

MINUTES OF MEETING
OF
THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

The regular meeting of the Board of Commissioners of the Metropolitan Development and Housing Agency was held on Tuesday, June 12, 2018, at 11:30 a.m. in the Collaboration Room of the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

PRESENT: Ralph Mosley, Chair
 Melvin Black, Vice Chair
 Jimmy Granbery, Vice Chair
 Miniimah Basheer
 Antoinette Batts

ABSENT: Charles Robert Bone
 Emily Thaden

ALSO PRESENT: James Harbison, Executive Director
 James Thiltgen, Deputy Executive Director
 Saul Solomon, Legal Counsel
 Will Choppin, General Counsel
 Melinda Hatfield, Director of Finance
 Martha Gregory, Director of Administrative Services
 Angie Hubbard, Director of Community Development
 Joe Cain, Director of Development
 Will Biggs, Director of Affordable Housing
 Michael Wegerson, Director of Recapitalization
 Ed Shewmaker, Director of Construction
 Shukeisha Thompson, Assistant Director for Rental Assistance
 Jamie Berry, Director of Communications
 Angela Harrell, Senior Development Specialist
 Julia Moss, Rental Assistance Demonstration Coordinator
 Matt Loftis, Urban Development Analyst
 Jeff Hall, Executive Program Manager for Recapitalization
 Curtis Thomas, Urban Planning Manager for Recapitalization
 Tamara Burnett, Training/EEO Specialist
 Mary Bradley, President, Parthenon Towers Resident Association
 Audrey Abbott, Manager, Parthenon Towers Resident Association
 Jean Merkle, Administrative Assistant to the Board of Commissioners
 Alan Richman, InnoVative Capital
 Councilman John Cooper
 Steve Reiter
 Steven Knapp

Chair Mosley called the meeting to order and requested approval of the Minutes of the Meeting of May 15, 2018. Commissioner Basheer moved adoption of the following resolution:

Resolution No. 35-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of May 15, 2018, as submitted.”

The motion was seconded by Commissioner Black, and upon vote all voted “aye”. None voted “no”.

Chair Mosley introduced Mary Bradley, President, Parthenon Towers Resident Association; and Audrey Abbott, Manager, Parthenon Towers, who would be called on later in the meeting for comments.

Mr. Harbison stated that MDHA has fourteen public housing residents who are participating in a Summer Youth Intern Program where they will earn \$8 per hour, working 24 hours per week. He asked each student to stand as they were introduced: Timarion Smith, Preston Taylor; Tyreona Haynes, Napier; Fatuma Abdkiadir, Cayce; Zontray Morthel, Levy; Jason Johns, Preston Taylor; Dalohn Blakely, Preston Taylor; Brianca Majors, Parkway Terrace; Shavon Usher, Sudekum; Arianna Walker, Cumberland View; Lauren Thomas, Vine Hill; Roderick Stafford, Jr., Levy; Paeton Ellison, Preston Taylor; and Khamar Thomas, Cumberland View.

Chair Mosley recognized Steve Reiter who presented comments regarding the Consolidated Plan for the Community Development Block Grant Program. Steven Knapp was recognized for comments. Mr. Knapp is a resident at Ryman Lofts and has issues regarding management and rules and procedures at the site.

Mr. Harbison presented an update on current and proposed projects. He invited the Commissioners to the June 27th groundbreaking for 40 workforce housing units to be constructed in the Bordeaux Redevelopment District.

Commissioner Granbery Black reported on the Finance & Audit and Development Committees meeting held prior to the Board meeting. The first item discussed was a mid-year budget review. Operating budget deficit has grown by approximately \$1.6M related to two primary factors: an initiative to hire maintenance crews in house and a higher than projected vacancy rate in Asset Management. Commissioner Granbery said discussion was held regarding the creation of an entity to allow MDHA to apply for New Market Tax Credits. The entity will be created in the coming weeks. Mr. Harbison gave a brief review on Redevelopment Districts including work continuing on the Donelson TOD Plan. Commissioner Granbery said currently RAD converted projects are not eligible to receive Choice Neighborhood Initiative Implementation Grants and Mr. Harbison is going to reach out to HUD on the possibility of changes to the Notice of Funding Availability which could possibly allow MDHA will be eligible.

Commissioner Granbery said Mr. Harbison briefed the committee on a joint project being considered with Tony Giarratana called Victory Hall. The project would consist of 30 apartments for homeless veterans and 10 market rate units. He said discussions are currently underway regarding the project. He also reported MDHA has received a 9% LIHTC award for Boscobel III.

Jim Thiltgen, Deputy Executive Director, requested Board approval of the agency's PHA Annual Plan for the year beginning October 1, 2018. He stated the required public hearing was held following the May 15th Board meeting and comments from the Resident Advisory Council and public hearing are included in the Plan. After questions and discussion of the contents of the Plan, Commissioner Black moved adoption of the following resolution:

Resolution No. 36-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby adopts ‘PHA Certifications of Compliance with the PHA Plan and Related Regulations Resolution to Accompany the PHA Annual Plan’ and the ‘Annual Civil Rights Certification and Board Resolution’ as outlined in a memorandum to the Board of Commissioners from James E. Harbison, Executive Director, dated June 8, 2018, made a part of these minutes by reference and filed with other documents of this meeting.”

The motion was seconded by Commissioner Granbery, and upon vote all voted “aye”. None voted “no”.

Jim Thiltgen stated that T.C.A. Section 9-21-151 requires submission of State Form CT-0253 Report on Debt Obligation when a public entity incurs debt. At its meeting on May 15, 2018, the Board authorized a \$5.4 million loan for the construction of the Bordeaux Townhomes. Mr. Thiltgen said the loan closed on May 30, 2018 at a fixed rate of 3.75% for two years during the construction period after which it will reset at a floating rate capped by 4.5% for the following five years, capped at 7.25% for the five years beyond. Statement of this information, together with distribution of the State form to the members of the Board, meets the public disclosure requirements. No action is required.

Mr. Thiltgen presented the next item. He stated that at the May Board meeting, a resolution was adopted that authorized the various elements of the financing for Boscobel I. At the April meeting, the Board allocated \$6.5 million in cash from the Recapitalization Reserve Fund for this purpose. The Board is now asked to approve the \$6.5 million in the form of a subordinate loan rather than a cash contribution. After discussion, Commissioner Granbery moved adoption of the following resolution:

Resolution No. 37-18

“RESOLUTION BY THE BOARD OF COMMISSIONERS OF METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

Effective Date: June 12, 2018

The undersigned, being a quorum of the Board of Commissioners of Metropolitan Development and Housing Agency (“MDHA”), at a duly called meeting on June 12, 2018, acting in accordance with the applicable provisions of the T.C.A. § 13-20-101, et. seq., and its Charter and Bylaws, do hereby adopt, the following resolutions to be effective as of the date hereof:

WHEREAS, MDHA, was organized to acquire, construct, develop, lease, manage, operate, sell, and otherwise provide and address matters concerning, decent and affordable housing in the City of Nashville, Tennessee;

WHEREAS, Boscobel I, L.P., a Tennessee limited partnership (“Partnership”) was created to construct improvements known as Boscobel I, consisting of 50 low-income housing units, 22 market-rate units and 24 workforce-rate units on a site located at 806 South 6th Street, in Nashville, Davidson County, Tennessee (“Project”);

WHEREAS, at a duly called meeting of the MDHA Board of Commissioners held on May 15, 2018, a certain incumbency certificate and resolutions authorizing MDHA’s participation in the financing and development of the Project and identifying persons authorized to execute transaction documents were approved (the “Primary Resolutions”);

WHEREAS, in addition to loans and transactions described in the Primary Resolutions, MDHA will also make a loan to the Partnership in the approximate principal amount of \$6,500,000, or such amount as an authorized officer may deem necessary to consummate the transactions contemplated in this Resolution (the “MDHA Loan”), evidenced by a note and all instruments and documents securing the MDHA Loan (collectively, the “MDHA Loan Documents”);

NOW, THEREFORE, BE IT RESOLVED, that MDHA is hereby authorized and directed to make the MDHA Loan to the Partnership, execute, deliver and perform any and all other documents, agreements, instruments and agreements contemplated under the MDHA Loan Documents, or otherwise required for purposes of entering into the MDHA Loan;

FURTHER RESOLVED, that any and all acts heretofore taken by any officer of MDHA in connection with the matters authorized by the foregoing resolutions and the Primary Resolutions are hereby ratified, confirmed, adopted and approved by the Board of Commissioners of MDHA.”

The motion was seconded by Commissioner Batts, and upon vote all voted “aye”. None voted “no”.

Angie Hubbard, Director of Community Development, requested Board approval to award HOME funds for new affordable housing. Ms. Hubbard said a Request for Applications was issued from nonprofit and for-profit developers for financing new affordable housing development. An Application Review Committee evaluated the applications in accordance with the criteria set forth and made recommendations for funding. Commissioner Black moved adoption of the following resolution:

Resolution No. 38-13

“WHEREAS, the Metropolitan Development and Housing Agency is responsible for administering the U.S. Department of Housing and Urban Development’s HOME Investment Partnerships Program (HOME) for the Metropolitan Government of Nashville and Davidson County; and

WHEREAS, the annual updates to the Consolidated Plan for Housing and Community Development allocated HOME funds for the development of affordable rental and homeownership housing, including funding set-aside for Community Housing Development Organizations (CHDOs); and

WHEREAS, in December 2017 MDHA made \$1,566,800 HOME funds available to for-profit and nonprofit developers for affordable housing for eligible rental (rented to households with incomes \leq 60% AMI) and homeownership projects (sold to households with incomes \leq 80% AMI); and

WHEREAS, MDHA received applications from two (2) nonprofit organizations for funding for homebuyer projects and from three (3) nonprofit organizations and two (2) for-profit organizations funding for rental projects; and all applications met MDHA’s threshold and minimum scoring criteria; and

WHEREAS, the Review Committee reviewed all applications that met minimum threshold requirements in accordance with the criteria set forth in the Request for Applications and recommended the award of HOME funds in the amount of \$1,000,000 to Woodbine Community Organization for the construction of 32 rental units; \$395,937 to Be a Helping Hand Foundation for the construction of 4 rental units; and \$143,744.00 to Habitat for Humanity of Greater Nashville for the construction of 5 homebuyer units; and

WHEREAS, Woodbine Community Organization and Be a Helping Hand Foundation were designated as CHDOs and were eligible for the CHDO set-aside; and

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency that HOME funds be awarded to Woodbine Community Organization, Be a Helping Hand Foundation, and Habitat for Humanity of Greater Nashville in the amounts and for the projects described herein; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to execute written agreements with the nonprofit developers to ensure that HOME funds are used in accordance with all program requirements.”

The motion was seconded by Commissioner Batts, and upon vote all voted “aye”. None voted “no”.

Angie Hubbard, Director of Community Development, presented the first of two documents related to the Consolidated Plan. Ms. Hubbard requested Board approval of the 2013-2018 Consolidated Plan and Program Year 1 Annual Action Plan. Commissioner Batts moved adoption of the following resolution:

Resolution No. 39-18

“WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) requires local governments seeking federal assistance through the Community Development Block Grant (“CDBG”), HOME Investment Partnerships (“HOME”), Emergency Solutions Grant (“ESG”), and Housing Opportunities for Persons with AIDS (“HOPWA”) programs to develop a Consolidated Plan for Housing and Community Development; and

WHEREAS, the Metropolitan Council designated the Metropolitan Development and Housing Agency (“MDHA”) as the lead agency responsible for the preparation of the Consolidated Plan for Housing and Community Development programs for The Metropolitan Government of Nashville and Davidson County; and

WHEREAS, the 2018-2023 Consolidated Plan was prepared by MDHA in accordance with federal regulations regarding citizen participation and in consultation with a variety of public and private agencies and concerned individuals; and

WHEREAS, the Consolidated Plan includes a Needs Assessment, a Housing Market Analysis, a Strategic Plan for meeting priority needs, and an Annual Action Plan for 2018-2019 for the expenditure of CDBG, HOME, ESG, and HOPWA funds; and

WHEREAS, to gather input for the Plan on the 2018-2023 Consolidated Plan and 2018-2019 Action Plan, there were thirteen (13) stakeholder consultations and seven (7) community meetings/public input sessions in addition to a kickoff public hearing and a survey made available from March 16 to April 13, 2018; and

WHEREAS, the public comment period for the draft 2018-2023 Consolidated Plan and 2018-2019 Action Plan began on May 8 and concluded on June 7, 2018, and four (4) public hearing were held during the public comment period; and

BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency that it hereby approves the 2018-2023 Consolidated Plan and 2018-2019 Action Plan for Housing and Community Development and authorizes its submission to the Metropolitan Council and the U.S. Department of Housing and Urban Development; and

BE IT FURTHER RESOLVED that the local match required for the Emergency Solutions Grant will be provided by local non-profit organizations selected as sub-grantees. The twenty-five percent local match for the HOME Investment Partnerships Program will be provided by non-federal funds utilized for HOME projects as well as the value of donated land or improvements associated with HOME-funded projects, or by other eligible methods as provided in the HOME regulations.”

The motion was seconded by Commissioner Basheer, and upon vote all voted “aye”. None voted “no”.

Michael Wegerson, Director of Recapitalization, requested Board approval of the Program Budget and Construction Manager GMP for CP II, L.P. (Boscobel II). Hardaway Construction Corp. has provided a Guaranteed Maximum Price proposal of \$26,020,000 for construction along with the scope and

design for the project at a total cost of \$33,000,000. Board approval was also requested to create a single purpose entity to develop the project, accept Low Income Housing Tax Credits in the amount of \$10,780,000; and \$6,574,022 in Recapitalization Reserve Funds for construction. After questions and discussion, Commissioner Basheer moved adoption of the following resolution:

Resolution No. 40-18

“RESOLVED, That the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the creation of a single purpose entity for the CP II, L. P.; and the following:

Scope and Design Total Cost	\$33,000,000
Low Income Housing Tax Credits	\$10,780,000
Recapitalization Reserve Funds	\$ 6,574,022
Guaranteed Maximum Price w/Hardaway Construction Corp.	\$26,020,000

and;

BE IT FURTHER RESOLVED, That the Executive Director is authorized to take any and all actions as may be required to implement the Boscobel I project.”

The motion was seconded by Commissioner Batts, and upon vote all voted “aye”. None voted “no”.

Joe Cain, Director of Urban Development, requested Board approval of a PILOT Agreement with Nashville Leased Housing Associates I, LP. The entity has received conditional approval of a 4% low income housing tax credit to assist in financing the construction of a 261-unit affordable housing complex at 3474 Dickerson Road. The PILOT will enable the project to be affordable to households below 60% AMI or less. Staff has reviewed and approved the request. After discussion and questions, Commissioner Black moved adoption of the following resolution:

Resolution No. 41-18

“BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the PILOT Agreement between MDHA and Nashville Leased Housing Associates I, LP substantially in the form submitted, for its proposed project at 3474 Dickerson Road; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute any and all necessary documents for implementing the PILOT, and any legislative requirements including submission to the Metropolitan Council for its approval.”

The motion was seconded by Commissioner Batts, and upon vote all voted “aye”. None voted “no”.

Joe Cain, Director of Urban Development, requested Board approval of a PILOT Agreement with LDG Development's limited partnership, Buffalo Trail, L.P. who proposes to acquire property located at 3711 Dickerson Road for the development of a 240-unit affordable housing complex. The entity has received conditional approval of a 4% low income housing tax credit for the construction of the new development. The PILOT will enable the project to be affordable to households at or below 60% AMI. Staff has reviewed and approved the request. After discussion and questions, Commissioner Black moved adoption of the following resolution:

Resolution No. 42-18

"BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the PILOT Agreement between MDHA and Buffa Trail, L.P. substantially in the form submitted, for its proposed project at 3711 Dickerson Road; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute any and all necessary documents for implementing the PILOT, and any legislative requirements including submission to the Metropolitan Council for its approval."

The motion was seconded by Commissioner Basheer, and upon vote all voted "aye". None voted "no".

Chair Mosley called on Ms. Bradley who said several activities and programs are taking place at Parthenon Towers including smoking cessation classes, fire safety, and both Mother's Day and Father's Day events. Ms. Abbott said Parthenon Towers has completed its transition to PBRA and currently has only one vacancy.

There being no further business to come before the Board, the Chair declared the meeting adjourned.

Secretary

APPROVED:

This _____ day of _____, 2018.

Chair