

TENNESSEE HOUSING DEVELOPMENT AGENCY  
TAX CREDIT COMMITTEE  
November 19, 2019

Pursuant to the call of the Chairman, the Tax Credit Committee of the Tennessee Housing Development Agency Board of Directors met in regular session on Tuesday, November 19, 2019, at 10:44 a.m. Central Time, at the William R. Snodgrass Tennessee Tower, Third Floor, Nashville Room, Nashville, Tennessee.

The following Committee members were present: John Snodderly, Kevin Bradley (for Treasurer David Lillard), Colleen Daniels (for Commissioner of Finance & Administration Stuart McWhorter), and Mike Hedges. Committee member Erin Merrick participated by phone. Committee member Lynn Tully was absent. Mr. Snodderly acted as Committee Chair in the absence of Ms. Tully. Other Board members in attendance were Dorothy Cleaves, Katie Armstrong (for Comptroller Wilson), John Krenson, Rick Neal and Chrissi Rhea.

Seeing a quorum present, Chair Snodderly called the meeting to order and called for consideration of the September 24, 2019, minutes. Upon motion by Mr. Bradley, seconded by Mr. Hedges, the minutes were approved.

Chair Snodderly recognized Don Watt, Acting Director of Multifamily Programs, to review the proposed 2020 Multifamily Tax-Exempt Bond Authority ("MTBA") Program Description ("2020 MTBA PD"). Mr. Watt summarized the proposed changes, more fully described in his memorandum dated November 18, 2019, as follows:

- The amount of 2020 MTBA to be made available is fifty percent (50%) of the initial amount of private activity bond volume cap allocated to THDA in early 2020.
- Several proposed changes to bring the 2020 MTBA PD into conformity with changes to the 2019-2020 Low-Income Housing Credit Qualified Allocation Plan approved by the THDA Board of Directors in September 2019.
- Change to the maximum amount of 2020 MTBA that may be allocated to a single proposed development to the lesser of (a) the limits reflected in the 2019 MTBA PD or (b) 60% of the proposed development's aggregate basis (including land).
- Delete language regarding special requests.
- Change the Firm Commitment Letter language to address timing issues with applications submitted late in the year so that all MTBA allocations close by December 23, 2020.

A motion by Ms. Merrick, second by Ms. Daniels, was made to recommend approval of all proposed changes, except that special requests will not be deleted and the minimum number of units for a special request will be reduced from 500 to 400. Mr. Hedges moved to amend the amount of 2020 MTBA to be made available to \$200 million; however, the motion died for lack of a second. The original motion carried.

Chair Snodderly recognized Mr. Watt for a description of proposed amendments to the Low-Income Housing Tax Credit Qualified Allocation Plans for 2016, 2017 and 2018 regarding energy efficiency requirements. Mr. Watt referenced his memo dated November 7, 2019, and noted

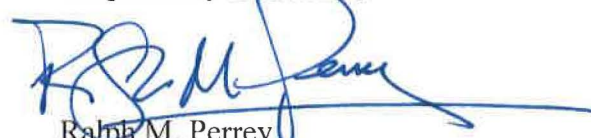
that staff recommends amending the 2016 QAP, the 2017 QAP and the 2018 QAP to permit selection of “Energy Star” requirements as an alternative to the existing “Enterprise Green Community Certification” requirements. Upon motion by Mr. Bradley, second by Ms. Daniels, the Committee recommended the changes described in the referenced memo to the Board. Mr. Hedges recused himself from discussion and vote.

Chair Snodderly recognized Mr. Perry to present the MTBA per developer limit waiver request for Moss Grove (TN19-240). Mr. Perrey referenced a letter dated November 15, 2019, from the Moss Grove developers explaining the waiver request and noted that staff had no recommendation. Upon motion by Mr. Hedges, second by Ms. Daniels, the Committee recommended that the Board grant the waiver request.

Chair Snodderly recognized Mr. Watt who referenced a memo dated November 18, 2019, and noted that at the September Tax Credit Committee meeting, the Board Chair requested that staff consider options available to support new construction of multifamily rental housing in Tennessee’s at-risk and distressed counties. He explained that staff is working to identify options to assist in increasing the financial feasibility of proposed low income housing credit developments in these counties and plans to bring a proposal for consideration in January.

With no further business to address, the meeting was adjourned.

Respectfully submitted,



Ralph M. Perrey  
Executive Directors

Approved this 29<sup>th</sup> day of January, 2020