MEMORANDUM

TO: All Interested Parties
FROM: Multifamily Programs Division
SUBJECT: Frequently Asked Questions Regarding 2019-2020 Low-Income Housing Credit Qualified Allocation Plan
DATE: April 2, 2019

Staff has made every effort to insure that the answers provided below are consistent with the 2019-2020 Low-Income Housing Credit Qualified Allocation Plan, as amended (the “2019-2020 QAP”). Any restatement of the 2019-2020 QAP made below shall not be construed as a change in the actual wording of the 2019-2020 QAP. THDA reserves the right to modify, in any respect, the answers provided below as determined by THDA, in its sole discretion, to be appropriate.

**Question 1:** How will the set-asides be fulfilled?

**Answer 1:** The set-asides will be fulfilled in accordance with the caps, limits, and priorities specified in Section 3, Sections 7 through 12, and Section 15-E of the 2019-2020 QAP. More specifically, the following order shall apply (subject to all caps, limits, and priorities):

1. Nonprofit Set-Aside
   A. Highest ranking qualified new construction
   B. Highest ranking qualified existing
   C. If necessary, next highest ranking qualified new construction

2. Choice Neighborhood Initiative (“CNI”)
   A. Highest ranking qualified Initial Application from an eligible Public Housing Authority (“PHA”) regardless of development type
   B. Will count against the PHA Set-Aside limit specified in Section 3-B-4 or against the Existing Housing specified in Section 3-B-5 of the 2019-2020 QAP, respectively, depending on selection in Initial Application as described in Section 8-G

3. Innovation Set-Aside
   A. Initial Application, if any, chosen by selection committee

4. PHA Set-Aside
   A. If the Initial Application selected in step 2 above elected to compete in the PHA Set-Aside, the amount of Housing Credit reserved for that Initial Application will be subtracted from the starting balance of the PHA Set-Aside as described in 2-B above.

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B. Highest ranking qualified Initial Application involving Rental Assistance Demonstration ("RAD") and located in an area covered by a Community Revitalization Plan ("CRP")
C. Highest ranking qualified Initial Application involving RAD and not located in an area covered by a CRP
D. Highest ranking qualified Initial Application(s) owned and operated by a PHA not involving RAD and not located in an area covered by a CRP

5. Existing Multifamily Housing
   A. Highest ranking qualified Initial Application(s)

6. New Construction Regional Pools
   A. Highest ranking qualified Initial Application in Upper East region (if not previously fulfilled)
   B. Highest ranking qualified Initial Application in East region (if not previously fulfilled)
   C. Highest ranking qualified Initial Application in Cumberland region (if not previously fulfilled)
   D. Highest ranking qualified Initial Application in Middle region (if not previously fulfilled)
   E. Highest ranking qualified Initial Application in West Region (if not previously fulfilled)
   F. Next highest ranking qualified Initial Application in Middle region (if not previously fulfilled)

Question 2: What future guidance will be available for income averaging?
Answer 2: Draft guidance is currently under review. Our goal is to release guidance on or before April 15, 2019.

Question 3: Will there be cross-counting across set-asides (e.g. will a nonprofit new construction development fulfill the new construction regional pool)?
Answer 3: * Selected developments (1) proposing new construction AND (2) involving Choice Neighborhoods Initiative ("CNI"), Rental Assistance Demonstration ("RAD"), or receiving Low-Income Housing Credit ("LIHC") from the Innovation Set-Aside WILL NOT COUNT toward fulfillment of New Construction Regional Pools.
   * Other selected developments proposing new construction and receiving LIHC from the Nonprofit Set-Aside or the Public Housing Authority ("PHA") Set-Aside WILL COUNT toward fulfillment of New Construction Regional Pools.

Question 4: Will changing sites be considered a Major Significant Adverse Event ("SAE")?
Answer 4: Requesting a development modification (e.g. requesting a site change) is, by itself, a Minor SAE pursuant to Section 6-D-3 of the 2019-2020 QAP, however, this will be a facts and circumstances evaluation at the time such a request is made.

Question 5: Will proposed developments that receive an allocation of Noncompetitive 2019 Low-Income Housing Credit be permitted to request consideration under the THDA Qualified Contract Process?
Answer 5: No.

NOTE: The following changes will be made to the next version of the 2019-2020 QAP to be posted:
1. Section 5-C, Table 5-2, the Modification Fee correctly expressed as “the greater of $750 or 0.625% of the annual Housing Credits specified in the Reservation Notice”
2. Section 13-A, minimum score reference corrected