



## Tennessee Housing Development Agency

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### MEMORANDUM

TO: All interested parties

FROM: Ed Yandell  
Director of Multifamily Development

DATE: December 4, 2008

SUBJECT: Amendment to the 2008 Qualified Allocation Plan

The following is the text of an amendment to the 2008 Low-Income Housing Tax Credit Qualified Allocation Plan (the "2008 QAP") approved by the Tennessee Housing Development Agency Board of Directors on November 20, 2008. The amendment will be incorporated into the 2008 QAP, following which the 2008 QAP will be reposted to the THDA web site at [www.thda.org](http://www.thda.org).

If you have questions regarding this amendment, please contact:

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## **Part XX: Additional Extraordinary Relief in Response to Equity Market Conditions**

### **A. Applicability**

To address the continuing deterioration in the equity market, this Part XX is intended to apply to certain developments that received and accepted a reservation of Tax Credits under the 2008 QAP ("2008 Tax Credits"). THDA is making \$1,178,463 in 2008 Tax Credits available for allocation under this Part XX.

### **B. Requirements**

1. Developments Eligible for an Additional Allocation of 2008 Tax Credits ("Eligible Developments")
  - a. The development must have executed a 2008 Reservation Notice and returned the original to THDA no later than 4:30 p.m. CST on Tuesday, November 25, 2008; and
  - b. The development must have paid the reservation fee stated in the 2008 Reservation Notice to THDA no later than 4:30 p.m. CST on Tuesday, November 25, 2008; and
  - c. The development must have requested additional Tax Credits and submitted updated documentation in the form of Attachments 8-16 no later than 4:30 p.m. CST on Tuesday, November 25, 2008;
2. Notwithstanding provisions of the 2008 QAP to the contrary and for the remainder of the 2008 competitive allocation process, the following shall apply:
  - a. 2008 QAP per unit, per development, per county and per developer/related party caps are suspended; and
  - b. 2008 QAP set-aside limits are suspended.
3. Eligible Developments that have not previously received an increase in eligible basis under Part XIX or as a result of location in a Qualified Census Tract or a Difficult to Develop Area, may receive, in THDA's sole discretion, an increase in eligible basis of up to thirty percent (30%).

### **C. Reservation of \$1,178,463 in 2008 Tax Credits**

1. Eligible Developments may receive, in THDA's sole discretion, additional 2008 Tax Credits, based on the documentation referenced in Part XX-B-1-c above and subject to the 2008 QAP, as amended only by this Part XX, in an amount that shall not exceed the lesser of:
  - a. the additional amount of 2008 Tax Credits requested; or

- b. a percentage increase such that if all Eligible Developments receive the same percentage increase the \$1,178,463 in 2008 Tax Credits will be exhausted.
2. Notwithstanding the foregoing, the amount of additional 2008 Tax Credits made available to Eligible Developments shall not, collectively, exceed \$1,178,463 and shall not individually exceed an amount determined by THDA in its sole discretion in accordance with Section 42(m).

#### **D. Deadlines**

1. After Tuesday, November 25, 2008, THDA will evaluate the materials and documentation submitted by Eligible Developments and will prepare an Amended and Restated Reservation Notice which will specify the total amount of 2008 Tax Credits reserved for each Eligible Development, including the additional amount as a result of this Part XX. THDA anticipates sending Amended and Restated Reservation Notices no later than 4:30 p.m. CST on Friday, December 5, 2008.
2. No later than 4:30 p.m. CST on Thursday, December 4, 2008, carryover applications for all Eligible Developments shall be submitted to THDA.
3. Amended and Restated Reservation Notices must be fully executed and returned to THDA no later than 4:30 p.m. CST on Friday, December 12, 2008. The fee for the additional amount of 2008 Tax Credits and all documentation referenced in the Amended and Restated Reservation Notice shall also be submitted to THDA on or before 4:30 p.m. CST on Friday, December 12, 2008. The market study and the syndication letter will not be required by this deadline.
4. Market studies shall be submitted no later than 4:00 p.m. on Friday, December 19, 2008.
5. THDA will evaluate all submitted carryover applications and other required materials and documentation and will make carryover allocations of 2008 Tax Credits to Eligible Developments on or before December 29, 2008.
6. No later than 4:30 p.m. CST on Thursday, January 15, 2009, fully executed Carryover Allocation Agreements shall be submitted to THDA together with syndication letters that meet the requirements of the 2008 QAP.
7. The ten percent (10%) test and all documentation required to comply with the 2008 QAP shall be submitted to THDA no later than 4:30 p.m. CST on Monday, November 2, 2009.
8. The recorded deed vesting title to the property in the owner shall be submitted to THDA no later than 4:30 p.m. CST on Monday, November 2, 2009.

9. Notwithstanding any provisions of the 2008 QAP to the contrary, these deadlines and other deadlines specified in the Amended and Restated Reservation Notice, if any, shall not be extended.

**E. Developments That Do Not Accept a 2008 Reservation Notice or a 2008 Amended and Restated Reservation Notice**

1. Any development that did not accept a 2008 Reservation Notice as of 4:30 CST on Tuesday, November 25, 2008, as determined by THDA in its sole discretion, is deemed to have returned the 2008 Tax Credits reflected in the 2008 Reservation Notice no later than 4:30 CST on Tuesday, November 25, 2008.
2. Any development that accepts a 2008 Reservation Notice or that accepts a 2008 Reservation Notice and a 2008 Amended and Restated Reservation Notice, but does not proceed to carryover and placed in service will be deemed to have returned the 2008 Tax Credits and will be subject to the point penalty for untimely return of Tax Credits under the Low Income Housing Tax Credit Qualified Plan for 2009 or other similar provisions in Low Income Housing Tax Credit Qualified Plans for subsequent years.

**F. 2008 Tax Credits Returned From Developments Described in E. Above**

1. All 2008 Tax Credits deemed returned from Eligible Developments shall be available to 2008 competitive applicants, other than Eligible Developments, in the order they appear on the chart titled "Corrected THDA Preliminary Scoring and Ranking – 2008 Program (competitive), updated July 9, 2008", in accordance with the requirements of the 2008 QAP as amended by this Part XX, but not as amended by Parts XVII and XIX, and to the extent necessary to allow THDA to qualify for tax credit National Pool.
2. Once THDA has allocated a sufficient amount of 2008 Tax Credits to qualify for the tax credit National Pool or has allocated all 2008 Tax Credit that are feasible to allocate, as determined in THDA's sole discretion, any additional 2008 Tax Credits, returned or otherwise unallocated, shall be made available for allocation in 2009.
3. 2008 Tax Credits allocated to developments other than Eligible Developments shall be subject to the requirements of the 2008 QAP, as amended by this Part XX, provided, however, timetable shall be adjusted as determined by THDA in its sole discretion.