



## **METROPOLITAN HOUSING TRUST FUND COMMISSION MINUTES**

Thursday, December 16, 2021  
9-11am

**Members Present:** G. Emmanuel, K. Friskics-Warren, J. Simmons, CM Suara, C. Ferrell

**Members Absent:** J. Schmitz

**Staff Present:** A. Brown (Mayor's Office Housing), M. Amos (Metro Legal), H. Davis (Mayor's Office Housing)

**Guests Present:** CM Sledge (Council), T. Skipper (New Level CDC)

### **I. Welcome**

- a. Emmanuel welcomed CM Suara as a new Commissioner.
- b. Davis reminded the gallery that CM Suara's appointment was made by the Vice Mayor.

### **II. Review and Approval of Minutes**

- a. Brown reminded the Commission that the minutes are from the September meeting since October and November meetings were cancelled.
- b. Ferrell motioned to approve, Simmons seconded. Unanimous approval.

### **III. Director of Housing Programs Update**

- a. Relevant updates pertaining to policy, PILOT, homelessness, etc.
- b. (BL2021-971) – CM O'Connell's Bill to create an Office of Housing and Homelessness

- i. Davis opened discussion regarding amendments, the new division of housing in the Metro Planning Department. She noted that the bill has been deferred until the spring at the earliest.
  - ii. Davis also noted that a new Director of Housing has been hired to stand up a new division of housing in the Planning Department. Davis stated that the new hire, Angie Hubbard, previously worked for MDHA for 10 years and then moved to Greater Nashville Regional Council. She added that the Director will begin on 1/3/2022.
  - iii. Davis also said that the Barnes Fund, including dedicated staff, would be moving to the Planning Department effective in January of 2022.
  - iv. Ferrell stated that it was a good start to move staff out of the Mayor's Office, but that a long-term solution should look like a stand-alone department of housing.
- c. (RS2021-1260) - ARP Funding for Barnes, Catalyst, and Housing Navigation Platform
- i. CM Sledge joined regarding his amendment for additional funding.
  - ii. He stated that the amendment now has 23 cosponsors of the bill including CM Suara.
  - iii. Sledge noted that he made the request based upon his experience serving on the Commission and his conversations with developers around the Catalyst Fund. He noted that additional money for the catalyst would prove useful so that it is not depleted in a small number of deals.
  - iv. Ferrell asked the audience of primarily nonprofit developers if there were more funding would there be applications to deploy additional dollars. There were a large number of hands raised when asked.

- v. Amos stated that the Commission cannot vote to approve of the amendment since it is not an agenda item. However, she stated they could write a letter stating their approval of the amendment.
- vi. Ferrell requested that Davis draft a letter for signature ahead of the Council meeting on 12/21. Davis agreed.

#### **IV. Project Progress and Financial Update**

##### **a. Legislative Update**

- i. (RS2021-1166) – Acceptance of a donation to the Barnes Fund from the Congress Group in the amount of \$2.5M
  - 1. Brown stated that she will work with Finance department to get a BX done so that the donation appears in the ledgers.
  - 2. Brown noted that the Congress Group is a commercial real estate investment firm. She added that while their decision to donate to the Barnes Fund was brokered without her knowledge until the legislation was handed to her, their new development proposals do not displace current residents or affect current affordable housing measures (i.e. an existing or previous affordable housing development).
  - 3. She then added that since Barnes is receiving more donation interest, we should consider a donation policy. She also thanked Friskics-Warren for sharing examples of policies and stated that she will present a draft at the January meeting.
- ii. (BL2021-970) – An ordinance to amend Section 2.24.250 of the Metropolitan Code of Laws to require the proceeds of the sale of delinquent tax sale properties to be deposited into the Barnes Fund for Affordable Housing.

1. Brown noted that this allows Barnes to recapture funding if the land is unusable for housing purposes. She added that the recommended lots to surplus thus far have gone out and were unselected in several rounds and often of low value. Brown noted that after review by multiple parties including Public Property, nonprofit developers, and others, the land will be surplussed. She then stated that this is another policy the Commission should consider—how to dispose of land, when, and why.
  2. Brown also added that she is currently working with the public property administrator to get more lots for the next round.
- iii. Resolution to amend RS2019-1861 to reduce the award amount and number of units for Affordable Housing Resources' contract regarding the 432 Murfreesboro Pike development has been postponed.
1. Brown noted that it has been pulled from the agenda due to drafting errors, expected to go before Council in January.

b. Draw Updates

i. Woodbine Community Organization

1. Brown stated that WCO made their second draw on their Round 7 1717 Hobson Pike development, completing the footing, framing, and foundation work. She stated that they have \$1,250,000 left on their \$2,000,000 Round 7 grant.

ii. Rebuilding Together Nashville

1. Brown said that RTN made a final draw on their Round 6 grant for another 6 completed rehab properties in Bordeaux for \$113,179.24. She noted that they have \$93,962.92 left on their \$511,310 grant.

iii. Crossbridge

1. Brown noted that Crossbridge made their 4<sup>th</sup> draw on the 35 Lindsley Round 6 grant. She stated that they have \$225,000 left to draw down upon their final Use and Occupancy from Codes. She added that they expect to have a grand opening in Mid-January.

iv. Living Development Concepts

1. Brown said that Living Development Concepts made a second draw on the 3914 Southview Drive property of their Round 7 grant. She then added that they have \$70,076 left to draw on that open contract.

v. Westminster

1. Brown stated that Westminster made two draws on their two open contracts in early December.
  - a. She stated that for Round 5, WHC drew \$11,781.74 on the eighth phase of their project for six homes. She added that they have completed 39 units on this contract and currently have \$63,858.50 to complete 29 more homes to fulfill their 68-unit obligation.
  - b. She stated that for Round 6, WHC drew \$12,500 on the third phase of their project for three homes. She then added that they have completed 8 units on this contract and currently have \$14,558.03 to complete 4 more homes to fulfill their 12-unit obligation.

**V. New Business**

- a. **Round 9 Award Discussion, Reviewer Recommendations, and Award Vote**

- i. Staff presented an overview of received applications for round 9 and recommendations from external reviewers for award.
- ii. Suara asked if it would be possible to ask the rehab organizations not requiring a lien if they could have homeowners sign an affidavit.
  1. Brown responded that Barnes has not made requirements or amendments of the actual programs' proposals in the past. However, she also added that the addresses would be recorded and new staff at the Planning Department could help track any turnover of rehabs without liens.
- iii. Suara also inquired why the cost per unit was higher for Be a Helping Hand and how Rebuilding Together calculated their total projected costs to get such low Barnes percentage, which was different from other rehab programs.
  1. Maria Harris from Be a Helping Hand noted that there were additional sitework costs and projected expenses to cushion based on Metro's fee structures changing. Harris also noted there were costs to combine the lots.
    - a. Friskics-Warren noted that they are also building much larger units than others because all of them are 3-4 bedroom duplexes rather than single units.
    - b. Friskics-Warren also noted that we should connect grantees with Cumberland Compact to address flood mitigation when the removal of trees occurs on lots.
  2. Kaitlin Dastague from Rebuilding Together responded from the gallery that they were added in-kind donations, volunteer costs, and the

appraisal of homeowners' properties into the total project cost. They stated that they would amend the budget to better outline hard costs versus in-kind to better represent the per unit costs. She also stated that the total units were 77 instead of 50, which was confused in the narrative.

- iv. All Commissioners verbally stated that they did not have any conflicts of interest with any of the applications that have been received after reviewing the list of organizations who applied.
- v. Emmanuel motioned to amend the rehab lien eligibility requirement to proposals whose work scope was under \$5000 per unit would not require a lien. Friskics-Warren seconded. Unanimous approval.
- vi. Ferrell motioned to approve all grants with the caveat that those that did not use the budget template amend their budget request and- new applicants would require quarterly, rather than annual, check-ins and the excess funding would come from the Congress Group donation. Friskics-Warren seconded. Unanimous approval.

**b. Cost Overrun Analysis**

- i. Brown stated that Commissioners were given both a cost explanation of material price increases, labor availability and cost, and open unit information from each of our current contracts. Commissioner Friskics-Warren asked that the staff present a recommendation for the cost-overrun at the December meeting so that the Commission could consider a grant increase.

- 1. Brown noted that based on her findings and data presented, she thought that it would make the most sense for the Commission to make

a one-time cost increase per unit of \$2035 using the recently donated \$2.5M dollars. She then stated that since the Commission voted to use some of the donation to cover the excess of grant costs that this per unit number would be lower (roughly \$1500 per unit). She stated that the donation is uncommitted funding and could be incredibly useful as our nonprofit partners navigate these unpredictable waters. She stated that as we see costs stabilize over the next 12 to 18 months, they should still expect higher prices than pre-pandemic, but not to the exponential level they have been due to COVID conditions and downstream petroleum effects.

2. Friskics-Warren stated that she liked the analysis and agreed that the Commission should make a decision to provide additional funding.
3. Suara stated that perhaps there should be a minimum award amount and then a per unit increase on top of that to assist smaller organizations who have less units.
4. Ferrell said that they should assist now and then have a segment of the funding in the spring for organizations to apply for additional monies due to cost overrun.
  - a. Suara and Friskics-Warren agreed.
5. Ferrell motioned to divide the remainder of the Congress Group donation evenly among the open contract units. Suara seconded.  
Unanimous approval.
6. Brown said that she believed that we would need to amend the contracts for all of the awarded contracts.



- a. Amos said she would need to review before making a recommendation for legislation.

**VI. Public Comment (Limit 2 Minutes per Community Member)**

- a. Terry Rappuhn from Westminster Home Connection thanked the Commission for the decision to award their program. She also shared that of the 39 homes with liens they have completed, only 3 have turned over. She wanted to let the Commission know that the risk of rehab turnover for profit is very low because most are long-time homeowners or elderly individuals who would have remained in the home even if the repairs did not occur. She also stated that the new analyst should consider why there is turnover when they look at the data since sometimes that is to family members who then remain in the home.

**VII. Annual Report Draft Review**

- a. Final edits and review prior to final edit stage with graphic designer after this meeting.
- b. Friskics-Warren had some questions specifically about page 13 based on the percentage of women-led and minority-led nonprofits.
  - i. Brown stated that it is total portfolio by developer or organization, not % of monies spent.
  - ii. Ferrell said that staff should include the breakdown of monies spend per minority-led and women-led organizations now and add a box at the bottom to describe the ongoing work.
    - 1. Friskics-Warren agreed.
- c. Friskics-Warren also said that staff should include something about the ongoing audit for monitoring purposes in the annual report.
  - i. Brown agreed.

**VIII. New Level CDC Draw Schedule**

- a. New Level CDC representatives joined to request an amended draw schedule for their Round 7+ project (RS2020-443) at 302 Williams Avenue, 37115 based on their revised GC projections.
  - i. Brown noted that the first two draws were completed with the current schedule, the third draw was submitted incorrectly, reformed, and resubmitted with the additional request.
  - ii. Brown stated that New Level is requesting to amend their draw schedule from 13.39% for Utilities, 17.5% for Hardscape, and 2.5% for Final Use & Occupancy balance to 15.8% Utilities/roadwork, 16.59% for vertical/road/sitework, and 1% Balance for U&O.
  - iii. Terri Skipper from New Level CDC stated to the Commission that the primary reasons for the alteration are due to an accelerated construction schedule due to the impoundment of funds in 2020. She stated that they had to acquire a loan to hold the property until construction could begin and the Board wants to use grant funds before the loan funds. She also stated that the tornado pandemic affected labor shortages and material costs. She stated that construction is well underway and should be complete by summer of 2022.
  - iv. Friskics-Warren motioned to approve, Ferrell seconded. Unanimous approval.

**IX. Announcements**

- a. UHS Relocation Letter
  - i. Brown stated that Urban Housing Solutions' development plans for Urban Flats, which was awarded a 2021 Barnes grant, requires the relocation of residents from the existing buildings to a new building nearby. She noted that the project

has unfortunately been held up in HUD review, and will break ground in January. In the interest of minimizing disruption to current residents, UHS is pushing the timeline for Urban Flats back to accommodate the relocation plan and will be requesting a minimum 12-month contract extension.

b. Applicant Survey

i. Brown said that staff will send out an anonymous survey to all applicants for feedback about the application process, updated materials, and technology so as not to interfere with this vote or direct feedback. She stated that she has received some clarifying questions, but overall feedback thus far on the platform itself has been very positive.

c. Brown noted that the Barnes audit is underway, and she has had two meetings with auditors to discuss current risk measures, documentation, and recommendations from the last audit. We anticipate a report in February of 2022.

i. She stated that a file retention, lot surplus, and donation policies are already things we may want to begin considering ahead of their risks and responses based on conversations.

d. New Commissioner Update

i. Brown noted that Alisha Haddock from The Housing Fund rescinded her nomination. She stated that staff needed to restart that process and are still working through vetting candidates to fill Lara Kuhlman's seat and the Mayor's Office is still working to hire a Boards and Commissions' liaison. She has a bank of candidates to present to them shortly. She stated for the Commission and the audience to please let her know if there are folks we should consider that we have not thought of.

e. Upcoming meetings reminder

i. Brown stated that the January date for strategic planning is 1/25 and quickly upon us. She stated that she will make sure the calendar invitation is updated for the Commission and that it is an open meeting.

1. Friskics-Warren said that staff should reach out to the Urban League to see how best the Commission can support the work that Amazon has announced. She stated that it is a large consideration for the strategic planning session since they are spending time specifically on capacity building.

f. Deed of Correction and Rental Restricted Covenant Update

i. Brown stated that this will be presented more thoroughly at the January meeting for brevity. There will be update DRCs for rental, homeowner, and deeds of correction.

**X. Adjourn**

The Barnes Housing Trust Fund

<http://barnes.nashville.gov>

Metro Housing Trust Fund Commission <http://www.nashville.gov/Government/Boards-and-Committees/Committee-Information/ID/123/Housing-Trust-Fund-Commission.aspx>