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MEMORANDUM

TO: All Interested Parties

FROM: Multifamily Development Division

DATE: June 28, 2013

SUBJECT: Developer Forum

The Multifamily Development Division is in the process of assembling comments regarding the 2014 Low-Income Housing Tax Credit Qualified Allocation Plan (the “2014 QAP”) and the 2014 Multifamily Tax-Exempt Bond Authority Program Description (the “2014 PD”). As part of this process, THDA hosted a developer forum. The forum gave interested parties the opportunity to give input to Multifamily Development Division staff regarding changes that the development community would like staff to consider and elements that the development community would like to remain unchanged.

The forum was held on Friday, June 21, 2013.

The following is a summary, in no particular order, of the issues that were discussed during the forum.

Additional comments are welcome. A DRAFT of the proposed changes for the 2014 programs is available on THDA’s web site at www.thda.org. Please submit comments in writing via email, fax, regular mail, or express delivery. Comments received on or before July, 5 2013 will be included in materials sent to members of the THDA Board of Directors for the July 23, 2013 meeting.

Issues raised during the forum may be accepted, rejected, or modified in any respect. Changes or modifications not raised during the forums may also be made. By posting this summary, no representations are being made about any item that may be included, excluded, or modified in the preparation and approval of the final 2014 QAP or the final 2014 PD.

ISSUES RAISED AT DEVELOPER FORM FOR 2014

- Continue to allow all developments to be eligible for discretionary basis boost as this will improve financial feasibility of developments if the 9% “fixed rate” expires.
- Allow limited discretion to increase the per-county Tax Credit caps
- Lowering the 50% aggregate QCT cap may have adverse impact on areas of the state with many QCTs
- Requiring only an “executive summary” of the market study to be submitted with the Initial Application (as opposed to the full market study) may not provide the full quality or quantity of information needed to fully evaluate the market conditions
- Require phase I environmental report to be submitted with the Initial Application
- Consider simplifying eligibility requirements for property control, perhaps eliminating “level 2” documentation
- Require a land appraisal to be submitted with the Initial Application only when an identity of interest between the buyer and seller exists
- Requiring 3-bedroom units as part of scoring criterion for households with children may cause excessive supply of 3-bedroom units and increased vacancy
- Incorporating “local support” into the scoring criteria and/or tie-breaker will necessitate careful consideration of what constitutes “local support”
- Incorporating “local support” into the scoring criteria and/or tie-breaker may create a way for local communities to inhibit development of affordable housing
- Reduce the number of different types of essential services in Exhibit 2 to the QAP and Exhibit 6 to the PD
- Awarding points for attendance of THDA training by potential applicants will necessitate careful consideration regarding who is allowed to attend on behalf of a potential applicant
- Employment opportunities should be weighted heavily in any need score
- Verification of Community Revitalization Plan requirements should be reexamined in light of jurisdictional issues between city governments and county governments
- Location within a Community Revitalization Plan area could be incorporated into tie-breaker