

Audit & Budget meeting minutes for this month will be posted once approved.

The Bond Finance Committee did not meet this month.

TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE MEETING MINUTES
November 13, 2020

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 Friday, November 13, 2020, at 11:00 a.m., via a WebEx call. The following Committee members were present via WebEx: Austin McMullen (Chair), Jonathan Rummel (for Secretary of State Tre Hargett), Rick Neal, Katie Armstrong (for Comptroller Justin Wilson), and Joanna Massey. Committee member Tennion Reed joined the Webex at 11:10 a.m. Certain staff members participated in the call from THDA offices located at 502 Deaderick Street; Andrew Jackson Building, 3rd Floor; Nashville, Tennessee 37243.

Recognizing a quorum present, Chair McMullen called the Committee meeting to order and recognized Mr. Bruce Balcom, THDA Assistant 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. Rummel, second by Mr. Neal, and a roll call vote with all members identified as present voting "yes," motion carried that necessity existed to conduct the Committee meeting in this manner.

Chair McMullen called for consideration of the September 15, 2020, Grants Committee meeting minutes. Upon motion by Mr. Neal, second by Ms. Armstrong, and a roll call vote with all members identified as present voting "yes," the minutes were approved.

Chair McMullen called for consideration of the 2020 ESG CARES Act Part II Program Description and recognized Cynthia Peraza, Director of Community Programs. Ms. Peraza referenced her memorandum dated November 4, 2020, recommending approval of the 2020 Emergency Solutions Grants (ESG) CARES Act Part II Program Description, authorization of the Executive Director or a designee to award 2021 ESG CARES Act Part II funds to applicants in accordance with the referenced Program Description, and authorization for staff to make programmatic changes as deemed necessary and approved by the Executive Director or as required by the U.S. Department of Housing and Urban Development (HUD). Ms. Peraza described changes and clarifications from the original 2020 ESG Program Description, including the addition of language that specifies the source of funding and defines the purpose of the funds, removes the

minimum and maximum grant amount, removes set-aside allocations for cities, adds the option of advancing funds, and changes the application evaluation process by replacing the previous scoring method with a threshold review of criteria requiring compliance and participation with Continuum of Care organizations. Upon motion by Ms. Massey, second by Mr. Neal, and a roll call vote with all members identified as present voting “yes,” motion carried to recommend Board adoption of the 2020 ESG CARES Act Part II Program Description as described in the referenced memorandum and approval of the referenced authorizations.

Chair McMullen next called for consideration of the 2021 Emergency Solutions Grants Program Description, and again recognized Ms. Peraza. Ms. Peraza referenced her memorandum dated October 27, 2020, recommending approval of the 2021 Emergency Solutions Grants (ESG) Program Description, authorization of the Executive Director or a designee to award 2021 ESG funds in accordance with the Program Description, and authorization of staff to make necessary programmatic changes as deemed necessary and approved by the Executive Director or as required by the U.S. Department of Housing and Urban Development (HUD). Ms. Peraza noted that the approximately \$3 million THDA expects to receive is subject to federal appropriations. She reviewed certain changes, described more fully in the referenced memo, and noted that the requirement to have the main office location outside of Knoxville, Memphis, and Nashville-Davidson County was removed and an option for grantees to request funding advances was added. Upon a motion by Ms. Armstrong, second by Mr. Neal, and a roll call vote with all members identified as present voting “yes,” motion carried to recommend Board adoption of the 2021 Emergency Solutions Grants Program Description as described in the referenced memorandum and approval of the referenced authorizations.

Chair McMullen next called for consideration of the 2020 HOME CHDO Mini-Round Program Description and recognized Ms. Peraza. Ms. Peraza referenced her memorandum dated October 28, 2020, and stated THDA previously awarded more than \$13 million in 2020 HOME Program funding, however, insufficient applications were received from eligible Community Housing Development Organizations (“CHDO”) to meet the federal requirement that at least 15% of 2020 HOME funds must be awarded to CHDOs. She explained that to meet this federal requirement, unallocated 2019 HOME Program funds will be used to fund the proposed 2020 HOME CHDO Mini-Round. Upon a motion by Ms. Armstrong, second by Mr. Neal, and a roll call vote with all members identified as present voting “yes,” motion carried to recommend Board adoption of the 2020 HOME CHDO Mini-Round Program Description as described in the referenced memorandum and approval of the referenced authorizations.

Chair McMullen deferred consideration of the 2021 HOME Urban and Rural Program Description to the January 2021 meeting, and called for consideration of the \$200,000 2021 Building Trades Demonstration Grant to the Tennessee Builders Education Foundation. Chair McMullen recognized Ms. Peraza who referenced her memorandum dated October 30, 2020, that describes a growing state-wide issue of a decrease in the skilled construction labor force, and struggles grant recipients have in finding skilled trade workers for projects funded by THDA. She noted that funding for this grant originates from the Tennessee Housing Trust Fund. Ms. Peraza highlighted the success of the March 2019 Building Trades Demonstration Grant that THDA awarded to the Tennessee Builders Education Foundation (in partnership with The Homebuilders Institute) in offering vocational training in building trades in Shelby County schools. Ms. Peraza

stated staff saw value in offering this demonstration grant as a model for a future broader vocational training program. Chair McMullen opened the floor for questions and comments. Ms. Massey inquired about evaluating the success of the partnership. THDA Executive Director, Ralph Perrey, explained that THDA receives periodic reports. He noted that the program attracted more students in Shelby County schools than expected; however, the program ended prematurely due to COVID. He further explained that program participants who met with builders received job offers and this success is attracting additional funding to offer the program in three more Shelby County schools and schools in Fayette and Gibson Counties in the coming year. He noted that the THDA funds will allow them to bridge funding gaps until the other funding they have lined up becomes available. Supportive comments were made by several Committee members. Upon a motion by Mr. Rummel, second by Ms. Reed, and a roll call vote with all members identified as present voting "yes," motion carried to recommend that the Board approve \$200,000 for a 2021 Building Trades Demonstration Grant to the Tennessee Builders Education Foundation.

Chair McMullen welcomed Ms. Massey and Ms. Reed to the Committee. With no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ralph M. Perrey", with a long horizontal flourish extending to the right.

Ralph M. Perrey
Executive Director

Approved the 19th day of January, 2021.

The Lending Committee did not meet this month.

The Rental Assistance Committee did not meet this month.

TENNESSEE HOUSING DEVELOPMENT AGENCY
TAX CREDIT COMMITTEE MEETING MINUTES
November 12, 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 Thursday, November 12, 2020, at 1:03 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), Jonathan Rummel (for Secretary of State Tre Hargett), Mike Hedges, State Treasurer David Lillard, Joann Massey, Matt McGauley, and Erin Merrick. Other Board members present were: Austin McMullen, Rick Neal, and Katie Armstrong (for Comptroller Justin Wilson). Chair Snodderly recognized Bruce Balcom, Assistant 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. Board members participating by telephone were sent documents relevant to today's meeting."

Chair Snodderly called the meeting to order. With a roll call vote and all Committee members identified as present voting "yes", motion carried that a necessity existed to conduct the meeting in this manner.

Chair Snodderly called for consideration of the previously circulated July 22 and July 28, 2020 Committee meeting minutes. Upon motion by Ms. Massey, second by Treasurer Lillard, and a roll call vote with Rummel, Hedges, Lillard, Massey, Merrick, and Snodderly voting "yes", and Hicks and McGauley abstaining, motion carried to approve the July 22 and July 28, 2020 Committee meeting minutes.

Chair Snodderly then recognized Edwin King, Director of Multifamily Programs, to present the first item on the agenda, the Multifamily Tax-Exempt Bond Authority Draft Program Description for 2021 (the "Draft 2021 PD"). Mr. King referred to the "Summary of Changes Incorporated into the Multifamily Tax-Exempt Bond Authority Draft Program Description for 2021" dated October 30, 2020, and included in the Committee materials, for details and described the following major changes:

1. Clarifying how special requests are to be handled; and
2. Increasing the initial amount of 2021 volume cap to be available for Multifamily Tax-Exempt Bond Authority allocations in 2021 to 67% of the initial amount of 2021 volume cap THDA receives.

Upon motion by Ms. Merrick, second by Mr. Hedges, and a roll call vote with all Committee members identified as present voting “yes”, the Draft 2021 PD, as described in the Summary of Changes Incorporated into the Multifamily Tax-Exempt Bond Authority Draft Program Description for 2021, was recommended for approval by the Board.

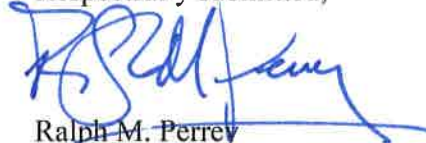
Chair Snodderly again recognized Mr. King to present the request for exchange of Low-Income Housing Credit (“LIHC”) for Forest Creek Townhomes (TN17-901) in Memphis (“Forest Creek”). Mr. King referenced his memo with the subject “TN17-901 Forest Creek Townhomes, Memphis, Shelby County” dated October 30, 2020, included in the Committee materials, and described the situation. A lengthy discussion ensued with comments and questions from Board members and with the opportunity for Barry Cohen, the developer for Forest Creek, to respond.

Chair Snodderly recognized Mr. McGauley whose comments balanced his personal view that the project has not been well managed with consideration of the impact of the project on the state and on Memphis residents. He noted that the project appears to be on the verge of being sustainable and complete to benefit Memphis residents. Upon a motion by Mr. McGauley, second by Mr. Rummel, and a roll call vote with Hicks, Rummel, Lillard, McGauley, and Snodderly voting “yes”; Hedges and Merrick voting “no”; and Massey abstaining, motion passed to recommend to the Board that the requested exchange be granted subject to the following:

1. At least 95% of all units shall be ready for occupancy no later than June 30, 2021; and
2. At least 350 units shall be occupied by income qualified tenants no later than June 30, 2021; and
3. Forest Creek Townhomes, LLC, waives the right to enter into the Qualified Contract Process as described in Section (h)(6)(f) of Section 42 of the Internal Revenue Code of 1986, as amended; and
4. Forest Creek Townhomes, LLC, waives any opportunity or right to further modification or extension with regard to these conditions and deadlines; and
5. A Major Significant Adverse Event is immediately assessed against Forest Creek Townhomes, LLC and all associated individuals and entities as specified in Section 6 of the Low-Income Housing Credit 2021 Qualified Allocation Plan (the “2021 QAP”), resulting in a five year disqualification from participation in the THDA LIHC program for all such described individuals and entities; and
6. Upon the occurrence of any failure to fully satisfy all applicable conditions, as determined by THDA, in its sole discretion, the full amount of the 2021 LIHC will be deemed returned to THDA and no longer available to Forest Creek Townhomes, LLC.

With no further business, the meeting was adjourned.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved the 21st day of January, 2021