



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

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Governor

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2022 LIHC Competitive Application Cycle Frequently Asked Questions

Last Updated on May 27, 2022

1. All questions for the 2022 Competitive cycle should be sent to TNAallocation@thda.org
 - a. This email box will be monitored by a THDA staff person.
2. When will registration begin?
 - a. Applicants can register at any time.
3. When will the editing period begin?
 - a. The editing period will begin May 2, 2022
4. When will the editing period end?
 - a. The editing period will end June 6, 2022
5. What happens after applications are submitted?
 - a. THDA staff will review the submissions and will issue a Cure Notice per Section 15 of the 2022 QAP.
6. What fees are due upfront?
 - a. The application fee which is based amount of number of units as shown in 2022 QAP Table 5-2.
7. Will the Basis Boost be applied to all applicants in 2022?
 - a. Yes the QAP was amended to allow the boost to all applicants.
 - b. As of 5/18/2022, that statewide choice does not appear in the listing so applicants should check the THDA message board for the work-around.
8. Will THDA offer multiple points for one letter for the Letters of Intent scoring in the 2022 QAP?
 - a. No the QAP states that 1 point will be given per letter dated 30 days before June 6, 2022.
9. Are the THDA Ownership and Developer Attachments required?
 - a. Yes. At the request of legal in addition to the upload of **organizational charts** and breakdown entries in THOMAS, the applicable Ownership and Developer **attachments** are now required.
 - b. The entries in THOMAS are still required and will allow THDA to quickly determine individual involvement in existing and current developments.



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10. The LIHC 2022 QAP Section 12-3-b regarding Zoning mentions that it can be complete by the time of award process?
 - a. THDA considering the award process for Competitive Housing Credit developments is at the time of Reservation Notice issuance.
 - b. Applicants should have proper zoning evidence as stated in the QAP completed by the time of the Reservation Notice.

11. Are there any Total Development Costs limits for the 2022 Competitive round?
 - a. No, there are no TDC limits in the 2022 QAP Section 3.

12. Reminders for the Supportive Service Agreement required for Serving Resident Populations with Special Needs.
 - a. Please remember that the documentation must be appropriate for the particular special needs population that meets the definition under Section 2 of the 2022 QAP.

13. General questions regarding the Concerted Community Revitalization Plan or CCRP?
 - a. Will staff pre-approve plans before application submission
 - i. Staff cannot pre-approve plans before application submission.
 - b. What is the required format of submitting the CCRP?
 - i. Staff will provide a template for the table of contents that will identify the elements as defined in the MTBA PD and/or LIHC QAP. That template must accompany the plan that will be uploaded in the CCRP folder in the THOMAS Application system.
 - c. Does THDA staff maintain a listing of CCRP's?
 - i. Staff does not having a listing of CCRP's across the state
 - d. Item 4 in the CCRP definition mentions of the 2022 QAP and MTBA PD a survey of current conditions, what would staff view as current?
 - i. Staff would view the past five years as an industry standard in regard to the term current.
 - e. Item 11 in the CCRP definition of the 2022 QAP and MTBA PD mentions continued evaluation of progress, what is the expectation?
 - i. Staff would expect that the plan will state how the progress will be evaluated.
 - f. Item 12 in the CCRP definition of the 2022 QAP and MTBA PD mentions the appropriate local entity, who is that entity?
 - i. The local entity is not necessarily a local government entity but is the entity that developed the plan.



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14. Should I upload all the documents in the Miscellaneous Folder?
- THOMAS has several specifically named folders for certain uploads and expects that if a folder is specifically named then that documentation should be uploaded there.
 - The miscellaneous folder is the catch-all folder for certain circumstances if there is no specifically named folder.
 - The reviewer will always go to specifically named folder during any application review cycle.
15. Why is it important to review screen inputs before application submission?
- It is important to make sure that all inputs are correct and consistent upon submission as the reviewer may issue findings if the information is not constituent. For example
 - Site Information screen should be consistent with information in the Level One and Level Two
 - Ownership and Developer Organizational Screens should be consistent with the uploaded documentation regarding individuals.
16. The importance of entering all the buildings in THOMAS?
- Please ensure that if there is a building with no residential units, that the instructions for stand-alone building are followed per the instructions in the THOMAS User Manual.
 - In the event that the development is an existing development, applicants should notify THDA if there is a discrepancy with data.
17. How to verify HUD Qualified Census Tracts for 2022?
- To view the HUD QCT by county see this link:
https://www2.census.gov/geo/maps/dc10map/tract/st47_tn/.
 - To view by specific address see this link:
<https://geocoding.geo.census.gov/geocoder/geographies/address?form>
 - Be sure to use “**Census2010_Current**” in the Vintage dropdown.
18. Why is there a Compliance Verification Document folder appearing?
- In the event that any individual listed in the proposed ownership or developer entity is no longer active in any development listed then the selection of an inactive requires an upload of supporting documentation.
 - Most common examples include the sale of an existing LIHC development.
19. If there are informational messages on the Validation page, what does that mean?
- If every page shows a green check then the validation for that page has been met.
 - If there is a red X, then the validation for that page has not been met and that issue must be resolved before submission.



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Best Practices for Threshold Documents

The following pages will contain Best Practices from THDA Staff regarding six (6) threshold documents that may be of assistance as applicants prepare submissions for the Initial Application process.

Please see the 2022 QAP Section 12: Mandatory and Threshold Requirements



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Best Practices for Submitting an Appraisal to THDA

- An appraisal must be submitted with the final application if land or building costs are shown in THOMAS in either the basis column or in the total development cost column, since THDA uses both methods (basis and total development costs) to calculate the amount of tax credit the development is qualified to receive.
- The document should be no older than six (6) months from application submission date and performed and prepared by an independent third party in accordance with the Appraisal Guidelines included on the THOMAS Documents Page.
- The appropriate THDA appraisal template must be used and must be complete. All required information must be contained in the template – fields containing comments such as “see report” are not acceptable and will result in a cure finding.
- Additional pages can be submitted if clarification is needed, but the THDA template is sufficient – no additional report is required.
- All four required values must be shown for appraisals including existing buildings: As is with restricted rents, as is with hypothetical market rents, hypothetical as renovated with restricted rents, and hypothetical as renovated with market rents.
- Sale and rent comparable properties should be as close to the subject property as possible. Comps from a hundred miles away will result in a cure finding.
- All information must be complete, correct, and consistent within the appraisal and with the application as a whole.

Best Practices for Submitting a Zoning Letter to THDA

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Here is a recap of the purpose of the zoning letter and the requirements for the zoning letter as stated in the QAP, along with some best practices for submitting a zoning letter that will not result in a cure finding.

The purpose of the zoning letter is to provide evidence that the site is currently zoned for the proposed Development.

1. Zoning letters must be issued by and signed by the local zoning administrator (or chief elected official in localities without a zoning administrator).

Zoning letters issued by or signed by engineering firms, or any other third party vendors or contractors are not acceptable and will result in a cure finding.

2. The zoning letter must clearly identify the subject property.

Tax map and parcel numbers are a good way to identify properties for zoning letters. Be sure that the tax map and parcel numbers in the zoning letter match up with the tax map and parcel numbers in THOMAS - zoning letters must cover all parcels included in the development. If there is a discrepancy between the parcels in THOMAS and the parcels in the zoning letter, it will cause a cure finding.

3. The zoning letter must show the current zoning and any special use designations.

If this information is not included in the zoning letter, it will result in a cure finding.

4. The zoning letter must description of the Project, including the number of units, the proposed use, and the construction type (i.e. townhome, midrise elevator, etc.).

“Multifamily” or “Apartment Complex” are not sufficient as the project description. The zoning letter should show that the proposed development is multifamily, but at a minimum it must also show the number of units and type of construction. If this information is incomplete, it will result in a cure finding.

5. The zoning letter must state that the current zoning will permit the proposed Housing Development.

Or:

The zoning letter must provide assurance that the Zoning/PUD will be reviewed in a timely manner, including any available dates so as it is complete by time of award process.

Or:



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A letter from the chief elected official identifying the Project and stating that there are no zoning regulations in place.

At initial application, it is acceptable for this statement to contain a statement that the final approval will be determined after site plans are submitted and reviewed, but it should be clear that use, density, and construction type for the development are allowed.

Here are a couple of items that should not be submitted:

1. Please do not submit a copy of zoning regulations, with or without highlighted sections. THDA staff is not qualified for and does not have the resources to review the zoning regulations for each locality for all applications and determine if the regulations allow the development as proposed. THDA requires the applicant to submit evidence that the zoning regulations allow the development as proposed, not the actual zoning regulations.
2. Maps as a method of property identification in a zoning letter are usually insufficient and typically result in a cure finding. A positive way to link the zoning letter to the subject property of the application is required, and as mentioned above, tax map and parcel numbers work well.



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Best Practices for Submitting a Market Study to THDA

- If a revision of a few pages are requested at any notice or evaluation from a coordinator, then an **addendum** is strongly encouraged. If you submit a full market study with revisions the entire report will have to be read again.
- The coordinators would like to have a brief explanation on what we would consider out of the ordinary situations. Some of the issues we may question when reviewing a study are listed below:
 - Comparable properties are out of the PMA (e.g. rural area).
 - If the proposed development is a senior property please use senior properties and if none can be found, please state that in the study.
 - If the analyst uses the entire county as the PMA in areas other than a rural county.
 - An unclear PMA, please have the analyst define the PMA that was utilized.



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Best Practices for Submitting a Physical Needs Assessment to THDA

- Some biggest issue with the Physical Needs Assessment (PNA's) submitted in 2021 was not being able to understand what "rehab" work was actually being done aka the actual Scope of Work.
- Please provide an actual Scope of Work breaking down the PNA's hard costs (an itemized listing of the materials, quantities, unit costs, total costs, etc.)
- Make sure that the PNA's hard cost (i.e., Scope of Work) is consistent with the hard costs listed in THOMAS?
 - In the event that it is not, then the applicant should make sure an actual Scope of Work is included in the submission so THDA has sufficient information during the Eligibility review.
- Make sure the Scope of Work reflect the items for which points are being claimed.
- Lastly, take the time to review what is being submitted to THDA and does it meet the guidance.



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Best Practices for Submitting a Level One Site Control to THDA

- Provide a fully completed Level One documentation as listed in the 2022 QAP Section 12-A including ALL amendments, assignments and a legal description that is consistent with the Title Commitment.
 - Make sure the documentation is properly executed
- If there is a difference in the legal descriptions, be sure to include the Ownership Entity's sworn affidavit confirming that the property described in the legal description is the same as what is being presented in the Title Commitment.
- Be sure the Level One documentation reflects a purchase price and that this purchase price is consistent within THOMAS.
 - THDA will use the lesser of the purchase price or the appraised "As-Is" value per our Appraisal Guidance listed in the calculation of housing credits.



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Best Practices for Submitting a Level Two Site Control to THDA

- The applicant must demonstrate full property control for the proposed development which would include level 1 (warranty deed, quitclaim deed, trustee deed or court order evidencing title to the site vested in the currently existing ownership) and level 2(commitment for title insurance vested in the person or entity who executed the document required for site control as owner).
- Please make sure your documents are not in DRAFT form and are within the 60 days prior to the Initial Application Deadline and that title to the site is vested in the person or entity who signed the document as owner.
- Make sure the meets and bounds (legal description) from your sales contract matches exactly the meets and bounds on the commitment for title insurance. If these do not match exactly you may submit a sworn affidavit stating the property on level one is the same property as shown on level



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