

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
November 14, 2023

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the "Board") met in regular session on Tuesday, November 14, 2023, at 10:33 AM CT in the Nashville Room of the Tennessee Towers, Nashville, Tennessee.

The following board members were present in person: Chair Matt McGauley, Secretary of State Tre Hargett, Sara Queirolo (for Treasurer David Lillard), Austin McMullen, Stephen Dixon, Rick Neal, Jacky Akbari, Micheal Miller, Rob Mitchell and Katie Armstrong (for Comptroller Jason Mumpower). Those absent were: Commissioner of F&A Jim Bryson, Chrissi Rhea, Tennion Reed and Dan Springer.

Chair McGauley called the Board meeting to order and then opened the floor to anyone present from the public who wished to address the board. Seeing no one, he closed the floor to public comment.

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

Mr. Perrey shared the following:

- In the coming weeks, he will circulate to the Board the Agencies' proposed Strategic Objectives for 2024. Among others, THDA will focus on 1) financing for single family mortgage loans through a market-appropriate mix of mortgage revenue bond issuances and secondary market sales and securitization; 2) develop a sustainable long-term funding plan for down payment assistance; 3) align our programs to better support housing development, especially high-impact housing development plans around the state; and 4) proceed with several technology upgrades for Loan Operations, Community Housing and Community Services.
- Lindsay Hall and Rhonda Ronnow were leaders in the HFA1 initiative, jointly undertaken by the National Council of State Housing Agencies and the Mortgage Bankers Association. That effort seeks to standardize loan execution among state housing agencies, so that large national and regional lenders can more easily work with HFAs. Tennessee was among eight original participants; there are now 23 state HFAs involved.
- For the first time, more than 50% of the loans in the VMLS portfolio are loans originated since THDA started servicing ourselves in 2016. Through the diligent efforts of our loss mitigation unit, the loan delinquency rate is at the lowest point it's ever been in THDA's 50- year history, with the possible exception of our first year, when no one had a THDA mortgage long enough to miss a payment.

At the conclusion of Mr. Perrey's remarks, Chair McGauley recognized Ms. Lindsay Hall, the Chief Operating Officer for Single Family Programs for a Single Family Programs Business Update and an Update on the Foreclosure Rehabilitation Program.

Next, Chair McGauley recognized Mr. Eric Alexander, the Director of Multifamily Programs, for a Multifamily Programs Business Update.

At the conclusion of the presentation, Chair McGauley asked for consideration of the September 26, 2023 board meeting minutes. Upon motion by Mr. Neal and a second by Mr. Dixon, the motion carried and the minutes were approved.

Mr. McGauley then recognized Secretary of State Tre Hargett to present the recommendation from the Audit and Budget Committee regarding the THDA Executive Director's Annual Performance Evaluation. The Audit and Budget Committee recommended the Board approve an Advanced rating and the associated pay increase and bonus associated with that rating for Mr. Ralph Perrey's Annual Evaluation. Upon a motion from Mr. McMullen and a second from Secretary Hargett, the motion carried.

Next Mr. McGauley asked for nominations from the Board for 2024 Vice Chair position. Mr. Mitchell, nominated Mr. Rick Neal to serve as the Vice Chair of THDA's Board of Directors. Mr. McGauley asked for any other nominations. No other nominations were made. Upon a motion by Mr. Mitchell and a second by Ms. Akbari, the motion was carried with one abstention - Mr. Neal.

Mr. McGauley then presented a motion and a second from the Bond Finance Committee to approve the Bond Issue 2024-1 as presented in committee and the board packet. Upon vote from the full Board, the motion was carried.

Chair McGauley recognized Mr. Bill Lord, Director of Community Housing, to present on Items 5-9 on the agenda-encompassing all HOME program descriptions and extensions as found in the board packet. Upon motion by Mr. McGauley and a second by Mr. Miller, the motion to approve the HOME 2023-2 Rental Housing Development Program Description; 2024 Rental Housing Development Program Description; 2024 CHDO Homeownership Development Program Description; 2024 Urban-Rural Program Description; and 2020 Bright Futures Bridge Subsidy Pilot Program Extensions was carried.

Chair McGauley recognized Mr. Don Watt, Chief Programs Officer, to present on the 2023 Eviction Prevention Program Description Amendment, as outlined in the memo dated November 14, 2023, from himself, as found in the board packet. This Amendment expands the methodology for the 34 sub-recipients, which are close to running out of funds, to request additional funds. Upon motion by Ms. Armstrong and a second by Mr. Miller, the motion to approve the 2023 Eviction Prevention Program Description Amendment was carried.

Chair McGauley recognized Mr. Bill Lord, Director of Community Housing, to present on the 2023 Emergency Repair Program Description Amendment, as outlined in a memo dated November 1, 2023, from himself and Chief Programs Officer, Don Watt, as found in the board packet. Mr. Dixon asked if any effort had been made to find administrators in the middle Tennessee and Northeastern Tennessee areas. Mr. Lord said that yes, he was actually in discussions with interested administrators in both areas. Upon motion by Ms. Armstrong and a second by Mr. Miller, the motion to approve the 2023 Emergency Repair Program Description Amendment was carried.

Chair McGauley recognized Mr. Don Watt, Chief Programs Officer, to present on the 2024 Emergency Solutions Grants Program Description, as outlined in the memo dated November 1, 2023, from himself, as found in the board packet. This program is to help the homeless or those at risk of homelessness. There are four city monetary set asides in this description and the rest of the funds are available through a competitive process. Upon motion by Ms. Miller and a second by Mr. Dixon, the motion to approve the 2024 Emergency Solutions Grants Program Description was carried.

Chair McGauley recognized Mr. Bill Lord, Director of Community Housing, to present on the 2024 Tennessee Housing Trust Fund Competitive Grants Program Description, as outlined in a memo dated November 1, 2023, from himself and Chief Programs Officer, Don Watt, as found in the board packet.

Two significant changes from last year's program description include moving from two award rounds to one award round for 2024; also added were subsidy limits based on the size of the unit (# of bedrooms). Upon motion by Mr. Miller and a second by Mr. Dixon, the motion to approve the 2024 Tennessee Housing Trust Fund Program Description was carried.

Chair McGauley recognized Mr. Eric Alexander, Director of Multifamily Programs, to present the 2023 Multifamily Tax Exempt Bond Authority Program Description Amendment, as outlined in the memo dated November 1, 2023, from himself and Don Watt, Chief Programs Officer, as found in the board packet. During discussion, Mr. Neal asked if the accommodations in this amendment took away from the 2024 bond allocation for partners. Mr. Alexander said that it did not. This amendment would preserve the 2023 bond authority allocations, while maintaining whatever the 2024 bond authority allocations may be. Upon motion by Mr. McMullen and a second by Ms. Queirolo, the motion to approve the 2023 Multifamily Bond Authority Program Description Amendment was carried, with one abstention – Mr. Neal.

Chair McGauley again recognized Mr. Eric Alexander, Director of Multifamily Programs, to present the 2024 Multifamily Tax Exempt Bond Authority (MTBA) Program Description, as outlined in the memo dated November 1, 2023, from himself and Don Watt, Chief Programs Officer, as found in the board packet. During discussion, Mr. Neal expressed concern about the Supplemental application round being the last allocation round and that this could disadvantage Round 1 Bond Authority Awardees trying to close deals. Mr. Neal then made a motion to amend the program description to include a Supplemental Application Round after Round 1 and maintain a Supplemental Application Round after Round 2. Mr. McMullen seconded that motion. Upon a full vote of the board, the proposed amendment was carried. Mr. Neal also encouraged the board and THDA staff to regularly review the prioritization of rehabilitation projects and new construction projects within future MTBA program descriptions. Upon motion by Mr. Mustain and a second by Ms. Queirolo, the motion to approve the 2024 Multifamily Bond Authority Program Description as Amended was carried.

Noting that all action items for the board had been completed, Chair McGauley pointed out that the board schedule for 2024 was in the board packet and asked board members to make every effort to attend the meetings.

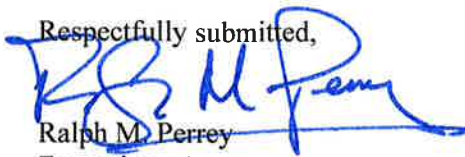
Mr. McGauley then recognized, Ms. Nicole Lucas, Senior Director of the Information Technology Division for the annual THDA Cybersecurity Update that dovetailed with the information provided in the board packet.

Mr. McGauley then recognized Mr. Don Watt, Chief Programs Officer, to share about the HUD Veterans Affairs Supportive Housing Choice Vouchers that the Agency received.

Mr. McGauley, asked that Mr. Bill Lord, Director of Community Housing Division, close out the meeting with an overview of the 2023 Round 1 HOME Rental Housing Development Program Awards.

With no further business, the meeting was adjourned at 12:25 PM CT.

Respectfully submitted,



Ralph M. Perrey  
Executive Director

Approved this 23rd day of January, 2024