

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, November 14, 2017, 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
 Charles Robert Bone

ABSENT: Emily Thaden

ALSO PRESENT: James Harbison, Executive Director
 James Thiltgen, Deputy Executive Director
 David Dellinger, Chief Operating Officer
 Tremecca Doss, General Counsel
 Melinda Hatfield, Director of Finance
 Martha Gregory, Director of Administration
 Joe Cain, Director of Development
 Will Biggs, Director of Affordable Housing
 Angie Hubbard, Director of Community Development
 Ed Shewmaker, Director of Construction
 Norman Deep, Director of Rental Assistance
 Mike Wegerson, Director of Recapitalization
 Jamie Berry, Director of Communications
 Jean Merkle, Administrative Assistant to the Board of Commissioners
 Santa Mathis, President, Preston Taylor Apartments Resident Association
 Jamila Grimes, Manager, Preston Taylor Apartments

Chair Mosley called the meeting to order and requested approval of the Minutes of the Meeting of October 10, 2017. Commissioner Basheer moved adoption of the following resolution:

Resolution No. 58-17

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of October 10, 2017, as submitted.”

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

Chair Mosley introduced Santa Mathis, President, Preston Taylor Apartments Resident Association; and Jamila Grimes, Manager, Preston Taylor Apartments, who would be called on later in the meeting for comments.

Mr. Harbison gave an update on several projects currently being undertaken by the agency and announced the groundbreaking for Kirkpatrick Park on November 30. He congratulated Norman Deep and the Rental Assistance Staff on the expected 100% score for the annual Section 8 Management Assessment Program certification. The Board will be asked to approve the certification later in the meeting.

Commissioner Black reported on the Finance & Audit Committee meeting held on November 9, 2017. He stated Ms. Hatfield, Director of Finance, presented a draft of the September 30, 2017 Financial Statements highlighting significant increases from 2016-2017. Overall cash increased \$33.3 million primarily from the proceeds of the J Henry Hale loan to create a Board Controlled Strategic Reserve for approved recapitalization projects. Commissioner Black said for the year ending September 30, 2017, MDHA received and expended \$104 million through 35 various grant programs. He said Vine Hill LLC was dissolved in December 2016 with the ownership converting to MDHA. Six public housing properties have been converted to Project Based Rental Assistance (PBRA) with RAD closings. He said Melinda Hatfield, Director of Finance, reported the properties ended the year with \$7.3 million net operating income and \$6.5 million change in net position after capital additions, replacement reserves and debt service. The COCC ended the year with a \$634,000 net operating income. The Section 8 Voucher Program administrative budget finished the year with a net loss of \$146,000 due to administrative funding proration of 77% for the fiscal year. Admin reserves on hand as of September 30, 2017 total \$380,000. David Johnson with Johnson Johnson Crabtree Architects and project manager for Kirkpatrick Park townhomes presented an overview of the project. The committee voted unanimously to recommend the project financing to the Board for review and approval.

Commissioner Granbery reported on the November 9, 2017 Development Committee meeting. He said the first item on the agenda was an overview on Kirkpatrick Park townhomes by David Johnson with Johnson Johnson Crabtree Architects. He said the 94 unit project will be funded by a HUD 221d4 loan, HOME funds, a possible THDA grant and agency reserves. The committee voted unanimously to approve the funding sources and recommended for Board review and approval. The groundbreaking is scheduled for November 30. Commissioner Granbery said the committee reviewed information submitted on the financing of Boscobel I with project costs estimated to be approximately \$25 million. The committee voted unanimously to approve the scope and design of the project, the acceptance of the Low Income Tax Credits, use of \$8 million in Recapitalization Reserve Funds for construction; and the project budget for

submittal to the full Board. The committee was presented the draft of two plans for the Choice Neighborhood master plan for Napier-Sudekum. The committee voted to accept the expanded version of the master plan as presented. Commissioner Granbery said Mr. Harbison discussed the Choice Neighborhood Implementation Grant application due to HUD on November 22 for Envision Cayce. Mr. Harbison said the rezoning of property for the Bordeaux townhome project passed second reading of the Metro Council on November 7. He said all contingencies for the sales contract with Eakin Partners for a Rolling Mill Hill project have been satisfied.

Commissioner Black reported on the Housing Committee held on October 10, 2017. He said Norman Deep, Director of Rental Assistance, said new Fair Market Rents (FMRs) effective October 17, 2017 have been published by HUD. Mr. Deep said after review of the new rents he is proposing to amend the agency's current Housing Choice Voucher payment standards for all bedroom sizes to equal 100% of newly published FMRs for 2018. The committee unanimously approved the recommendation to increase the FMRs and to submit to the full Board.

Mr. Thiltgen presented the first item of business requesting Board approval of the Section 8 Management Assessment Program certification stating that a 100% score is expected and the agency will continue to be a High Performer as it has been since inception of the program. Norman Deep, Director of Rental Assistance and the Rental Assistance Staff, were recognized for this accomplishment. Commissioner Basheer moved adoption of the following resolution:

Resolution No. 59-17

“RESOLVED, That the Board of Commissioners of the Metropolitan Development and Housing Agency hereby approves the Section 8 Management Assessment Program (SEMAP) Certification, HUD Form 52648, for the year ending September 30, 2017, and authorizes execution by the Board Chair and Executive Director for submission to the Department of Housing and Urban Development.”

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

Buck Dellinger, Chief Operating Officer, presented the next item requesting Board support and approval for the FY2017 Choice Neighborhoods Implementation Grant (CNI) application due to the U.S Department of Housing and Urban Development on November 22, 2017. The available funding is approximately \$132 million for up to five awards of \$30 million per application. He said due to the significant public engagement and outreach undertaken as part of the Envision Cayce master planning process, and the more recent outreach and planning completed as part of the Cayce Place apartments and Kirkpatrick Park projects, staff believes Cayce Homes is the appropriate site with the best opportunity for a successful application. Mr. Harbison said MDHA will serve as the lead applicant and will partner with the Mayor's Office as co-applicant and the Martha O'Bryan Center as the People Implementation Entity. He said the Board is asked to support the Choice Neighborhoods Implementation Grant application for Cayce, authorize a partnership with Metropolitan Government as co-applicant, and name Martha O'Bryan Center as the People

Implementation Entity. After questions and discussion from Commissioners, Commissioner Black moved adoption of the following resolution:

Resolution No. 60-2017

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby supports and approves the submittal of an application to the US Department of Housing and Urban Development for a FY2017 Choice Neighborhood Implementation Grant; and

BE IT FURTHER RESOLVED That the Agency will serve as the lead applicant and continue negotiations with the Mayor’s Office to serve as co-applicant; and

BE IT FURTHER RESOLVED, That Martha O’Bryan Center is named as the People Implementation Entity; and

BE IT FURTHER RESOLVED, That staff is authorized to undertake all steps necessary to execute all documents related to the application and implementation of the Choice Neighborhoods Implementation Grant.”

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

Mr. Harbison presented to the Board an update on authorizations previously approved in April 2016 and March 2017 regarding the financing and construction of 94 townhomes at Kirkpatrick Park and related off-site improvements including a total project budget of \$26,751,000; the formation of a single-asset entity; commitment of up to \$8,973,550.62 in cash at the time of a loan closing; approval of the Construction Manager at Risk contract with R. G. Anderson Company for off-site improvements in the amount of \$2,427,223; and approval to enter into a contract with R. G. Anderson Company for the construction of the 94 townhomes and on-site improvements in the amount of \$18,82.210. After discussion, Commissioner Black moved adoption of the following resolution:

Resolution No. 61-17

“WHEREAS, the Metropolitan Development and Housing Agency has engaged in a strategy to recapitalize its aging affordable housing inventory by rebuilding such housing into new mixed income communities; and

WHEREAS, the development of approximately 94 units of housing at Kirkpatrick Park, consisting of approximately 36 rent-subsidized units, 20 workforce units and 38 market-rate units will be an initial step in implementing that strategy; and

WHEREAS, the Agency has formed a wholly owned single-asset non-profit entity known as MDHA Kirkpatrick Park, LLC, for the purpose of developing and owning this property; and

WHEREAS, the project is ready for the financing to close and for construction to commence:

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Metropolitan Development and Housing Agency that it hereby approves the total project budget of \$26,751,000; and

FURTHER RESOLVED , that it hereby authorizes the MDHA Kirkpatrick Park, LLC, to accept a loan from Walker & Dunlop, LLC, a Delaware limited liability company ("HUD Lender"), insured by the Secretary of Housing of Urban Development ("HUD") under Section 221(d)(4) of the National Housing Act, as amended, in the approximate principal amount of Thirteen Million Seven Hundred Seventy-Six Thousand Five Hundred and No/100 Dollars (\$13,776,500.00) (the "HUD Loan"), to be secured by a deed of trust lien on the Property; and

FURTHER RESOLVED, that it hereby authorizes the commitment of up to \$8,973,550.62 which will be needed in cash at the loan closing, which adds \$2,073,550.62 from the Agency's Unrestricted Operating Reserves to the \$6,900,000 which the Board previously authorized from the Recapitalization Reserve at its March 2017 meeting; and

FURTHER RESOLVED, that it hereby authorizes for the MDHA Kirkpatrick Park, LLC, to enter into a contract with R. G. Anderson Company ("RGA") as the Construction Manager at Risk in the amount of \$2,427,223 for off-site improvements and to enter into a second contract with RGA for \$18,842,210 for the construction of the 94 townhomes and the related on-site improvements; and

FURTHER RESOLVED, that the Executive Director is authorized to carry out such actions, including the signing of documents and the transfer of funds, as may be required to carry out the authorizations of this Resolution."

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

Norman Deep, Director of Rental Assistance, requested Board approval to increase the payment standards for the Housing Choice Voucher Program to 100% of the HUD-published Fair Market Rents for 2018. He stated this increase request was discussed and approved at the Housing & Community Resources Committee meeting on October 10, 2017. Commissioner Basheer moved adoption of the following resolution:

Resolution No. 62-17

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves increasing the Housing Choice Voucher Payment Standards, effective January 1, 2018, to

100% of the HUD-published FMRs for zero, one, two, three, four and five bedrooms to \$731, \$816, \$1002, \$1327, \$1564 and \$1799, respectively.”

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

Mr. Deep next requested Board approval to award 36 project based vouchers to MDHA Kirkpatrick Park, LLC. Commissioner Batts moved adoption of the following resolution:

Resolution No. 63-17

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the award of 36 project based vouchers to MDHA Kirkpatrick Park, LLC for;

BE IT FURTHER RESOLVED, That this award is contingent upon clearance of an Environmental Review and Subsidy Layering Review as required; and

BE IT FURTHER RESOLVED, That the Executive Director is hereby authorized to execute any, and all, documents necessary to implement the award of the project based vouchers.”

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

Mr. Mosley called on Ms. Mathis who spoke about the neighborhood watch program at Preston Taylor Homes. Ms. Grimes spoke about a financial literacy program for residents that teaches budgeting and money management.

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

Secretary

APPROVED:

This _____ day of _____, 2017.

Chair