



# Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
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**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

**TO:** THDA Board of Directors

**FROM:** Don Watt, Chief Program Officer

**SUBJECT:** Updated Request for Relief TN 21-705: WCO Dickerson Flats, Davidson County

**DATE:** November 10, 2021

## **Recommendation**

Staff does not recommend approval of the Request for Relief (this proposed development applied for the Disaster Zone Round as described in Section 22 of the Low-Income Housing Credit 2021 Qualified Allocation Plan).

## **Background**

1. WCO Dickerson Flats is a proposed new construction development to be composed of 99 single-room-occupancy units (50 of which will include supportive services for individuals who are elderly/disabled), 48 1-bedroom units, and 20 2-bedroom units for a total of 167 units.
2. Staff requests that the Tax Credit Committee determine whether this application is eligible for consideration taking into account the following points:
  - a. The staff reviewer initially raised concerns about the estimated \$150 per unit for property taxes;
  - b. The initial response from the Owner Contact was that the estimate was comparable to another (4% non-competitive) transaction;
  - c. THDA contacted MDHA to obtain information regarding average PILOTs for 9% transactions (since WCO Dickerson Flats is a 9% competitive transaction), and the MDHA representative provided an estimate of approximately \$400-\$500 per unit for a 9% competitive transaction;
  - d. The applicant asserts that the unique structure of the development would allow for the supportive service units being exempt from property taxes;
  - e. The supporting documentation that the applicant has provided from MDHA does not clearly state that this proposal will have a \$150 property tax rate for the other 117 units;
  - f. The letter does not appear to have been directly prepared for the applicant, so the \$150 for the 117 units for a 9% has still not been clearly been addressed in staff's opinion.