

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
January 28, 2025

Pursuant to the call of the Chair, the Tennessee Housing Development Agency (THDA) Board of Directors (the "Board") met in regular session on Tuesday, January 28, 2025, at 10:16 AM CT in the Tennessee Room #2 of the Tennessee Towers, Nashville, Tennessee.

The following board members were present in person: Chair Rick Neal, Micheal Miller, Dan Springer, Maeghan Jones, Eva Romero, Christina Temple (for Secretary of State Tre Hargett), Treasurer David Lillard, Katie Armstrong (for Comptroller Jason Mumpower), and Alex Schuhmann (for Commissioner Jim Bryson).

Chair Rick Neal called the Board meeting to order, then opened the floor to anyone present from the public who wished to address the Board.

Mr. Steve Reiter came before the board as a private citizen. He expressed concerns about the information being collected by the Section 8 Rental Assistance online tool - Rent Café (a part of the Yardi software system used to administer THDA's Rental Assistance program) - and how users were being educated on the tool and its privacy policies. Mr. Riter stated he was meeting with THDA staff after meeting to discuss further.

At the conclusion of Mr. Reiter's remarks, Chair Neal closed the floor to public comment.

Chair Neal then recognized Executive Director Ralph M. Perrey for his report.

Mr. Perrey shared the following:

- Along with everyone else, THDA learned that the Office of Management and Budget has directed federal agencies to temporarily halt expenditures of all federal grants effective today. THDA is monitoring the situation, along with staff at the National Council of State Housing Agencies and will keep partners and the Board updated on any further impact on the federal programs THDA administers.
- THDA has earned its 22nd consecutive clean financial audit from the State Comptroller's Office. This is no small accomplishment, given the amount of money that flows through the agency each year and the increasing complexity of our business and programs.
- A reminder that registration is open for this year's Tennessee Housing Conference April 22-23.
- The General Assembly convened in special session yesterday. Among the three items up for consideration is disaster relief funding for Northeast Tennessee. At present, none of those funds are designated for housing, THDA does expect that housing recovery funds will be proposed during the regular legislative session, once it is clear what FEMA will cover to avoid legal concerns regarding potential "*duplication of benefits.*"
- The Governor's budget, which will be submitted next month, is expected to include funding for the new state housing tax credit, as well as potential funding for THDA to use for development of starter homes.

- The legislation to increase THDA's statutory debt limit has been introduced by Senator Ferrell Haile and State Representative Charlie Baum.
- The HOME program funds that THDA proposes to make available for Northeast Tennessee should flow to the impacted counties by mid-February, assuming timely approval by HUD of our proposal to repurpose those funds for disaster relief.

At the conclusion of Mr. Perrey's remarks, Chair Neal recognized Ms. Lindsay Hall, the Chief Operating Officer of Single-Family Loan Programs for a Single-Family Programs Business Update and introduced the number of Real Estate Owned (REO) properties in our portfolio. This is an addition to the business update that will be briefed at each board meeting.

Next, Chair Neal recognized Mr. Eric Alexander, the Director of Multifamily Programs, for a Multifamily Programs Business Update. Mr. Alexander highlighted that THDA received 13 applications for the Economic Development Area set aside for the current QAP and those applications were being reviewed.

Chair Neal then asked for consideration of the November 19, 2024, board meeting minutes. Upon motion by Ms. Jones and a second by Ms. Romero, the motion carried, and the minutes were approved.

Chair Neal then recognized Chief Legal Counsel Bruce Balcom to brief the Board on their fiduciary responsibilities as board members. As a separate agenda item, Mr. Balcom also briefed the Board on THDA's Official Statement that covers information regarding bond sales.

Then, Chair Neal recognized Ms. Nicole Lucas, Chief Information Officer, to present on the state of cybersecurity in the Agency and the results of the penetration testing performed in 2024 and the agency's SOC II Type II Attestation received in April of 2024.

Next, Chair Neal recognized Ms. Lindsay Hall, Chief Operating Officer of Single-Family Programs, to present the Housing Cost Index and corresponding resolution as outlined in the memo dated December 10, 2024, from Dr. Hulya Arik, as found in the board packet. Ms. Hall briefed that in the last five years the Housing Cost Index has increased from 28.03% for 2021 to 45.48% for 2025. Upon motion by Mr. Springer and a second by Mr. Miller, the motion to approve the 2025 Housing Cost Index and Resolution were passed.

Chair Neal recognized Mr. Bill Lord, Director of Community Housing, to present the Habitat for Humanity of Tennessee Program Description Amendment, as outlined in the memo dated January 13, 2025, from himself, and Chief Programs Officer Don Watt, as found in the board packet. Mr. Lord highlighted the partner's desire to allow 100% of the THDA funding to be used for households at 80% of the Area Median Income or less. Current rules require that 50% of the funds be used at 60% of AMI or less. Ms. Colleen Dudley, Executive Director of Habitat for Humanity of Tennessee spoke to the Board about this request and highlighted the increased costs of building single family homes. Ms. Jones asked Ms. Dudley if she could provide some data on families affected by this cost increase as it related to the request. Ms. Dudley was unable to provide any data at the time. Ms. Armstrong asked Ms. Dudley if the current set aside to serve clients at 60% AMI or below was going unused due to lack of eligible families. Ms. Dudley responded that all monies granted by THDA were used within the current program requirements. Upon motion by Ms. Armstrong to defer this amendment until more information can be provided and a second by Mr. Schuhmann, the motion to defer the amendment was carried.

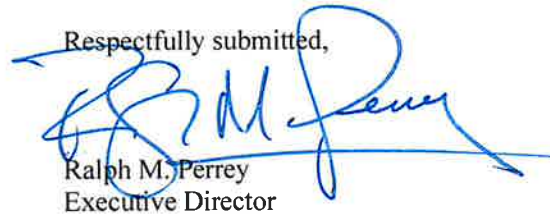
Next, Chair Neal recognized Ms. Jeboria Scott, Director of Section 8 Rental Assistance, to present the Housing Choice Voucher Administrative Plan Update, as outlined in the memo dated January 13, 2025, from herself, and Chief Programs Officer Don Watt, as found in the board packet. Ms. Scott highlighted the Attorney General's direction to add Housing Opportunity Through Modernization Act requirements into the updated plan. Upon motion by Mr. Miller and a second by Mr. Schuhmann, the motion to approve the administrative plan update was carried after a unanimous roll call vote of all board members present.

Chair Neal then recognized Mr. Bill Lord, Director of Community Housing, to present the 2020 HOME Bright Futures Bridge Subsidy Amendment to the Program Description, as outlined in the memo dated January 13, 2025, from himself and Chief Programs Officer Don Watt, as found in the board packet. Mr. Lord requested to increase the grant award amount for individual grantees to \$750,000. This increase would allow unused grant funds to be used by another grantee before the expiration of the grant contract. Upon motion by Treasurer Lillard and a second by Mr. Schuhmann the motion to approve the amendment to the program description was carried.

Noting that all action items for the Board were completed, Chair Neal pointed out informational award letters provided to the Board in the Annex.

With no further business, the meeting was adjourned at 11:12 AM CT.

Respectfully submitted,



Ralph M. Perrey
Executive Director

Approved this 25th day of March 2025