

September 28, 2021

Board and Committee Meeting Minutes

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,

Ralph M. Perrey
Executive Director

Approved the 16th day of November, 2021.

TENNESSEE HOUSING DEVELOPMENT AGENCY
AUDIT & BUDGET COMMITTEE MEETING
September 28, 2021

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors Audit and Budget Committee met in regular session on Tuesday, September 27, 2021 at 10:00 a.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). Those Board members participating via Webex were: Chris Mustain (for Secretary Tre Hargett) and Christine Rhea. Those absent were Austin McMullen and Rick Neal.

Recognizing a quorum present, Chair Hedges called the Committee meeting to order and recognized Bruce Balcom, THDA Chief Legal Counsel, who noted the following:

“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.”

There was no motion, nor a second, but with a roll call vote with all members identified as present voting “yes,” consensus was to conduct business in this manner.

Chair Hedges asked for consideration of the July 27, 2021, Audit and Budget Committee meeting minutes. Upon motion by Mr. Bradley, second by Mr. Hedges, and following a roll call vote with all committee members identified as present voting “yes” (4 ayes), the motion carried to approve the minutes.

Chair Hedges recognized Mr. Balcom to present the next agenda item, Code of Conduct Revisions. Mr. Balcom noted that the revisions to the Code of Conduct are not substantive to the requirements contained within the Code of Conduct. The revisions include a consequences section for code violations and a revision table. Upon motion by Mr. Bradley, second by Ms. Rhea, and following a roll call vote with all committee members identified as present voting “yes” (4 ayes), the motion carried to approve the Code of Conduct Revisions.

Chair Hedges noted the next agenda item, Executive Director and Director of Internal Audit Evaluation Process and recognized THDA Executive Director, Mr. Ralph Perrey, to explain the process. He referenced the memo included in the Board packet that addresses the Executive Director’s performance evaluation process. Mr. Perrey noted that the Audit and Budget Committee Charter and the THDA By-Laws charge the Committee with developing and implementing the

evaluation process for the Executive Director. He explained that the evaluation process for the Director of Internal Audit is similar to the process for the Executive Director's performance review, except the latter evaluation is wholly within the purview of the Committee. Mr. Perrey added the final evaluations will occur at the November meeting, therefore no action by the Board will be required. The consensus of the Committee was to proceed with the proposed process as described in the referenced memo.

Chair Hedges recognized Ms. Gay Oliver, Director of Internal Audit to present the Internal Audit Updates. Ms. Oliver referenced the memo and additional documentation included in the Board packet. She noted that the documentation is related to work the Internal Audit division has done to assure that they are in compliance with the standards of the Institute of Internal Auditors. She added that they are preparing for the External Quality Assessment scheduled for the week of October 18th, and in preparation they have completed an internal readiness assessment, the results are outlined in the packet. In addition, as a result of the assessment the additional documents require the Committee's approval:

- Quality Assurance and Improvement Program (QAIP) review spreadsheet
- Internal Audit division Strategic Plan
- Independence Objectivity and Conflict of Interest Policy for Internal Audit
- Annual Independence and Objectivity Declaration
- Internal Audit QAIP Manual

There was no motion, nor a second, but with a roll call vote with all members identified as present voting "yes," consensus was to conduct business in this manner.

Chair Hedges recognized Mr. Trent Ridley THDA Chief Financial Officer to present the Proposed Budget for Fiscal Year 2022-2023. Mr. Ridley referenced the Budget Proposal documents included in the Board packet. He noted the following:

- The FY21 results were: Assets of \$3.6 Billion, Liabilities of \$3.1 Billion, and \$550 Million in Net Position. Operating income was increased to \$24 Million, primarily due to federal COVID related grants.
- FY22 estimated revenues and expenses are projected to be \$1,419.6 million and \$1,413.5 million respectively, of which \$1,280.8 million is State Budget. Operating revenues and expenses are projected to be \$265.8 million and \$249.5 million respectively for an Operating Income of \$16.3 million.
- FY23 Proposed Budget operating revenues and expenses are projected to be \$173.3 million and \$157.0 million respectively, netting an approximate \$16.3 million operating income. This income will be used to fund \$7.5 million for Tennessee Housing Trust Fund grants.
- The State Treasury Budget decreases to \$379.0 million, primarily due to \$816.9 million of non-recurring grants (Cares Act, American Rescue Plan, and AG Mortgage Settlement).

Mr. Ridley noted that following Board approval, the state portion of the Proposed Budget goes through a review and approval process that includes the Department of Finance & Administration, the Governor's office, and the legislature. Following adoption of the state budget

by the legislature, the state portion of the Proposed Budget becomes THDA's work program for fiscal year 2023. Adjustments during this process are normal and need to be authorized in the approval motion.

Chair Hedges called for consideration of the Budget Proposal, upon motion by Mr. Bradley, second by Mr. Mustain, and following a roll call vote with all members identified as present voting "yes" (4 ayes), the motion carried that the proposed budget be submitted to the Board with authorization for staff to make adjustments as required through the State review and approval process.

With no other issues or reports to be presented, Chair Hedges adjourned the meeting.

Respectfully submitted,

Gathelyn Oliver
Director of Internal Audit

Approved this 16th day of November, 2021.

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOND FINANCE COMMITTEE
September 28, 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, September 28, 2021, at 10:26 A.M. at the William R. Snodgrass Tennessee Tower, Conference Rooms A & C, 312 Rosa Parks Blvd; Nashville, TN 37243 with certain members present via video WEBEX call.

The following Committee members were present in person: Mike Hedges (Chair); Kevin Bradley (for Treasurer Lillard); and Katie Armstrong (for Comptroller Jason Mumpower). The following Committee members were present via WebEx: Chris Mustain (for Secretary of State Tre Hargett) and Doree Hicks (for Commissioner of Finance & Administration Butch Eley). Also, other Board Members present were: Joann Massey; Mathew McGauley; John K. Snodderly; Chrissi Rhea; and Tennion Reed.

Recognizing a quorum present, Chair Hedges called the meeting to order at 10:26 a.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. 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."

Upon motion by Ms. Armstrong and second by Mr. Mustain, and following a roll call vote, the motion carried to approve doing business in this manner with all members identified as present voting "yes".

Chair Hedges called for consideration of the July 27, 2021 Bond Finance Committee Meeting Minutes. Upon motion by Kevin Bradley, second by Ms. Armstrong, and following a roll call vote with all members identified as present voting "yes", the motion carried to approve the July 27, 2021, minutes.

Chair Hedges indicated the next item for consideration was the sale of Issue 2021-3 Bonds. Bruce Balcom, THDA Chief Legal Counsel, presented the following documents that were circulated for the Committee's consideration:

A memorandum regarding Issue 2021-3 from Mr. Balcom, dated September 9, 2021, that described the documents to be considered, explained how the authorization for Issue 2021-3 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 September 8, 2021, by CSG Advisors incorporated ("CSG"), financial advisor for THDA.

- A separate memorandum from CSG dated September 8, 2021, that recommended authorization of Issue 2021-3 under the 2013 General Resolution, through a negotiated sale, in an aggregate principal amount not to exceed \$175 million, to refund certain outstanding THDA bonds, and to include a Convertible Option Bond to preserve remaining 2018 volume cap.
- The Plan of Financing for Issue 2021-3 in an aggregate principal amount not to exceed \$175 million (the "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 2021-3, that includes the form of Supplemental Resolution for Issue 2021-3 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 2021-3 in an amount not to exceed \$50,000,000 (the "Reimbursement Resolution").
- The form of Supplemental Resolution for Issue 2021-3.
- A separate memorandum from CSG dated September 8, 2021, that recommended Citigroup Global Markets Inc. to serve as bookrunning senior manager and for Duncan Williams to serve as the rotating co-manager.

Upon motion by Ms. Armstrong, second by Mr. Bradley, and with a roll call vote with all members identified as present voting "yes", the motion carried to recommend the Authorizing Resolution, the Reimbursement Resolution, and the form of Supplemental Resolution to the Board of Directors, and to approve the Plan of Financing.

Bruce Balcom, THDA Chief Legal Counsel, requested guidance from the Bond Finance Committee for moving forward with the Underwriter Team Selection Process. Typically every three years THDA has employed a process to select the underwriter team to handle THDA's bond issues. The last time THDA underwent this process was in 2018, but due to COVID-19, THDA granted a one year extension to the current Underwriter Team. In an effort to maintain the three year period, it is time to begin the Underwriter Selection Process for the next three year period, including all of 2022, 2023, and 2024. THDA staff plan to provide more information and a detailed memo at the November 2021 Bond Finance Committee meeting and request a vote to approve the Underwriter Team selection process.

No formal motion needed to move forward with the Underwriter Selection Process however an approval by consensus was endorsed by Chair Hedges. There were no objections and Chair Hedges deemed the plan to move forward with the Underwriter Selection Process for the next three year period to be approved.

There being no further business, Chair Hedges adjourned the meeting at 10:37 A.M..

Respectfully submitted,

Sandi Thompson,
Assistant Secretary
Approved this 16th day of November, 2021.

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TENNESSEE HOUSING DEVELOPMENT AGENCY
GRANTS COMMITTEE MEETING MINUTES
September 28, 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, September 28, 2021, at 10:20 a.m. in Conference Rooms A and C of the William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following Committee members were present via webex: Chris Mustain (for Tre Hargett Secretary of Treasury), Tennon Reed, and Joann Massey. In person were Mike Hedges (Board Chair) and Katie Armstrong (for Comptroller Jason Mumpower).

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."

There was no motion, nor a second, but with a roll call vote with all members identified as present voting "yes," consensus was to conduct business in this manner.

Recognizing a quorum present, Chair Hedges called the Committee meeting to order and called for consideration of the July 27, 2021, Grants Committee meeting minutes. Upon motion by Ms. Katie Armstrong, second by Mr. Chris Mustain, and a vote with all members identified as present voting "yes," the motion was adopted and the minutes were approved.

Chair Hedges called for consideration of the 2022 Winter Round Tennessee Housing Trust Fund Competitive Grants - Ms. Cynthia Peraza, Director of Community Programs. Ms. Peraza referenced her memorandum dated September 1, 2021, authorizing 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 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.

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

With no further business, the meeting was adjourned at 10:33 a.m.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved the 16th day of November, 2021.

No Lending Committee Meeting in September 2021.

TENNESSEE HOUSING DEVELOPMENT AGENCY
RENTAL ASSISTANCE COMMITTEE MEETING MINUTES
September 28, 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, September 28, 2021, at approximately 10:49 a.m. Central Time in Conference Rooms A and C of the William R. Snodgrass Tennessee Tower Building, Nashville, TN 37243.

Committee members in person were: Mike Hedges, while those participating via Webex were John Snodderly (Chair), Joann Massey and Tension Reed. Erin Merrick was absent.

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 or electronically. Board members so participating were sent documents relevant to today's meeting."

Upon a motion by Mr. Hedges, second by Mr. Snodderly and a roll call vote with all identified as present voting "yes," motion carried to conduct business in this manner.

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 Ms. Reed, second by Mr. Hedges, the meeting minutes were approved by all members present voting "Yes" (four ayes).

Chair Snodderly recognized the Executive Director Ralph M. Perrey to present his memo dated September 8, 2021 and discuss the recommendation of the Committee. The staff recommendation for Committee to approve 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. Mr. Hedges went on record to note that the THDA Board regards this as a short-term solution to give time for HUD to resolve its rebid situation. There should be no expectation on HUD's part that this is an open-ended commitment to administer PBCA. By offer of a motion by Mr. Hedges, second by Ms. Massey and roll call vote, motion was approved with all members identified as present voting "yes".

With 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
September 28, 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, September 28, 2021, at 10:56 a.m. Central Time with certain staff members being present at the William R. Snodgrass Tennessee Tower, Conference Rooms A and C, Nashville, Tennessee, and others joining via Webex.

The following Committee members were present in person: Mike Hedges and Kevin Bradley (for State Treasurer David Lillard). Those joining via WebEx: John Snodderly (Chair), Doree Hicks (for Commissioner of Finance & Administration Butch Eley), Chris Mustain (for Secretary of State Tre Hargett), Joann Massey, Matt McGauley. Board Member Erin Merrick was absent.

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."

Upon a motion by Mr. Bradley, second by Mr. Hedges, and with a roll call vote, the motion carried to approve doing business in this manner with all members identified as present voting "yes" (7 ayes).

Chair Snodderly called for consideration of the previously circulated July 27, 2021 Committee meeting minutes. Upon motion by Mr. McGauley, second by Mr. Mustain, and with a roll call vote with all members identified as present voting "yes" (7 ayes), the motion carried to approve the July 27, 2021 minutes.

Chair Snodderly asked to begin with the consideration of two Allocation Requests as follows:

TN21-801 Flats at Mooreland
TN21-802 Hill Place

Chair Snodderly recognized Josie Kotsioris, Director of Multifamily Program to present the details for these requests as outlined in memos dated September 7, 2021 from herself and Don Watt, Chief Programs Officer.

TN21-801 Flats at Mooreland – staff recommends and requests approval for a return of \$1,100,000/year of 2019 Low Income housing Credit (“LIHC”); and, and approval of new allocation of an equal amount of 2021 LIHC.

TN21-802 Hill Place – staff recommends and requests approval for a return of \$1,159,155/year of 2019 Low Income housing Credit (“LIHC”); and, and approval of new allocation of an equal amount of 2021 LIHC.

Upon a motion by Mr. Hedges, second by Mr. McGauley, and with a roll call vote, the motion carried to approve the requests with all members identified as present voting “yes” (7 ayes).

The Committee then began a review of changes proposed for the 2022 Qualified Allocation Plan (QAP). Following an overview of those changes by Josie Kotsioris, Director of Multifamily Programs, board members raised a number of questions and concerns, many focused on the proposed Location/Need Score, which would be based on a census tract basis rather than by county. Committee members expressed uncertainty on this and other points and, after a brief recess for staff to confer, suggested delaying adoption of the QAP until a special called meeting of the Tax Credit Committee in October. That motion was offered by Ms. Massey, seconded by Mr. McGauley, and passed with the “yes” vote of all seven members present.

With no further business, the meeting was adjourned at 12:32 p.m. Central Time.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved the 16th day of November, 2021.