



SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

Aug. 9, 2022

6a. TAX INCREMENT FINANCING PRIORITIES

As a recommendation of the Tax Increment Financing Study, Metro now requires MDHA to perform an assessment of activities and improvements eligible for TIF on a seven-to-ten-year cycle beginning in 2022. Staff is requesting the Board to approve the list of priority uses deemed most appropriate to the goals of the individual redevelopment districts and authorize the Executive Director to submit the same list to Metro Council for their approval.

6b. PILOT AGREEMENT – MARGARET ROBERTSON HOUSING

Margaret Robertson Housing I, LLC has applied for a PILOT and plans on rehabilitating a 100-unit affordable housing complex at 571 Margaret Robertson Drive. Margaret Robertson Housing I, LLC has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The tax credits will result in an equity amount of \$12,707,222. When completed, the development will consist of 100 two-bedroom units within 25 two-story buildings. The project will offer rents well below 60% AMI for a portion of the units, and all other units will be capped at no greater than 60% AMI (project may use income averaging).

Staff is recommending approval of a PILOT that would have an initial payment of \$142,586 in lieu of property taxes after the project is placed in service. The PILOT would increase by 3% annually over the 10-year life of the agreement. This PILOT payment was based on review of the site's projected base year taxes, development budget, operating pro forma, and debt obligations. MDHA estimates this to be a tax abatement of approximately \$72,207 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$1,376,719.

7a. LEASE WITH CONNECTUS HEALTH FOR VINE HILL CLINIC

Since 2011, Connectus Health has run a health clinic in the Vine Hill Community Center. The previous lease expired in 2019, and the clinic has been operating with a month-to-month lease since then. The clinic has asked for a renewal lease of nine years in connection with a grant opportunity with the Federal Health Resources and Services Administration. Staff is asking Board approval of the attached Lease agreement between Connectus Health and MDHA pending HUD approval.