

## **Metropolitan Housing Trust Fund Commission**

### **Minutes**

**December 8, 2016**

Present -- Commissioners Lara Tucker, Arnett Bodenhamer, Councilmember Colby Sledge, Chris Ferrell, Latrisha Jemison, and Kaki Friskics-Warren

Staff: Adriane Harris, Erik Cole, Mark Murray (Metro Legal), Melanie Lawrence (The Housing Fund (contractor))

Vice Chair Chris Ferrell called meeting to order at 2:04pm.

Commissioner Tucker moved approval of the minutes from the meeting of November 16<sup>th</sup>, 2016. Commissioner Friskics-Warren seconded the motion and the minutes were approved unanimously.

Commissioner Bodenhamer raised a general question about consequences for a Commissioner not showing up or attendance consequences over time. Staff and Legal clarified the requirements for quorum in a Commission Meeting. Need to have 4 out of 6 of members for quorum to be satisfied.

Old Business –

Staff announced that Morgan Mansa had her baby and is on maternity leave until late January/early February. Staff clarified that personnel arrangements would be made to cover her responsibilities while she is away.

There remains a vacancy on the Commission as a new member has not yet been appointed by Mayor. It is anticipated that an appointment will be made before the end of 2016 and then Metro Council confirmation will be scheduled.

Staff shared that the Application Review Committee has held its initial meeting and is prepared to consider Barnes Round 3 applications in the coming weeks. With the large volume of applications and expanded nature of eligible activities, the Committee asked for more time with applications. The Review Committee will meet in January again to consider, score, and make recommendations to the full Commission. The target for full Commission review and approval of Round 3 funding decision remains the January 26<sup>th</sup> Commission meeting.

THF and staff discussed that they have conducted a pre-review with OEOE staff and with application review committee members.

Timeline - Week of December 12<sup>th</sup> – Review Committee members are to submit questions related to Barnes applications. Those are due back to OEOE and then agencies will have a 3 day cure period. THF and staff will send all questions from review committee to all non-profit applicants. Responses to

Review Committee member questions will be considered by the Review Committee as they make their decisions.

Commissioner Ferrell inquired about a "Target date" for Commissioner members to have information in preparation for the January Commission meeting. He asked for complete packets to be provided to Commissioners a week ahead of time? Commissioners suggested it would be helpful to have high-end analysis - # of rental, # of homeownership, zip codes, maps, type of applications, new agencies or not, capacity building recommendations.

Policies & Procedures clarification –

Partnership level clarification for Application policy was raised. An issue has been raised about the definition and level of partnership required for funding by the Barnes Fund. By statute, the Fund can only make grants to non-profit corporations. At what level of "partnership" does this make an entity eligible for funding? Also, do out-of-state entities have the same opportunities to apply as in-state entities.

Discussion ensued. Commissioner Ferrell ask if non-profit owner has a full stake in the deal? What is the threshold of ownership? Intent is that a nonprofit might be to "own" the project and seek for-profit expertise. Technically, discussion pointed to the fact that our funds need to go to the non-profit. The Commission recognized that this would be precedence setting – and ultimately, ownership of the project is the key.

Chair Jemison arrived and took over facilitation of the meeting.

LIHTC property – for-profit developer – partnering with non-profit who would have .01% ownership . Majority-owned by non-profit could be a standard.

A motion to amend the Policies and/or the By-laws was made by Commissioner Friskis-Warren. She moved to amend the bylaws – that the Barnes Fund makes grants to TN-based nonprofits and when ownership is an issue for this round, a non-profit will own 51% or greater.

More discussion ensued and eventually, Commissioner Friskis-Warren withdrew her motion.

The Commission decided ultimately to express its intent to the Review Committee for this round and then consider future By-Law or Policy changes before the next funding Round. This was met with consensus by Commission members.

The Commission recommended the following guidance for the Review Committee – that they consider only funding a "Tennessee non-profit entity" – that legal and staff should review what constitutes and meets that intent. Possibly consider "Must be registered with the Tennessee Secretary of State – charitable solicitations and annual report, have articles of incorporation within Tennessee, in order to apply."

For future consideration –the fund project needs to involve at least 51% ownership by non-profit for a funded rental project.

And that Review committee should work with the intent as expressed by the Commission.

The Commission then recognized that THF's contract is ending on Dec. 31<sup>st</sup> and we thank them for their support and work for the Fund. In particular, staff would like to express our thanks to Melanie Lawrence for her continued support, thoughtful approach, and general companionship on this journey.

New business –

The Old Convention Center sale closed in November thus making \$5 million in additional funds for the Barnes Fund available in 2017.

Adriane presented an overview of a new NEA grant/Metro Arts Commission grant program focused on public art and affordable housing in Madison. Look for more information and description as this program is unveiled.

Adriane asked the Commission to think about when and how to deploy the additional \$5 million in 2017. One suggestion from previous strategic planning for the Commission is the idea opening Spring Round-focused on housing innovation and expanded concepts. This can be considered at the Commission meeting in February.

The Commission's next meeting is Thursday, January 26<sup>th</sup> at 2pm, back at Lindsley Hall in the Basement meeting room.

Motion to adjourn, unanimously approved – 12/8/16 – 2:55PM