



Tennessee Housing Development Agency


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Bill Haslam
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM:

TO: Low-Income Tax Housing Credit Recipients

FROM: Mike Blade, Director and Assistant Legal Counsel, Multifamily Development 

DATE: April 29, 2015

SUBJECT: Introduction to Construction Inspections

To ensure properties that were awarded housing credits by THDA are constructed within federal guidelines, applicable Qualified Allocation Plan (QAP) standards, and applicable building codes in the creation of safe, sound, and affordable housing for low-income Tennesseans, THDA will start conducting construction site visits for deals allocated in 2013 and thereafter.

The intent of the procedure is to ensure that developments with which THDA is involved conform to requirements outlined in the applicable QAP set forth by THDA, provide the amenities represented in the LIHTC Application and are constructed in a manner compatible with THDA's mission of creating safe, sound, affordable housing opportunities.

For 9% credits, 4% credits and bond deals, the Construction Control Manager (CCM) will monitor the anticipated construction commencement date (obtaining date from Partnership Agreement, syndication letter of intent or contact with applicant) and will notify Construction Analyst (CA) of the date.

Beginning with the deals allocated in 2015, the CCM will organize and hold pre-construction meetings at THDA to go over QAP requirements, inspection schedule, expectations, etc. Attendees at the meeting will include: representatives of the owner, architect and contractor, THDA's CA and any THDA staff as necessary/requested. The meeting may be waived at the CCM's discretion.

Physical inspections will be conducted by the CA periodically following the beginning of construction. The inspection schedule may be adjusted due to construction progress, comfort level with developer, on-site practices, etc. but in any event, as long as construction is progressing, CA will visit each site as necessary until construction

is completed. The first initial inspection, the owner will be given at least a 2 weeks' notice, however, subsequent inspections may not be pre-scheduled.

A notice must be received by THDA within 30 days of the last building placed in service date or date of substantial construction completion. For new construction, documentation should include copies of the Certificate(s) of Occupancy and for rehab either the architect, if there is one, or the general contractor should complete the AIA form of Substantial Completion (AIA Document G704 – 2000).

Once THDA has received the notice of the last building being placed in service, a final inspection (prior to the issuance of Tax Credit Forms 8609) will be communicated with the developer, and the CA will schedule the final inspection. The inspection will confirm that construction is final, all LIHTC amenities have been provided, and all items were built to applicable QAP requirements.

If any items remain outstanding, the CA will give a written notice to owner. Generally, an informal email listing any issues will be used to begin the resolution process. If items remain outstanding, a customized, formal letter reiterating points received during allocation and any repercussions for not providing the required item(s) will be sent to the owner.

In an effort to ensure you are familiar with who is conducting these functions within THDA's Multifamily Division, we would like to introduce the two employees with whom you will be interacting. Terry Malone is the Construction Control Manager and will be supervising the Construction Analyst as well as the processes required to complete job tasks. You may be familiar with Terry in her former role as the Program Compliance Liaison for the Program Compliance Division. Chris Marlin is the Construction Analyst and will be out in the field conducting the construction inspections. He is new to THDA and comes to us with 20 years of onsite construction experience. Please see his information below.



Chris's contact information is: CMarlin@thda.org
615-815-2148 (O)
615-708-2347 (C)

Disclaimer: THDA is not responsible for inspecting or preventing any compliance with building codes or any other federal program codes. THDA is only reviewing compliance with the LIHTC program and is not responsible for any other program. Furthermore, THDA's inspections do not guarantee compliance with the LIHTC program and the developer assumes all responsibility.