

# May Committee Meeting Minutes

**The Audit & Budget Committee did not meet  
in the month of May 2021.**

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOND FINANCE COMMITTEE  
May 25, 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 Wednesday, May 25, 2021, at 1:00 P.M. via a Webex call with certain staff members physically present at the THDA Offices located at 502 Deaderick Street; Andrew Jackson Building, 3<sup>rd</sup> Floor; Nashville, Tennessee 37243.

The following Committee members were present via Webex: Mike Hedges (Chair); Chris Mustain (for Secretary of State Tre Hargett); Treasurer David Lillard; Katie Armstrong (for 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; John K. Snodderly; Mike Hardwick; Rick Neal; Chrissi Rhea; and Tennion Reed.

Recognizing a quorum present, Chair Hedges called the meeting to order at 1:08 p.m. Central Time and recognized Bruce Balcom, THDA Chief Legal Counsel, who presented 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 Secretary Hargett and second by Ms. Armstrong for Comptroller Mumpower, and following a roll call vote, the motion carried to approve doing business in this manner with all committee members identified as present voting "yes" (5 ayes).

Chair Hedges called for consideration of the January 21, 2021, Bond Finance Committee Meeting Minutes. Upon motion by Mr. Mustain for Secretary Hargett, second by Treasurer Lillard, and following a roll call vote with all committee members identified as present voting "yes" (5 ayes), the motion carried to approve the January 21, 2021 minutes.

Chair Hedges indicated the next item for consideration was the sale of Issue 2021-2 Bonds Authorization, Reimbursement Resolution, and Plan of Financing. Bruce Balcom, THDA Chief Legal Counsel, presented the following documents that were circulated for the Committee's consideration:

- Memo from CSG Advisors Incorporated (“CSG”), financial advisor for THDA, dated May 7, 2021, recommending approval of the described pricing for Issue 2021-2.
- Resolution of the Bond Finance Committee approving the issuance and sale of Issue 2021-2 (Non-AMT) in an aggregate principal amount not to exceed \$200,000,000, (the “Award Resolution”). Issue 2021-2 will price sometime in the middle of July and close in August. The following documents were attached to the Award Resolution as exhibits and were incorporated by reference:
  - Bond Purchase Agreement for the sale of Issue 2021-2 Bonds to the underwriting syndicate, led by RBC Capital Markets (“RBC”), the bookrunning senior manager;
  - Supplemental Resolution for the Issue 2021-2 Bonds; and
  - Resolution of the Board of Directors of THDA authorizing reimbursement of THDA from proceeds of Issue 2021-2 in an amount not to exceed \$70,000,000.
- Plan of Financing as notated in the memo dated May 14, 2021 describing the Issue 2021-2.

Upon motion by Treasurer Lillard, second by Ms. Armstrong for Comptroller Mumpower, and following a roll call vote with all committee members identified as present voting “yes” (5 ayes), the motion carried to recommend and approve both the bond authorization and the Award Resolution Plan of Financing to the Board of Directors.

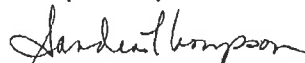
Chair Hedges indicated the last item for consideration was the approval of the Schedule of Financing for fiscal year 2021-2022 to be forwarded to the State Funding Board for consideration and approval. Bruce Balcom, THDA Chief Legal Counsel, presented the following documents that were circulated for the Committee’s consideration:

- Schedule of Financing Memo dated May 14, 2021 from Bruce Balcom, THDA Chief Legal Counsel
- Schedule of Financing for fiscal year 2021-2022.

Upon motion by Ms. Armstrong for Comptroller Mumpower, second by Treasurer Lillard, and following a roll call vote with all committee members identified as present voting “yes” (5 ayes), the motion carried to recommend and approve both the Schedule of Financing for fiscal year 2021-2022 and the recommendation to forward the Schedule of Financing to State Funding Board for consideration.

There being no further business, Chair Hedges adjourned the meeting.

Respectfully submitted,



Sandi Thompson,  
Assistant Secretary

Approved this 27<sup>th</sup> day of July, 2021.

**The Grants Committee did not meet in the month of May 2021.**

**The Lending Committee did not meet in the month of May 2021.**

**The Rental Assistance Committee did not meet in the  
month of May 2021.**

TENNESSEE HOUSING DEVELOPMENT AGENCY  
TAX CREDIT COMMITTEE MEETING MINUTES

May 25, 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, May 25, 2021, at 1:11 p.m. CST 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 Committee members were present via WebEx: John Snodderly (Chair), Doree Hicks (for Commissioner of Finance & Administration Butch Eley), Chris Mustain (for Secretary of State Tre Hargett), Mike Hedges, State Treasurer David Lillard, Joann Massey, Matt McGauley, and Erin Merrick. Chair Snodderly 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. Committee members participating by telephone were sent documents relevant to today's meeting."

Chair Snodderly called for a motion to proceed with the meeting in this manner. Upon a motion by Mr. Hedges, second by Treasurer Lillard, and with a roll call vote, the motion carried to approve doing business in this manner with all members identified as present voting "yes" (8 ayes).

Chair Snodderly called for consideration of the previously circulated January 21, 2021 Committee meeting minutes. Upon motion by Mr. Mustain, second by Treasurer Lillard, and with a roll call vote with all members identified as present voting "yes" (8 ayes), the motion carried to approve the January 21, 2021, minutes.

Chair Snodderly asked to begin with the request to exchange 2020 credits: TN20-04 Hickory Valley, a request from the Cookeville Housing Authority. Chair Snodderly recognized Josie Kotsioris, Director of Multifamily Programs, for a brief description pertaining to this issue. The discussion entailed staff recommendation, and the administrative right of THDA, to approve the request to exchange \$1,245,536 of 2020 Low-Income Housing Credit (LIHC) for an equal amount of 2021 LIHC. The exchange will not lower the amount of 2021 LIHC available for allocation in the regular competitive round. Chair Snodderly called for a motion to approve. Motion made by Ms. Massey, and a second by Mr. McGauley, and with a roll call vote, the motion carried to approve the request with all members identified as present voting "yes" (8 ayes).



Chair Snodderly recognized Ms. Kotsioris who shared with the Committee that THDA is receiving many requests from developers looking for assistance due to rising construction costs brought on by COVID-19 material and labor shortages.

Ms. Kotsioris shared an update of the 2021 Competitive 9% Application round. THDA has received 43 applications totaling approximately \$30 million dollars; our Credit Ceiling allocation is approximately \$19.3 million.

Ms. Kotsioris presented the following developer requests for relief of outstanding issues identified in the Competitive 2021 Low Income Housing Credit Initial Applications:

- TN21-023 East Gate Village. Chair Snodderly recognized Ms. Kotsioris, who shared staff's concerns regarding the request. Chair Snodderly asked for remarks from the developer. Ryan Sunrise and Phillip Vaughn provided statements to the Committee.

Mr. Perrey, Executive Director of THDA, suggested this is not a scoring issue and the Committee can make a motion for relief. Mr. Hedges made the motion to approve the request, Chair Snodderly asked for a second, which was offered by Mr. McGauley, and with a roll call vote, the motion carried to approve the request with all members identified as present voting "yes" (7 ayes) except for Treasurer Lillard, who abstained.

- TN21-033 West Way Phase 2. Chair Snodderly recognized Ms. Kotsioris who shared staff considers this to be the second phase of West Way that was previously funded under TN19-913, formerly TN17-902, and formerly TN15-089. The first phase was not 50% leased, therefore they are not eligible to submit an application for Phase 2. Nancy King, Executive Director of Non-Profit Housing Corporation and John Tabb, Contractor, explained the development delays due to COVID-19 and the current lease status of the units. Mr. Perrey indicated the question is whether to move forward with the Phase 2 without having met the conditions required in the first phase. Mr. McGauley simplified that the only reason this application is procedurally not eligible is due to the 50% threshold and that the Committee only needed to approve or deny for it to move to the next step. Chair Snodderly, asked for a motion to grant relief. The request failed to receive a motion and therefore was not granted.
- TN21-034 East Fork Way. Chair Snodderly recognized Ms. Kotsioris who explained that an application was previously submitted and approved for TN20-031 Christina Way on the same plot of land. Staff considers TN21-034 East Fork Way to be the second phase of TN20-031. The application uses a portion of the same parcel of land to house this new development.

The consultant, Phyllis Vaughn, explained this is a bifurcated parcel. Based upon a request from Dwayne Barrett, attorney for the developer.

Mr. Perrey suggested to Chair Snodderly that the Committee recess and reconvene after the board meeting as it was time for that meeting to commence. The Committee recessed the meeting until after the Board meeting.

Recess 1:57PM

Reconvene 2:55PM

Chair Snodderly called the Committee back to order and continue with TN21-034 East Fork Way. Chair Snodderly asked Mr. Perrey to comment. Mr. Perrey explained that we were not clear on the cure notice, and we should not hold the builder responsible. Mr. Perrey stated staff did not oppose relief. Chair Snodderly asked for a motion. Mr. Hedges made the motion to move forward, Chair Snodderly asked for a second, which was offered by Mr. McGauley, and with a roll call vote, the motion carried to approve the relief requested with all members identified as present voting “yes” (8 ayes).

- TN21-036 Hills View Apartments. Chair Snodderly asked Ms. Kotsioris for a brief description. Ms. Kotsioris noted the Level 1 property control was not in order. The ownership entity did not properly document in THOMAS. The purchase contract submitted in response to the Cure Notice reflects that the buyer is the to-be-formed proposed Ownership Entity, not a person or entity identified in the Initial Application as the general partner or managing member of the Ownership Entity to be formed. There was no representation from the general partner or managing member on the call. Chair Snodderly asked is there a motion to approve relief. Mr. Hedges stated that THDA will always require the contract to be uniform. There was no motion offered so the request was not granted.
- TN21-040 Park View Apartments. Chair Snodderly asked Ms. Kotsioris for a brief description. Ms. Kotsioris shared this development applied for both new and acquisition/rehab units. The QAP does not provide for developments that mix new construction with acquisition/rehab. The developer indicated the new units from the application, however, were not recorded in THDA’s system. The Committee heard from both Phillip Vaughn and Dwayne Barrett on behalf of the developer.

Mr. Perrey added that THDA has separate set-a-sides for rehab and new construction. The application system does not allow for both. Chair Snodderly asked for a motion to grant relief. The request was denied as no motion was offered.


Chair Snodderly recognized Dhathri Chunduru, Director of Research and Planning, to review the Preliminary proposed changes to the 2022 Qualified Allocation Plan Location Needs Scoring Criteria. Director Chunduru demonstrated a new scoring system with four (4) variables for 2022. Mr. Hedges noted that this new evaluation system will eliminate tie breakers.

Chair Snodderly recognized Ms. Kotsioris to review an additional revision to the QAP that would allow for new construction in a qualified census tract. Ms. Kotsioris proposed to add and refine language to allow consideration of new construction, both competitive 9% and bond at 4%, that build in qualified census tracts. As the QAP is adjusted, staff will bring the changes to the committee. Mr. Hedges noted that the QAP has changed over 20 years, and its current language should not cause a concentration in a specific area. Ms. Kotsioris responded that her concern was also the case for bond allocations proposing new construction.

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 3:13pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R M Perrey". The signature is written in a cursive style with a long horizontal stroke at the end.

Ralph M. Perrey  
Executive Director

Approved the 27<sup>th</sup> day of July, 2021.