

TENNESSEE HOUSING DEVELOPMENT AGENCY
TAX CREDIT COMMITTEE MEETING MINUTES
October 21, 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 special session on Thursday, October 21, 2021, at 1:02 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, Secretary of State Tre Hargett, Mike Hedges, State Treasurer David Lillard, Joann Massey, Matt McGauley, Rick Neil, Kevin Bradley, 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 Secretary of State Tre Hargett, second by Mr. Hedges, and with the following roll call vote, the motion carried to approve doing business in this manner with all members identified as present voting "yes".

Chair Snodderly called for consideration of the previously circulated September 28, 2021 Committee meeting minutes. Upon motion by Mr. Hedges, second by Mr. McGauley, and with the following roll call vote with all members identified as present voting "yes", the motion carried to approve the September 28, 2021, minutes.

Chair Snodderly asked Ralph Perrey, Executive Director of THDA, to share updates to the committee. The discussion entailed THDA's request for \$90 million dollars in American Rescue Plan Act funds, noting the legislative decision will take place on November 15, 2021. Additionally, THDA expects many requests for Low-Income Housing Credit exchanges to shore up these deals. Chair Snodderly asked for a motion if the committee would like to continue to bring all requests for an exchange to the TCC for consideration. There was no motion so Mr. Perrey will have the waiver authority to approve tax credit exchanges.

Chair Snodderly called on Mr. Perrey to review changes to the Qualified Allocation Plan (QAP) as described in the memo from Chief Programs Officer, Don Watt dated October 19, 2021.

Chair Snodderly called on Mr. Hedges, who commented on Section 42(m)(1)(B), referencing requirements for criteria giving preference to developments located in a Qualified Census Tract (“QCT”) and contributing to a Concerted Community Revitalization Plan (“CCRP”) to be used in determining housing priorities. Mr. Hedges suggested offering a preference not based on points. An example: consider offering rural counties a preference, only if they provide a CCRP. Mr. Perrey noted that the QCT and CCRP seem to be inseparable and that a review to satisfy a preference, rather than points, can be a continued discussion prior to the November 16th meeting.

Mr. Hedges and Ms. Hicks were concerned about the scoring language on the 50/50 split on properties rehabbing and adding units, noting it’s cheaper for a developer to work under the rehab rules. Mr. Perrey noted there was no previous model to score this type of deal and present to the committee. The language proposed gives an opportunity for that type of development to be considered.

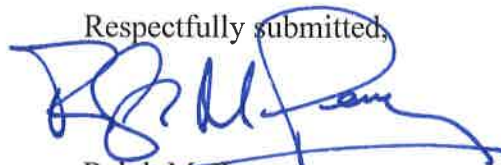
Mr. Hedges pointed out on page 11, letters of intent, are easier to obtain than in prior years, so why continue to require this formality from the developer. Mr. Perrey responded that there have been exceptions where the prospect did not produce letters of intent.

Mr. Perrey welcomed input by committee members to explore other ways THDA can satisfy the IRS requirement besides providing 1 point scoring advantage. He also reiterated there are parts of the state, with low income communities requiring new units, which is why he was interested in removing the prohibition against new construction and qualified census tracts.

Chair Snodderly asked Mr. Perrey his recommendation on moving forward with adopting the QAP. Mr. Perrey responded that there needs to be more of an in depth examination over the QCT/CCRP preference, so there will be no action taken today. On November 16th, the first item up for discussion will be the QAP. There was no motion to adopt QAP. Discussions will continue on November 16, 2021.

With no further business, the meeting was adjourned at 2:10pm.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved the 16th day of November, 2021.