

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, March 13, 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  
                  Antoinette Batts  
                  Charles Robert Bone  
                  Emily Thaden

ABSENT:           Miniimah Basheer

ALSO PRESENT:  James Harbison, Executive Director  
                  Saul Solomon, Legal Counsel  
                  James Thiltgen, Deputy Executive Director  
                  David Dellinger, Chief Operating Officer  
                  Melinda Hatfield, Director of Finance  
                  Martha Gregory, Director of Administration  
                  Matt Loftis, Urban Development Analyst  
                  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  
                  Patricia Smith, President, Vine Hill Towers Resident Association  
                  Tony Redmon, Manager, Vine Hill Towers  
                  John Shephard, Elmington Capital  
                  Jim Hill, Proofpoint  
                  Councilman Scott Davis  
                  Cheryl Jett, Chief Operating Officer for Affordable Housing  
                  Jeff Hall, Executive Program Manager for Recapitalization  
                  Curtis Thomas, Urban Planning Manager for Recapitalization  
                  Patricia Thicklin, Assistant Director of Human Resources  
                  Mike Helt, Asst. Director for Operations/Asset Management  
                  Art Turcotte, Field Operations Manager for Operations/Asset Management  
                  Nat King Cole, MDHA

William Currie, SEIU Local 205  
Timothy Burns, MDHA  
Mary Bradley, Parthenon Towers Resident  
Patrick Christie-Mizell, Project Return  
Hollie Williams, Project Return  
Steve Reiter

Chair Mosley called the meeting to order and requested approval of the Minutes of the Meeting of January 30, 2018. Commissioner Bone moved adoption of the following resolution:

Resolution No. 10-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of January 30, 2018, as submitted.”

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

Chair Mosley introduced Patricia Smith, President, Vine Hill Towers Resident Association; and, Tony Redmon, Manager, Vine Hill Towers, who would be called on later in the meeting for comments.

The Chair recognized Steve Reiter for public comments. Mr. Reiter expressed his concerns for what he believes to be double dipping. The Chair next recognized Councilman Scott Davis for public comments regarding an item on the agenda. Councilman Davis spoke in support of the project based vouchers and PILOT for Oakwood Flats which is in his council district.

Mr. Harbison provided an update on the agency’s efforts to secure New Market Tax Credits to assist in the financing of construction for the Explore! School. He said the expectation is for approximately \$25 million in NMTC. Mr. Harbison said that he and other staff members will be leaving to drive to Atlanta after the Board meeting to meet with Purpose Built staff and visit the East Lake Community. He provided information on legislation before the Tennessee Legislature regarding TORT liability.

Commissioner Black reported on the Finance & Audit Committee meeting held prior to the Board meeting. He stated John Pieper with MCM CPAs & Advisors LLP presented the agency’s September 30, 2017 year-end audit report. Mr. Pieper discussed the Report on Audit Results with agency receiving an unmodified opinion based upon the audit procedures performed on the financial statements and federal awards. There was discussion on a finding with major program noting a Significant Deficiency finding during tenant file eligibility testing at CWA I and II. Commissioner Black said management will increase internal compliance monitoring at the sites to insure HUD regulations are followed.

Commissioner Black said Amy Broadwater and Jonathan Davis with RubinBrown LLP presented the Audited Financial Statements for Preston Taylor, Ryman Lofts and Levy Place for the

December 31, 2017 year end. Mr. Davis presented a high level summary with an unmodified opinion issued for the three audits. Commissioner Black said a deficiency was noted in the Levy Place audit due to security deposit cash co-mingled with funds from other agency deposits. He said management will open an account for Levy Place LP to separate security deposit funds from the other agency deposits. A summary of the Net Operating Income per units was presented and reviewed for each property.

Mr. Harbison presented the first item of business requesting Board approval for the formation of a Community Development Entity (CDE) to be called Community Development Corporation of Nashville. He said after the formation of the CDE, the agency will have the ability to apply for New Market Tax Credits directly from the United States Treasury or from other CDEs. After questions and discussion, Commissioner Granbery moved adoption of the following resolution:

Resolution No. 11-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the formation of a legal entity, Community Development Corporation of Nashville; and the submission of an application for said entity to the United States Treasury as a Community Development Entity; and

BE IT FURTHER RESOLVED, That the Executive Director is hereby authorized to execute any, and all documents necessary to implement the formation of the Community Development Corporation.”

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

David Dellinger, COO, requested Board support and approval for a Tennessee Housing Trust Fund grant application to the Tennessee Housing Development Agency. He said the agency will apply for the maximum award of \$500,000 to supplement financing and expedite the redevelopment timeline for Boscobel II. Commissioner Black moved adoption of the following resolution:

Resolution No. 12-18

“RESOLVED, That the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby supports and approves an application to the Tennessee Housing Development Agency for a Tennessee Housing Trust Fund Grant in the amount of \$500,000 to support Boscobel II; and

BE IT FURTHER RESOLVED, That the Executive Director is hereby authorized to undertake all steps necessary to execute any and all documents related to the application and implementation of the Tennessee Housing Trust Fund Grant.”

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

Chair Mosley presented the minutes from the Management Review Committee held on February 20, 2018. He stated the Executive Director's performance and salary increase were discussed. In accordance with the employment contract, the committee approved a 3% increase in salary effective January 1, 2018. He said the committee additionally approve a 7% bonus based on the Executive Director's 2017 performance review. Commissioner Black said he wanted employees to know that he supports a pay increase for all MDHA employees.

Michael Wegerson, Director of Recapitalization, requested Board approval to negotiate a fee and enter into a contract with Hardaway Construction for the Construction Manager at Risk for the Boscobel-2 (Cayce B-5) project. Mr. Wegerson said there are two phases, preconstruction and construction. The cost for pre-construction services is \$55,500. Once the Guaranteed Maximum Price (GMP) is negotiated, the Board will be asked to approve. After questions and discussion, Commissioner Black moved adoption of the following resolution:

Resolution No. 13-18

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby awards a contract to Hardaway Construction for the Construction Manager at Risk for Boscobel-2 (Cayce B-5) and approves the pre-construction services in the amount of \$55,500; and

BE IT FURTHER RESOLVED, That when the Guaranteed Maximum Price (GMP) has been negotiated, staff will request Board approval."

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

Norman Deep, Director of Rental Assistance, requested Board approval to award 36 Project-Based Vouchers to an Elmington Capital Group entity known as ECG Caldwell LP for the new construction of 112 two-bedroom units for the elderly at 4928 Edmondson Pike named Caldwell Flats. Mr. Deep said this project is contingent on an Environmental Review and HUD approval of Subsidy Layering Review requirements. After discussion, Commissioner Batts moved adoption of the following resolution:

Resolution No. 14-18

BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the award of 36 two bedroom project based vouchers to ECG Caldwell LP for its proposed new construction of property located at 4928 Edmondson Pike; and

BE IT FURTHER RESOLVED, That this award is contingent upon clearance of an Environmental Review and a Subsidy Layering Review; and approval of a pending 9% Low Income Housing Tax Credit application from the Tennessee Housing Development Agency; 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 Granbery and upon vote all voted "aye". None voted "no".

Mr. Deep presented a second request from Elmington Capital Group for ECG Oakwood Flats, for 70 Project Based Vouchers consisting of 45 two bedroom and 25 three bedroom units. Oakwood Flats will be new construction consisting of 280 total units located at 2034 Pittway Drive. Mr. Deep said this project has the same requirements for an Environmental Review and Subsidy Layering Review as the previous item. After discussion, Commissioner Black moved adoption of the following resolution:

Resolution No. 15-18

"BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the award of 45 two bedroom and 25 three bedroom project based vouchers to ECG Oakwood Flats for its proposed new construction of a 280 unit complex located at 2034 Pittway Drive; and

BE IT FURTHER RESOLVED, That this award is contingent upon clearance of an Environmental Review and a Subsidy Layering Review; 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 Thaden and upon vote Commissioners, Granbery, Batts, Mosley, Black and Thaden all voted "aye". Commissioner Bone recused himself from the vote citing his firm's relationship with the entity. None voted "no".

Matt Loftis, Urban Development Analyst, requested Board approval of a PILOT agreement between MDHA and ECG Oakwood, LP for the new construction of a 280 unit development at 2034 Pittway Drive. Elmington Capital Group has received a 4% LIHTC conditional reservation notice from the Tennessee Housing Development Agency in the amount of \$18,562,990 for construction of the new development. After discussion, Commissioner Thaden moved adoption of the following resolution:

Resolution No. 16-18

“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 ECG Oakwood, LP substantially in the form submitted; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute any and all necessary documents for implementing the PILOT, execution of leases, 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”.

Mr. Jim Hill from Proofpoint did a video presentation on the human resources performance evaluation system, which Affordable Housing has begun testing.

Mr. Mosley called on Ms. Smith who said things were going well at Vine Hill. Mr. Redmon said staff should complete conversion to RAD in the next few months.

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

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Secretary

APPROVED:

This \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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Chair