

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
March 25, 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, March 25, 2025, at 10:03 AM CT in the Tennessee Room #2 of the Tennessee Towers, Nashville, Tennessee.

The following board members were present in person: Chair Rick Neal, Stephen Dixon, Micheal Miller, Corey Divel, Maeghan Jones, Rob Mitchell, Secretary of State Tre Hargett, Treasurer David Lillard, Katie Armstrong (for Comptroller Jason Mumpower), and Alex Schuhmann (for Commissioner Jim Bryson). Those absent were Eva Romero and Daniel Springer.

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.

Ms. Kaitlyn Snyder came before the Board as the Managing Director for the TN Developers Council of the National Housing & Rehabilitation Association. She expressed concerns about the changes to the 2026 QAP, requested that THDA keep the current location score for the 2026 QAP and postpone the suggested changes until 2027 to give developers time to adjust. Ms. Snyder commended THDA staff and said they have a good working relationship. At the conclusion of Ms. Snyder'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:

- THDA is monitoring Federal personnel and budget actions for their impact on programs that we administer. So far, direct impact to THDA has been minimal.
- LIHEAP – THDA receives 90% of expected funding in the fall and this has been made available to the agencies that administer the program statewide. THDA normally receives the balance of funds in the spring, or whenever Congress finalizes the budget for the current fiscal year (already 6 months late). There is a live possibility that the remaining funds will not be available.
- The amount of funding for Housing Choice Vouchers was held constant in the Continuing Resolution, which funds the federal government thru September. The same is true of funding for properties to which HUD has assigned project-based vouchers.
- THDA would normally announce HOME and ESG program grants in May, for the program year beginning July 1. THDA has notified program applicants that this year we will delay making awards until we have certainty from HUD about the amount of funds available to THDA and when these will become available.
- The greatest immediate concern is whether reduced staffing at federal departments will slow processing times for funding draws, project approvals and such. So far, those have been minimal, but THDA is monitoring the situation.

- THDA was told that any housing-related provisions affecting housing tax credits and private activity bonds would be included in the second of three Reconciliation bills being prepared in Congress. Republican leaders on Senate Finance, including Senator Blackburn, are pushing to include an expansion of the Housing Tax Credit in that package.
- There is speculation that HUD intends to devolve responsibility for some program administration to the states. THDA is trying to get a sense for what that might entail and require, assuming the state would give THDA those responsibilities.
- THDA doesn't do a lot of business with Freddie Mac or Fannie Mae at present, but we are watching the changes coming to the Government-Sponsored Entities. On the one hand, there's concern that the preferred pricing the GSE's have offered to state housing financing agencies may change. On the other, there's speculation that their regulator, the FHFA, intends to be less involved in the day-to-day decisions, giving Fannie and Freddie more room to innovate on housing investment.
- The Treasury Secretary last week said the President will appoint an Affordability Czar at the White House. It's unclear what that person will do.
- The State Senate Finance Committee next week takes up THDA's budget, as well as the legislation to increase our statutory borrowing authority. THDA believes both measures are in line for passage.
- Funding for the state housing tax credit, however, has been taken off notice, meaning it will not pass this year and likely not next year either.
- Announced the new Tennessee Housing Needs page on THDA's website. This is based on the extensive work done by Dhathri Chunduru and her staff in the Research & Planning Division in compiling the state's Consolidated Plan submittal to HUD. There's a wealth of information about housing conditions and needs at the state, regional and county level.
- Registration for the Tennessee Housing Conference is approaching 650 with a month to go. Any Board member who would like to attend, please speak with Britny Booth, who can assist with registration and logistics.

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. Ms. Hall also highlighted the work of the Real Estate Owned Rehabilitation Initiative within the Volunteer Mortgage Loan Servicing Division and how it transforms foreclosed properties into profit for THDA while adding to the affordable housing stock.

Next, Chair Neal recognized Mr. Eric Alexander, Director of Multifamily Programs and Ms. Heather Reynolds, Director of Compliance and Asset Management for a comprehensive Multifamily Programs Business Update. Mr. Alexander then introduced a new approach to site selection for 9% LIHTCs using a research-based, data-driven housing needs model for the Board's consideration. At the conclusion of the presentation, Mr. Neal encouraged board members to explore the proposed Map/Tool developed by THDA's Research and Planning Division. Mr. Mitchell asked if our development partners would have an opportunity to provide feedback on this concept and Mr. Alexander shared there would be an open

meeting for developers that afternoon at 1:00 PM CT. Mr. Dixon stated that he was glad the developers will be part of this process. Ms. Jones asked how THDA might increase the number of credits available to ensure each region could receive an allocation. Mr. Alexander shared that one avenue to achieve that would be a revision to the Set Asides in the 2025 QAP.

Chair Neal then asked for consideration of the January 28, 2025, board meeting minutes. Upon motion by Mr. Miller and a second by Ms. Jones, the motion carried, and the minutes were approved.

Next, Chair Neal brought before the Board Bond Issue 2025-1 as presented in the Bond Finance Committee Meeting. Mr. Neal requested approval for authorizing resolution including the form of supplemental resolution and reimbursement resolution. Upon motion by Mr. Neal and a second by Treasurer Lillard, the motion to approve Bond Issue 2025-1 passed.

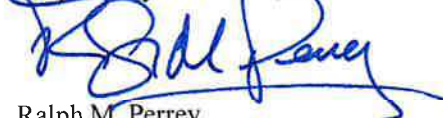
Then, Chair Neal recognized Mr. Bill Lord, Director of Community Housing, to give an overview of the 2025 Development Gap Program Description. Mr. Lord highlighted that stagnant appraisals in hard to develop areas of the state have created a significant challenge: in some areas, the cost to develop modest, affordable homes exceeds their appraised market value. To address this issue, THDA proposes a targeted initiative to assist non-profit developers in delivering much-needed affordable housing in these high-need, difficult-to-build areas. THDA asked for Board Approval to award up to \$3,000,000 total from the Tennessee Housing Trust Fund for the 2025 Development Gap Program. Awards to individual developers will be no more than \$700,000 total, with a cap of \$70,000 per property. Mr. Lord continued to explain that this was a first for this type of program. Ms. Jones asked if it would be available to non-profit developers only, and Mr. Lord confirmed that yes, it is only for non-profit developers. Upon motion by Mr. Dixon and a second by Ms. Armstrong, the motion to approve the 2025 Development Gap Program Description passed.

Next, Chair Neal recognized Mr. Eric Alexander, Director of Multifamily Programs, to provide an overview of the Site Change Requests for Christiana Way and East Fork in Rutherford County. Mr. Alexander explained that both properties located in Rutherford County encountered site challenges beyond the development team's reasonable anticipation or control. Christiana Way requested a site change and will be able to meet timing obligations. East Fork requested a site change and will not be able to meet timing obligations. To address this issue, THDA recommends returning the existing LIHTC and requested special allocation in the same amount of new LIHTC. Mr. Alexander confirmed that the return of LIHTC and subsequent allocation will not adversely affect the amount of LIHTC otherwise available for allocation in the upcoming competitive cycle. Upon motion by Mr. Mitchell and a second by Mr. Dixon, the motion to approve the Site Change Requests for Christina Way and East Fork in Rutherford County passed.

Noting that all action items for the Board were completed, Chair Neal acknowledged additional board materials in the Annex, including grant awards.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ralph M. Perrey", is written over the typed name.

Ralph M. Perrey
Executive Director

Approved this 20th day of May 2025