



Tennessee Housing Development Agency

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Ted R. Fellman

Executive Director

MEMORANDUM:

TO: THDA Multifamily Development Partners

FROM: Ted R. Fellman

DATE: June 5, 2009

SUBJECT: ARRA/ARRTA Status Update

I want to give you an update on where we are in relation to the TCAP and Section 1602 relief provisions. There is a lot going on right now and our staff is working hard to move as quickly as possible on the relief provisions while also administering our regular duties. These duties have grown substantially because of the adjustments that THDA has made during the past year in attempts to respond to changing market conditions. We are currently working on not only the ARRA/ARRTA relief provisions (which have a lot of moving parts and still a lot of unknowns), but on reservation notices for the 2006/2007 “exchange” deals, revisions to the placed in service application that have just been completed, and reviewing the 79 “new” applications for 2009 tax credits and preparing cure notices.

That being said, we recognize that our partners are anxious to obtain information regarding the type and level of relief that will be available under ARRA/ARRTA. We are working as quickly as we can on several fronts so that we can provide you information sooner rather than later.

With this in mind, here are some key status elements:

*We have submitted an application to HUD for \$39,032,515 in TCAP funds. This is the maximum amount of TCAP funding available to us. This application was based on the TCAP Program Description Outline as approved by the THDA Board in May. We expect to hear from HUD sometime next week if there are things in the application that they feel require modification.

*We are submitting an application today to the US Treasury for \$53,035,205 in Section 1602 funds. This is the maximum currently available based on maximizing the amount we can receive from the 2009 tax credit allocation and includes the full amount of returned credits currently on hand. There will be other opportunities

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to apply for Section 1602 funds as we have additional credits returned to us and when the National Pool allocation is announced.

*We received comments from 8 of you in response to our posting of the TCAP Program Description Outline after the May Board meeting. We will consider these comments as we move forward in developing program descriptions.

*Staff is developing program descriptions for TCAP and Section 1602. We expect to post these to our website by close of business on June 23. The TCAP Program Description will be based on the TCAP Program Description Outline approved by the Board, any changes HUD suggests/requires and comments received between May 22 and 28. The Section 1602 Program description will be new.

*We are proposing another open developer forum on June 25, from 1:00 pm to 3:00 pm, to get your feedback on the program descriptions and to discuss anything else regarding the two relief programs and THDA's role in administering these programs. Please mark your calendars for this forum. It will be held at THDA's offices in Conference Room A (on the 11th floor of Parkway Towers).

*As determined at the May Board meeting, there will be a special Policy & Programs committee meeting to consider and, hopefully, approve the program descriptions for TCAP and Section 1602. This special meeting will be held on June 30 at 9:00 am at THDA's offices in the 12th floor training room. Please note, this is not the special meeting to consider review requests from 2009 initial application evaluation process.

*Our goal is to have application requirements and timetable for TCAP and Section 1602 available in early July.

Thank you for your continued patience and understanding as we work through the myriad of responsibilities we have in administering these programs. I look forward to seeing you on the 25th.