

TENNESSEE HOUSING DEVELOPMENT AGENCY  
TAX CREDIT COMMITTEE  
January 29, 2019

Pursuant to the call of the Chairman, the Tax Credit Committee of the Tennessee Housing Development Agency Board of Directors met, in regular session, on Tuesday, January 29, 2019, 9:35 a.m. Central Time at the William R Snodgrass Tennessee Tower, Third Floor, Nashville Room, Nashville, Tennessee.

The following Committee members were present: Lynn Tully (chair), Kim Grant Brown, Kevin Bradley (for Treasurer David Lillard), Samantha Wilson (for Commissioner of Finance & Administration Stuart McWhorter), and Erin Merrick. Pieter van Vuuren was absent. Other Board members attending were John Snodderly (via teleconference), Katie Armstrong (for Comptroller Justin Wilson), Dorothy Cleaves and John Krenson.

Seeing a quorum present, Chair Tully called the meeting to order and called for consideration of the minutes from November 13, 2018. Upon motion by Mr. Bradley, second by Ms. Merrick, the minutes were approved.

With the consent of the Committee, Jim Harbison, Executive Director, Metro Development and Housing Authority, was permitted to address the Committee.

Chair Tully recognized Ralph M. Perrey, THDA Executive Director, to present proposed amendments to the 2019-2020 Low-Income Housing Tax Credit Qualified Allocation Plan (the "2019-2020 QAP") and to the 2018 Low-Income Housing Credit Qualified Allocation Plan (the "2018 QAP"). Mr. Perrey noted that the agenda item regarding 2017 allocation exchange requests are dealt with in the amendments being proposed by staff. Mr. Perrey provided the following highlights of the six proposed amendments more fully described in his memo dated January 29, 2019:

1. The first amendment changes the application date for 2019 under the 2019-2020 QAP.
2. The second amendment revises the tie-breaker language in the 2019-2020 QAP.
3. The third and fourth amendments revise the 2019-2020 QAP by adding two sections that describe the proposed relief to be made available to developments with an allocation of 2018 or 2017 Low Income Housing Credit ("LIHC") that wish to exchange for 2019 LIHC. He noted that a maximum of \$3,000,000 in annual 2019 LIHC would be added to LIHC returned from 2017 or 2018 to allow an increase of 10% of the original LIHC allocation or \$100,000 in annual 2019 LIHC (whichever is less) for each development for which an exchange is requested. He highlighted additional conditions, more specifically described in the referenced memo, associated with exchange requests including (a) no increase in consultant or developer fees, (b) for second exchange requests, no additional LIHC, except for PHA related developments, and (c) for second exchange requests, no ability to apply for competitive 2019 LIHC, except for Rental Assistance Demonstration developments involving a Public Housing Authority.
4. The fifth amendment revises the 2019-2020 QAP to adjust the new construction regional pools to provide for two developments in the Middle Regional Pool and one development each in the other four regional pools.
5. The sixth amendment revises the 2018 QAP to allow income averaging if an exchange request is not made.

Mr. Perrey also noted that authorization is needed to allow staff to make conforming changes as necessary to fully implement the proposed amendments to the 2019-2020 QAP and to the 2018 QAP. Upon motion by Ms. Wilson, second by Mr. Bradley, motion carried to recommend all proposed amendments and the requested staff authorization to the Board.

Next, Ms. Tully recognized Ed Yandell, THDA Senior Housing Credit Advisor, to present the request from Country Village (TN17-031) to reallocate 2019 LIHC to replace 2017 LIHC that were returned. Mr. Yandell referenced his memo dated January 28, 2019, noted this development, consisting of 140 units (acquisition/rehabilitation, USDA Rural Development), is located in Jefferson City and received \$999,999/year of 2017 LIHC, but failed to meet the federally required 10% test. He explained that staff recommends approval of this request for the reasons stated in the referenced memo, subject, without limitation, to the terms and conditions outlined in the memo. Upon motion by Ms. Wilson, second by Ms. Merrick, motion carried to recommend approval of this request.

With no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ralph M. Perrey', written over a horizontal line.

Ralph M. Perrey  
Executive Director

Approved the 26<sup>th</sup> day of March, 2019.