



# Tennessee Housing Development Agency

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**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## NOTICE

To: All Interested Parties

From: Edwin King  
Director of Multifamily Programs

Subject: Disaster Housing Credit

Date: February 19, 2021

The Consolidated Appropriations Act of 2021 contains provisions that provide additional Low-Income Housing Credit (“LIHC”) Disaster Housing Credit (“DHC”) for calendar years 2021. The following points summarize staff’s proposed amendment to the Low-Income Housing Credit 2021 Qualified Allocation Plan (the “2021 QAP”).

1. Staff estimates that the 2021 DHC will be approximately \$4.88 million in annual DHC.
  - a. Please note that the DHC will be included in the 2021 Housing Credit Ceiling as described in Internal Revenue Code Section 42(h)(C). The calculation described in Section 3.B.1 of the 2021 QAP will be made accordingly.
2. Counties currently eligible for DHC are **Bradley, Davidson, Hamilton, Putnam, and Wilson**.
  - a. Additional counties may become eligible if a disaster is declared (pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act) on or before February 25, 2021.
3. Staff proposes allocating the 2021 DHC in a special round held after the regular competitive round. This will allow applicants additional time to refine their proposals.
  - a. There will be no set-asides in the DHC special round.
4. Staff proposes to make reservations to the highest ranking application in each county, taking the counties in alphabetical order.
5. Staff proposes the following special provisions for the DHC round:
  - a. Exclude the County Needs Score component of the scoring system; and
  - b. Allow new construction in a Qualified Census Tract; and
  - c. Allow a 10% increase in the applicable Total Development Cost Limit.
  - d. Reservations of DHC will not count against the limits described in Section 3.H of the QAP.
  - e. No applicant, developer, owner, or Related Parties will receive more than 1 Reservation for DHC.
6. Staff proposes to amend Section 14.E.5.e of the 2021 QAP to reflect that any Housing Credit remaining in the regular round after the last full reservation is made will be available to DHC applications.

7. Eligible applications from the regular round that do not receive a reservation in the regular round and are otherwise eligible for DHC will be considered in the DHC round.
8. If THDA receives **at least 1 eligible application for each county**, reservations will be made as follows:
  - a. Highest ranking application in each county as described in item 4 above;
  - b. If the DHC is *exhausted prior to* making the fifth reservation, a combination of 2021 and forward-allocated 2022 Housing Credit will be used to make the fifth reservation.
  - c. If DHC *remains after* making the fifth reservation, the remaining DHC applications will be ranked in descending order regardless of county and THDA will make additional reservations until the DHC is exhausted. No forward allocation will be made in this scenario.
9. If THDA **does not receive** at least 1 eligible application for each county, reservations will be made as follows:
  - a. Highest ranking application for each county for which THDA receives an eligible application as described in item 4 above.
  - b. If DHC *remains after* making a reservation for each county for which THDA receives an eligible application, the remaining DHC applications will be ranked in descending order regardless of county and THDA will make additional reservations until the DHC is exhausted.
  - c. No forward allocation will be made in this scenario, however unreserved Housing Credit from the regular round will be available.

**Changes proposed in this notice may be accepted, rejected, or modified in any respect. Changes or modifications not currently reflected in this notice may also be made. By posting this notice, no representations are being made about any item that may be included, excluded, or modified in any amendments to the Low-Income Housing Credit 2021 Qualified Allocation Plan.**

Written comments may be submitted by email to [TNAallocation@thda.org](mailto:TNAallocation@thda.org). The deadline for submission of comments is 8:00 AM Central Time on Friday, February 26, 2021.