

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
May 21, 2024

Pursuant to the call of the Chair, the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, May 21, 2024, at 10:07 AM CT in the Nashville Room of the Tennessee Towers, Nashville, Tennessee.

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

Acting Chair Rick Neal called the Board meeting to order and took a few moments to recognize Matt McGauley’s contributions to the board as the Chairman during his board tenure. Acting Chair Neal 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.

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

Mr. Perrey shared the following:

- Loan production remains solid; THDA will likely hit \$40-45 million in production in May. Pricing on the secondary market, however, remains unfavorable and so THDA remains dependent on issuing bonds to finance single family mortgages. We are stretching our volume cap through economic refunding of earlier bonds and by the increased issuance of taxable bonds, which do not count against our volume cap.
- THDA plans a second round of multifamily bond awards and will size the amount available for that round once the Agency finds out how much volume cap it will receive in July. It is likely that part of our mid-year allocation will be reserved for future use in single family.
- HUD evaluators were in Chattanooga last week to review the city’s application for a Choice Neighborhood Initiative grant. This could be worth \$50 million to the city and Chattanooga Housing Authority for redevelopment of the city’s West Side. As THDA did for Memphis-South City and Knoxville-Western Heights, THDA has committed to provide housing tax credits throughout the development. The HUD team noted that Tennessee is the only state that has made a commitment like this, that could significantly strengthen Chattanooga’s bid.
- Last week, THDA announced the recipients of our first “Twinning” awards – developments that can make use of both competitive 9% tax credits and non-competitive 4% credits. One went to Chattanooga’s West Side development, the other to Jackson’s Blue Creek project. THDA will also award a HOME Rental Development grant to Jackson Housing Authority in support of Blue Creek.
- This week THDA announced grants from the Tennessee Housing Trust Fund – a total of \$4 million to seven applicants and THDA will award \$1.6 million for two HOME CHDO Homeownership program applicants. These announcements came too late to include in the board packet but are available for review online.

- HUD has released a new proposed rule governing the HOME program. This is a long-awaited updating of program rules that should make it easier for THDA and grant recipients to utilize those funds for housing development and rehab. Chief Program Officer Don Watt and his team will be reviewing it, with an eye to any comments we would want to submit to HUD.

At the conclusion of Mr. Perrey's remarks, Acting Chair Neal recognized Ms. Rhonda Ronnow, the Director of Single-Family Loan Operations for a Single-Family Programs Business Update and a Homeownership for Heroes program update.

Next, Acting Chair Neal recognized Mr. Eric Alexander, the Director of Multifamily Programs, for a Multifamily Programs Business Update and a brief discussion about revisions to the set asides in the 2025 draft QAP. Acting Chair Neal proposed combining the Choice Neighborhood Initiative Set Aside and the Economic Development Area Set Aside in to one set aside with a combined allocation amount to better accommodate multiple projects in either area when needed. With additional comments from Mr. Stephen Dixon and Ms. Tennion Reed, the sense of the board was to proceed in that direction with new draft language in the draft QAP for the July Board Meeting.

Then Acting Chair Neal recognized Dr. Dhathri Chundururu, the Director of Research and Planning, who introduced a new initiative – the Research Note – utilizing novel data and contextualized analysis to provide fresh perspectives on contemporary housing challenges. The first Research Note on Investor Purchases of Single-Family Homes in Davidson County was published to the website this week.

Acting Chair Neal then asked for consideration of the March 19, 2024, board meeting minutes. Upon motion by Mr. Mitchell and a second by Mr. McGauley, the motion carried, and the minutes were approved.

Acting Chair Neal then asked for consideration of the April 16, 2024, special board meeting minutes. Upon motion by Mr. Mitchell and a second by Mr. Dixon, the motion carried, and the minutes were approved.

Next, Acting Chair Neal asked the board for any nominations for a new Vice Chair beginning at the July Board meeting. Mr. Mitchell made a motion for Stephen Dixon to be named the Vice Chair. Acting Chair Neal asked for any other nominations. Hearing none, Mr. Neal seconded the motion to name Stephen Dixon Vice Chair. Upon full vote of the board, Stephen Dixon was appointed Vice Chair beginning in July 2024.

Next, Acting Chair Neal recognized Mr. Matt McGauley, Chair of the Bond Finance Committee, to present the FY 24-25 Schedule of Financing as outlined in the memo dated May 6, 2024, from Mr. Bruce Balcom, Chief Legal Counsel, as found in the board packet. Mr. McGauley brought to the board a motion from the Bond Finance Committee, in the form of a first and a second, to approve the FY 24-25 Schedule of Financing. Upon vote by the full board, the motion to approve the Schedule of Financing was carried.

Acting Chair Neal recognized Ms. Rhonda Ronnow, Director of Single-Family Loan Operations to present the 2024 Single Family Income Limits as outlined in the memo dated May 1, 2024, from Dr. Hulya Arik, THDA Economist, as found in the board packet. Ms. Ronnow highlighted that the income limit calculations are made using Area Gross Median Family Incomes, as well as Average Area Purchase Prices and resulted in an increase to the income limits in all counties. Upon motion by Ms. Reed and a second by Mr. McGauley, the motion to approve the 2024 Single Family Income Limits was carried.

Acting Chair Neal recognized Ms. Pasquel McLeod, Assistant Director of Section 8 Rental Assistance – Central Office, to present an amendment to the Housing Choice Voucher plan for Project Based Vouchers, as outlined in the memo dated May 7, 2024, from Director of Section 8 Rental Assistance, Ms. Jeboria Scott and Chief Programs Officer Don Watt, as found in the board packet. Ms. McLeod highlighted that this amendment is required by HUD for the execution of the Project Based Voucher Program and that a public hearing was held on the amendment on May 9, 2024. A summary of public comment is found in the board packet. Upon motion by Mr. Dixon and a second by Ms. Akbari, the motion to approve HCV Administrative Plan Amendment for Project Based Vouchers was carried.

Acting Chair Neal recognized Mr. Bill Lord, Director of Community Housing, to present the 2025 Emergency Repair Program Description, as outlined in the memo dated May 6, 2024, from Director of Community Housing Mr. Bill Lord and Chief Programs Officer Don Watt, as found in the board packet. Mr. Lord highlighted the changes to this year's program description included additional funding for Administrative Costs, a clearer definition of what constitutes an emergency repair, and a broadened definition of disability. Upon motion by Mr. Miller and a second by Ms. Reed, the motion to approve the 2025 Emergency Repair Program Description was carried.

Acting Chair Neal again recognized Mr. Bill Lord, Director of Community Housing, to present the 2025 Capacity Building Program Description, as outlined in the memo dated May 6, 2024, from Director of Community Housing Mr. Bill Lord and Chief Programs Officer Don Watt, as found in the board packet. Mr. Lord highlighted the changes to this year's program description included a more eligible capacity building activities to include IT infrastructure and strategic/succession planning. Upon motion by Mr. Dixon and a second by Mr. Miller, the motion to approve the 2025 Capacity Building Program Description was carried.

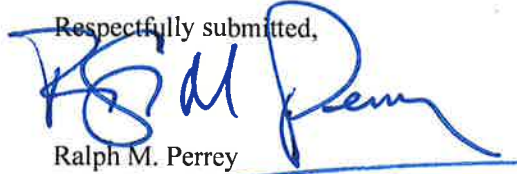
Acting Chair Neal again recognized Mr. Bill Lord, Director of Community Housing, to present two Tennessee Housing Trust Fund grant extensions from Urban Housing Solutions and the Memphis Housing Authority, as outlined in the memos dated May 6, 2024, from Director of Community Housing Mr. Bill Lord and Chief Programs Officer Don Watt, as found in the board packet. Mr. Lord highlighted that the Urban Housing Solutions was requesting a 6-month to December 31, 2024, and that Memphis Housing Authority was requesting a 12-month extension to August 30, 2025. Upon motion by Mr. Miller and a second by Ms. Armstrong, the motion to approve both Tennessee Housing Trust Fund Grants was carried, with one abstention by Mr. Neal.

Acting Chair Neal again recognized Mr. Bill Lord, Director of Community Housing, to present four National Housing Trust Fund grant extensions from Knoxville Housing Development Corporation, Sparta Housing Authority, Metropolitan Development and Housing Agency and AIM Center-Espero, as outlined in the memos dated May 6, 2024, from Director of Community Housing Mr. Bill Lord and Chief Programs Officer Don Watt, as found in the board packet. Mr. Lord highlighted that the Knoxville Housing Development Corporation was requesting a 12-month to June 30, 2025, Sparta Housing Authority was requesting a 6-month extension to December 31, 2024, Metropolitan Development and Housing Agency was requesting a 12-month extension to June 30, 2025, and that AIM Center - Espero was requesting a 20-month extension to February 28, 2026. Upon motion by Mr. Miller and a second by Ms. Armstrong, the motion to approve all four National Housing Trust Fund Grants was carried, with one abstention by Mr. Neal.

Noting that all action items for the board were completed, Acting Chair Neal pointed out that the annex of the board packet provided a listing of additional eviction prevent funding, two Investment Reports and State Form CT-0253 for Bond Issue 2024-1.

With no further business, the meeting was adjourned at 10:58 AM CT.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "R M Perrey", with a long horizontal flourish extending to the right.

Ralph M. Perrey
Executive Director

Approved this 23rd day of July 2024