit Plan and a listing of projects in progress as of July 30, 2021, were prepared and submitted to the Comptroller's Office Division of State Audit on July 2, 2021, as required.

Ms. Oliver noted that a risk-based approach was used in developing the Audit Plan. She explained that issues considered include budget dollars for each program, management's risk assessment, length of time since the last audit, legal and statutory audit requirements, input from program division directors and input from THDA executive leadership. Ms. Oliver noted that the new items on the plan for Fiscal Year 2022 include reviews of: the administration of the emergency solutions grant program, the COVID-19 rent relief program, the single family mortgage relief program, data security internal controls, and the administration of the multi-family programs. She added that the Audit Plan is subject to change throughout the year if issues arise or there are changes within THDA. She requested the Committee's approval and indicated no Board action is

required. Upon motion by Chairman Lillard, second by Mr. McMullen, and Audit Plan was approved by all members identified as being present voting yes.

Chairman Lillard recognized Mr. Trent Ridley, Chief Financial Officer, to present the Financial Status Update for Fiscal Year 2021. Mr. Ridley referenced the memorandum included in the Board packet. He noted that THDA operating income is projected to be approximately \$19.5 million, an increase of \$2.9 million when compared to Fiscal Year 2020's operating income of \$16.6, and the highest in more than a decade. He explained that the variance is primarily driven by the record number of mortgage loan prepayments due to extremely low interest rates. He added that as prepayments increased, bonds were called in order to minimize interest rates.

Mr. Ridley noted that the Accounting Division is in the process of closing THDA books for fiscal year 2021, and he will submit a complete report at the next Committee meeting.

With no other issues or reports to be presented, Chairman Lillard adjourned the meeting.

Respectfully submitted,



Gathelyn Oliver
Director of Internal Audit

Approved this 28th day of September, 2021.

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOND FINANCE COMMITTEE MEETING MINUTES
July 27, 2021

Pursuant to the call of the Chairman, the Bond Finance Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met on Tuesday, July 27, 2021, at 10:10 A.M. at the William R. Snodgrass Tennessee Tower in the Nashville Room, Nashville, Tennessee.

The following Committee members were present: Rick Neal (for Chair Mike Hedges); Chris Mustain (for Secretary of State Tre Hargett); Treasurer David Lillard; Comptroller Jason Mumpower; and Doree Hicks (for Commissioner of Finance & Administration Butch Eley); Also, other Board Members present were: Joann Massey; Mathew McGauley; Erin Merrick; Katie Armstrong; John K. Snodderly; and Austin McMullen.

Recognizing a quorum present, in the absence of Chair Hedges, Comptroller Mumpower called the meeting to order at 10:10 a.m. Central Time. For the first order of business, Comptroller Mumpower called for consideration and approval of the May 25, 2021 Bond Finance Committee Meeting Minutes.

Upon motion by Treasurer Lillard, second by Comptroller Mumpower, and with all members identified as present voting "yes", the motion carried to approve the May 25, 2021, minutes.

Comptroller Mumpower indicated the next item for consideration was the Issue 2021-2 Plan of financing. Bruce Balcom, THDA Chief Legal Counsel, presented the following document that was circulated for the Committee's consideration:

- Memo from Bruce Balcom, dated July 6, 2021, recommending an approval of the amended schedule of financing for Issue 2021-2.

Upon motion by Chris Mustain, second by Treasurer Lillard, and with all members identified as present voting "yes", the motion carried.

Comptroller Mumpower indicated the next item for consideration was the CSG Contract extension. Bruce Balcom, THDA Chief Legal Counsel, presented the following document that was circulated for the Committee's consideration:

- Memo from Bruce Balcom, dated July 6, 2021, recommending approval for THDA to exercise its option to extend the current contract with CSG Financial Advisors for an additional 12 months to December 31, 2022.

Upon motion by Treasurer Lillard, second by Comptroller Mumpower, and with all members identified as present voting "yes", the motion carried to recommend and approve the contract extension with CSG Financial Advisors for an additional 12 months to the Board of Directors.

Comptroller Mumpower indicated the next item for consideration was the Single-Family Private Activity Bond Authority to set the target figure of \$189 million for the amount of bond authority to be carried forward at year-end for future use. The Single-Family Activity Bond authority proposed modification was presented by THDA Executive Director Ralph Perrey. Bruce Balcom, THDA Chief Legal Counsel, provided the following documents that were circulated for the Committee's consideration:

- Memo from Bruce Balcom, dated July 6, 2021, recommending approval for THDA to adjust the amount of bond authority to be carried forward at year end be reduced from the original projection of \$300 million target amount set by the Committee in January of 2021. The new amount of \$189 million of bond authority will be carried forward for future use.
- A request to allocate more bond authority for the multifamily programs in the next calendar year.

Upon motion by Comptroller Mumpower, second by Treasurer Lillard, and with all members identified as present voting "yes", the motion carried to recommend and approve the new target figure of \$189 million to be carried forward at year end and a larger allocation of bond authority allocated to multifamily bond authority to the Board of Directors.

There being no further business, Comptroller Mumpower adjourned the meeting at 10:25 A.M.

Respectfully submitted,



Sandi Thompson,
Assistant Secretary

Approved this 28th day of September, 2021.

TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE MEETING MINUTES
July 29, 2021

Pursuant to the call of the Chairman, the Grants Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, July 27, 2021, at 10:20 a.m. The following Committee members were present: Austin McMullen (Chair), Tre Hargett (Secretary of Treasury), Rick Neal, Katie Armstrong (for Comptroller Jason Mumpower), and Chris Mustain.

Recognizing a quorum present, Chair McMullen called the Committee meeting to order and called for consideration of the January 19, 2021, Grants Committee meeting minutes. Upon motion by Mr. Neal, second by Ms. Armstrong, and a vote with all members identified as present voting “yes,” the motion was adopted and the minutes were approved.

Chair McMullen called for consideration of adopting the COVID-19 Rental Housing Development Subsidy Program Description and recognized Don Watt, Chief Program Officer. Mr. Watt referenced his memorandum dated July 6, 2021, describing how COVID-19 has caused unprecedented spikes in building material costs and, disruptions in the supply chain resulting in a continued upward pressure on prices. THDA made a request to the Governor’s Office for an allocation of the federal funds through the American Rescue Plan Act to assist rental housing owners address financial impacts, adding that if an allocation is received, funds will be used to provide subsidies to affordable rental developments that THDA has supported with an assignment of Housing Tax Credits, as well as rental housing developments that THDA has supported with grants from the Tennessee Housing Trust Fund or the National Housing Trust Fund. Mr. Watt recommended that the Board adopt the COVID-19 Rental Housing Development Subsidy Program Description as amended, authorize the Executive Director or designee to award funds for applications received and determined eligible for funding, and allow staff to make programmatic changes, as deemed necessary and appropriate, as approved by the Executive Director, or as required by the federal funding source from which a program allocation to THDA is made.

With no questions raised or discussion opened, upon motion by Mr. Mustain, second by Mr. Neal, and a vote with all members identified as present voting “yes,” motion carried and the motion was adopted.

Chair McMullen next called for consideration of the 2021 HOME Program Description – Homeownership Development and recognized Ms. Cynthia Peraza, Director of Community Programs. Ms. Peraza referenced her memorandum dated July 6, 2021, regarding THDA setting aside \$5 million in HOME funds to implement the Homeownership Development Program Description to encourage the construction of affordable housing for sale to low and moderate income households. Ms. Peraza further stated that this program description will open the HOME funding to all eligible nonprofit housing developers. Recommendation is being made to the Board to adopt the proposed 2021 HOME Program Description for Homeownership Development (“Program Description”), to authorize the Executive Director or a designee to award 2021 HOME funds to applicants for applications scored by staff, and to allow staff to make minor programmatic changes, as deemed necessary and appropriate, as approved by the Executive Director, or as required by HUD.

With no questions raised or discussion opened, upon motion by Mr. Neal, second by Mr. Mustain, and a vote with all members identified as present voting “yes,” motion carried and the motion was adopted.

Chair McMullen next called for consideration of the 2022 Low Income Home Energy Assistance Program (LIHEAP), and again recognized Ms. Peraza. Ms. Peraza referenced her memorandum dated June 30, 2021, requesting Board and Committee approval for THDA to submit an application to the U.S. Department of Health and Human Services (HHS) for the LIHEAP Program Year 2022 funds subject to review by the Board Chair, the Committee Chair, and THDA’s Executive Director of any further material changes prior to submission.

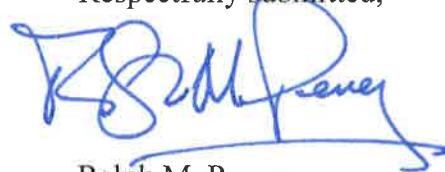
With no questions raised or discussion opened, upon a motion by Mr. Neal, second by Mr. Mustain, and a vote with all members identified as present voting “yes,” motion carried and the motion was adopted.

Chair McMullen next called for consideration of the 2017 HOME Program Extension Request for the City of Gatlinburg, and again recognized Ms. Peraza. Ms. Peraza referenced her memorandum dated June 21, 2021, recommending authorization to extend the 2017 HOME Program Grant contract for the City of Gatlinburg for a period of 12-months, changing their contract end date from June 30, 2021 to June 30, 2022, due to the natural disaster Sevier County experienced in 2016 compounded by delays resulting from COVID-19.

With no questions raised or discussion opened, upon a motion by Mr. Neal, second by Ms. Armstrong, and a vote with all members identified as present voting “yes,” motion carried and the motion was adopted.

With no further business, upon a motion by Mr. Mustain, second by Mr. Neal, the meeting was adjourned at 10:33 a.m.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved the 28th day of September, 2021.

No Lending Committee for July 2021

TENNESSEE HOUSING DEVELOPMENT AGENCY
RENTAL ASSISTANCE COMMITTEE MEETING MINUTES
July 27, 2021

Pursuant to the call of the Chairman, the Rental Assistance Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met in regular session on Tuesday, July 27, 2021, at approximately 10:40 a.m. Central Time in The Nashville Room of the William R. Snodgrass Tennessee Tower Building, Nashville, TN 37243.

Committee members present: John Snodderly (Chair), Erin Merrick; and Rick Neal. Committee members absent: Joann Massey, and Tennion Reed. Other Board members present: Doree Hicks (for Commissioner of Finance & Administration Butch Eley); State Treasurer, David Lillard; Matt McGauley; and Austin McMullen (for Secretary of State Tre Hargett).

Seeing a quorum present, Chair Snodderly called the Committee meeting to order and called for consideration of the previously circulated January 21, 2021 Committee meeting minutes. Upon a motion by Mr. Neal, second by Ms. Merrick, the meeting minutes were approved by all members present voting "Yes"

Chair Snodderly recognized the Director of Rental Assistance, Jeboria Scott, who reviewed the proposed grant of 325 vouchers, awarded to THDA, under the Emergency Housing Voucher (EHV) Grant, as part of the American Recovery Act. The staff recommendation for Board approval included how THDA will partner with continuum of care organizations to provide supportive services to eligible households through a coordinated intake process. Director Scott also requested approval of the single chapter amendment to the Housing Choice Voucher (HCV) Administrative Plan which now includes EHV policy.

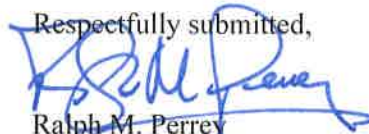
Chairman Snodderly called on the Committee to consider these staff recommendations. Upon a motion by Mr. Neal, and a second by Ms. Merrick, the motion was approved with all members identified as present voting "yes".

Chair Snodderly called the committee's attention to the staff recommendation to authorize THDA to exit its contract with the U.S Department of Housing and Urban Development (HUD) that provides Performance Based Contract Administration (PBCA) services of its assigned portfolio at the expiration of the current contract on January 31, 2022.

Chairman Snodderly called the Committee to consider the staff recommendation. Upon a motion by Mr. Neal and a second by Ms. Merrick, the motion was approved with all members identified as present voting "yes".

There being no further business, the meeting was adjourned by Chair Snodderly.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved this 28th day of September, 2021

TENNESSEE HOUSING DEVELOPMENT AGENCY
TAX CREDIT COMMITTEE MEETING MINUTES
July 27, 2021

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 Tuesday, July 27, 2021, at approximately 10:50 a.m. Central Time in The Nashville Room of the William R. Snodgrass Tennessee Tower Building, Nashville, TN 37243.

The following Committee members were present: John Snodderly (Chair), Doree Hicks (for Commissioner of Finance & Administration Butch Eley), Chris Mustain (for Secretary of State Tre Hargett), State Treasurer David Lillard, Matt McGauley, and Erin Merrick. Absent were Mike Hedges; and Joann Massey.

Seeing a quorum present, Chair Snodderly called the Committee meeting to order and called for consideration of the previously circulated May 25, 2021 Committee meeting minutes. Upon a motion by Mr. McGauley, second by Treasurer Lillard, the meeting minutes were approved by all members present voting "yes".

Chair Snodderly recognized Josie Kotsioris, Director of Multifamily Programs, for a brief description pertaining to the proposed -increase to THDA Private Activity Volume Cap available as 2021 Multifamily Tax-Exempt Bond Authority.

Ms. Kotsioris informed the committee that THDA received additional bond allocation in March 2021 making \$375 million dollars available in authority for multifamily bond financed developments. Applications received totaled over \$400 million. THDA received notification of the availability of an additional \$189 million in bond allocation authority. THDA will use the additional mid year allocation to cover gaps created by COVID-related construction cost increases and to address 50% test requirements of existing multifamily bond transactions. THDA will apply these funds first to projects with firm commitments, then to projects in our pipeline within THOMAS.

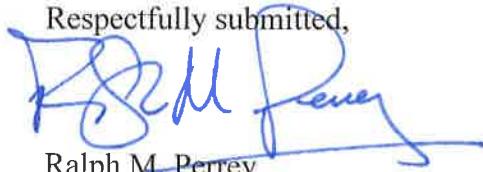
Chairman Snodderly called on the Committee to consider the staff recommendation that the \$189 million dollars of additional bond allocation be used for multifamily properties. Upon a motion by Treasurer Lillard, and a second by Mr. McGauley, the motion was approved by all members identified as present voting "yes".

Chair Snodderly called on the Committee to consider the staff recommendation to approve the COVID-19 Rental Housing Development Subsidy Program Description which was presented earlier by Don Watt during the Grants Committee. Upon a motion by Treasurer Lillard, and a second by Mr. McGauley, the motion was to approve the request with all members identified as present voting "yes" except for Doree Hicks (for Commissioner of Finance & Administration Butch Eley), who abstained.

The proposals are posted on our website, and will be refined and included in a draft allocation plan for 2022, which will be presented to the committee for adoption in July.

With no further business, the meeting was adjourned at 10:56am by Chair Snodderly.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ralph M. Perrey". The signature is stylized with a large initial "R" and a long horizontal stroke at the end.

Ralph M. Perrey
Executive Director

Approved this 28th day of September, 2021.