



SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

January 10, 2023

5a. Redevelopment Plan Amendment.

The first recommendation is to restrict the amount of incremental taxes that can be pledged to repay a debt. The TIF laws currently allow MDHA to pledge all non-bonded incremental tax revenues for payment of a TIF loan, currently 85% of taxes. The Amendments establish that the 75% should be the maximum amount allowable, with MDHA having the authority to increase or decrease that amount.

Next, the Amendments require a periodic review of the uses of TIF under each plan. The first assessment is due June 30, 2022, with subsequent assessments to take place no less than seven or more than ten years from the previous review. The review will include recommendations for the use of TIF for the next term. While the Development Committee had created TIF priorities for each redevelopment district in the past, these priorities will now be submitted to Metro Council for their occurrence. Should Metro Council not agree to these uses by a majority vote, MDHA's ability to make new TIF loans will be prohibited. Finally, each plan is amended to permit either MDHA or Metro Council to initiate an amendment to any redevelopment Plan, subject to the other body's approval.

5b. Ben Allen PILOT Agreement.

Ben Allen, LP has applied for a PILOT for a proposed 238-unit affordable housing development at 301 Ben Allen Road. Ben Allen, LP 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 \$36,721,848. When completed, the development will consist of 10 studio units, 46 one-bedroom units, 139 two-bedroom units, and 53 three-bedroom units. 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 \$35,700 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 \$522,951 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$1,977,049.

5c. Randee Rogers Resolution.

This item relates to an amendment to certain financing documents entered into by the Agency in connection with the financing of the Randee Rogers facility. In December 2022, the Chair and the Executive Director executed an amendment, this proposed Board resolution will

ratify and approve the actions taken by the Chair and Executive Director in connection with the amendment.

6a. Executive Director Compensation.

The proposed Board resolution would approve the 2023 salary to be paid to the Executive Director and the bonus pay for his 2022 performance.