



Tennessee Housing Development Agency

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MEMORANDUM

TO: All interested parties
FROM: Ted R. Fellman
Executive Director
DATE: May 5, 2009
SUBJECT: Low-Income Housing Tax Credit update

The 2009 Low-Income Housing Tax Credit program continues to be unprecedented in many ways. As part of our renewed commitment to communicate more effectively with our partners, I would like to update you with regard to 3 key areas:

2009 competitive LIHTC Initial Applications

We have received 79 applications requesting in excess of \$50 million in annual tax credit (in 2008 we received 74 applications requesting approximately \$43 million in annual tax credit). This puts our 2009 ratio of demand to supply at 5.97:1 (the 2008 ratio was 2.93:1).

In light of the increased demand and the shortened timeline for processing the applications, THDA will more strictly enforce the "complete application" requirements as specified in Part VI-A of the 2009 QAP. Applications that are substantially incomplete, as determined by THDA staff, will be returned to the applicant. Applications that are substantially incomplete will not receive a Cure Notice and will not be eligible for the Cure Process (see Part VIII of the 2009 QAP).

Following the release of Cure Notices (no later than June 19, 2009) we hope to have the 2009 preliminary scoring and ranking posted to the web site in July and release the "first wave" of 2009 Reservation Notices in August.

ARRA/ARRTA Program

On May 4, 2009, HUD released guidance regarding the requirements and administration of TCAP and Treasury released instructions for allocating agencies wishing to participate in the exchange program. We do not plan on having a special called meeting of the Policy & Programs Committee or Board of Directors prior to May 21, 2009. At the May 21, 2009 Committee/Board meetings in Jackson, Tennessee, staff will present an update in light of the guidance that has just been released.

2009 Exchange Reservation Notices

Part XVIII of the 2009 QAP permitted certain developments that received an allocation of competitive tax credit in 2006 or 2007 to exchange that allocation for an allocation of 2009 tax credit (**NOTE:** this is **NOT** exchange of tax credits as specified within ARRTA). The deadline for responding to an Exchange Reservation Notice was suspended by a memo from staff dated March 20, 2009.

Beginning with the exchange developments that were originally allocated in 2006, we will soon release revised Exchange Reservation Notices specifying the revised fees and updating the documentation required to be submitted in response to the Exchange Reservation Notice. Responding to the Exchange Reservation Notice will not jeopardize a development's ability to apply for additional resources pursuant to the provisions of ARRA/ARRTA. However, developments that are substantially complete or placed in service prior to applying for ARRA/ARRTA resources may be, pursuant to federal regulations, ineligible for some types of ARRA/ARRTA assistance.

If you have questions, please contact:

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