



## METROPOLITAN HOUSING TRUST FUND COMMISSION MINUTES

Tuesday, January 24, 2023  
2pm - 4pm

**Members Present:** K. Friskics-Warren, P. Westerholm, M. Jackson, G. Emmanuel, James Simmons, CM Zulfat Suara

**Members Absent:** J. Schmitz

**Staff Present:** A. Brown (Planning Dept – Housing Division), A. Rivera (Metro Legal), R. Pardue (Planning Dept – Housing Division)

### **I. Welcome**

- a. Emmanuel begins meeting by asking for a motion to approve the minutes.

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

- a. Friskics-Warren motioned to approve. Simmons seconded. Approved unanimously.

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

- a. Legislative Up
  - Brown shared round 10 properties are being prepared for conveyance. She updated the commission regarding a change to the DRC which allows the affordability mechanism to begin at final use and occupancy rather than when the deed is filed. She explained this method will prevent loss of affordability during the title clearing process for properties donated by Metro.

- Brown furthered no legislation had been passed related to the Barnes Fund since the last meeting.

**b. Draw Updates**

Brown reported draw updates to the commission.

- Mary Parrish- Round 9, Fall 2021 \$95,034, 75% of project completed. Paid 75% per contract for reimbursement requested on monthly basis as work progresses. Leaving \$150,545.54.
- Affordable Housing Resources- Round 6, Spring 2019, \$55,184.51, 25% of project complete including door, cabinets, counter tops, drywall, trim installed. Leaving a balance of \$51,500.
- Affordable Housing Resources- Round 8, Spring 2021, drawn down a total of \$752,675 with a recent drawn of \$423,344 with 62.5% of project completed and leaving \$31,625 in the grant balance.
- Crossroads- Round 5, Fall 2017, drawn down a total of \$625,000, with a recent draw of \$250,000 and 62.5% of project being completed and \$375,000 left in the grant balance.
- Rebuilding Together Nashville- Round 9, Fall 2021, drawn down a total of \$235,672 to date with a recent draw of \$67,574.46 bringing the project to 75% of work completed and leaving a balance of \$1,613,501.
- Urban Housing Solutions-Round 9, Fall 2021 has drawn a total of \$562,500 with a the most recent draw being \$375,000 with 25% of work completed leaving a grant balance of \$2,437,500.
- Woodbine Community Organization - Round 7, Fall 2019, drawn a total of \$1,750,000 with a recent draw of \$250,000 leaving \$250,000 in the balance.

#### **IV. New Business**

##### **a. Donation from Community Foundation of Middle Tennessee**

- Brown asked the commission to review and approve a donation from the Anne Duffer Foundation, an individual from the Community Engagement fund at the Community Foundation of Middle Tennessee for \$20,000. She stated the goal for the funding was unrestricted but intended for housing.
- Friskics-Warren asked if there was more information about the foundation to ensure the acceptance of the donation is in alignment with the spirit of commission's donation policy. Friskics-Warren moved to defer vote.
- Suara confirmed there were no restrictions with the donation and moved, along with the remaining commission members, to defer voting until the next meeting.

##### **b. Contract Extension Requests**

- Brown shared the following contract extensions. She also shared that extensions for contracts ending in May 2023 were requested to be submitted as soon as possible. She warned that some of the extension requests included below might not be needed, or that some organizations could complete work before the extension period begins.

###### **i. Round 5 Fourth Extensions**

###### **1. Crossroads Campus**

Requested a 6-month extension to allow timing for a transformer to be delivered from NES as well as complete project due diligence as it relates to contract completion (i.e., inspections, final u/o, final draws).

###### **2. Westminster Home Connection**

Although 60 of the 68 rehab projects for older adults and folks with disabilities are completed or underway, navigating homeowner reluctance to sign liens for small construction projects has increased production time. WHC has requested a 12-month extension to allow adequate time for the remaining eight projects to be completed.

ii. Round 7 Second Extensions

1. Affordable Housing Resources

Due to title issues which have now been cleared the project was delayed. All units are now permitted and under construction and a 12-month extension was requested to allow construction of the units.

2. Be a Helping Hand Foundation

Due to unforeseen changes in Metro Water services processes and pricing as well as inspection delays during installation a 6-month extension was requested to complete the project.

3. Our Place Nashville

Due to Metro Nashville permitting delays related to the Dickerson Flats project a 12-month extension was requested.

4. Woodbine Community Organization

A 12-month extension is requested to allow time for receipt of final certificate of occupancy. A temporary certificate of occupancy is currently in place.

iii. Round 8 First Extensions

1. Habitat for Humanity of Greater Nashville

Due to delays in supply chain issues, stalled NES infrastructure work & backlogged Metro review/approval processes the project timeline has been backdated by a year. A 12-month extension was requested to complete the project.

2. Mending Hearts, Inc.

Due to stipulations of a stream buffer variance approval requiring additional landscaping mitigation, 12-month extension was requested to ensure the project completion. Grantee confident no further extensions should be required.

3. Woodbine Community Organization

Due to escalated funding cost more time is needed to complete the project. To maintain project feasibility a 12-month extension was requested to allow time to receive the GAP financing in progress and project completion.

4. Samaritan Recovery Community

Due to delays with requiring permits from NDOT, NES (including delivery of a transformer), Public Works and Metro Nashville, a 12-month extension was requested to allow for project completion.

5. Affordable Housing Resources

Due to time lost waiting for approvals from Metro Codes a 12-month extension is requested to allow for remaining 18 homes under construction to be completed.

6. Urban Housing Solutions

Due to review time delays associated with grading/stormwater permits as well as a before mentioned caveat with the need to avoid unhousing residents while converting a rental assistance contract via a lengthy HUD process, a 12-month extension was requested to continue the project. Grantee anticipates another six (6) month extension may be needed to complete project.

iv. Vote

- Emmanuel asked if there was a way to identify patterns or problems being experienced by developers requesting extensions.
- Brown shared the Barnes team were cataloguing issues and those would be shared in the minutes.
- Suara inquired about Westminister's homeowner liens process.
- Brown reiterated that repairs under 5K did not need a lien.
- Friskics-Warren asked if the dollar amount could be increased and if it needed to be presented to council.
- Brown explained that the commission could motion to increase the dollar amount but warned it needed to be a reasonable amount to and reminded the commission the lien acts a deterrent against house flipping using affordable subsidy.
- Friskics-Warren pointed out that was a risk and iterated that another risk was not serving those in need.
- Brown added that the Home Uplift program only used liens for projects over \$10K and suggested Barnes might consider increasing the amount to \$10K.
- Terry Rappuhn and Keith Branson with Westminister Home Connection explained that the senior population was the target being served and that some were okay

with the lien whereas others weren't. To serve everyone equitably the program was suspended while working to find a fair solution. Westminster decided to use matching funds to assist everyone therefore reducing the amount of Barnes funding spent under the 5K amount. This solved the inequity issue but created the need for an extension to complete the last eight homes in the pipeline. Rappuhn shared that for Round 9, larger projects were selected to avoid a delay in expending funds.

- Friskics-Warren voted to approve all extension requests as presented. Simmons seconded. Passed unanimously.

Friskics-Warren asked if reporting related to draw request or extension request could be reported differently to allow more time in commission meetings to discuss creative housing strategies.

**c. Chair & Vice Chair Election for 2023**

**i. Nominations**

- Emmanuel motioned to nominate Schmitz for commission chair. Suara seconded.
- Brown shared the commission chair position would be coming up for appointment in August. She recommended Schmitz stating he was in favor of serving in the role of chair should the other commissioners nominate and elect him to do so. She explained that she considered the experience of all the commission members and other experienced members have either served as chair previously or will be leaving the commission in the following year. This made Jim the most experienced member currently available for the role. She also mentioned MDHA would need to reappoint a member and welcomed other nominations from the commission. Brown shared that Emmanuel also has agreed to stay on as Vice Chair.
- Rivera with Metro legal, noted this would be her last meeting.

ii. Vote

- Emmanuel motioned to vote and to approve the nomination for Schmitz. Friskics-Warren seconded. Passed unanimously.
- Brown thanked Emmanuel for her tenure acting as chair.
- Friskics-Warren moved to elect Gina Emmanuel as Vice Chair; Simmons seconded. Unanimous approval.

d. **Small Organization Subsection in Metro Code**

i. CM Suara to revisit discussion on the Metro Code sunset provision since she was absent at the November/December meeting in 2022.

- Suara explained the initial idea with the ordinance was to ensure minority inclusion. She shared that based on current numbers showing minority participation and considering the set aside would not impact larger organizations if smaller organizations did not apply-meaning the funding would automatically transfer to the general fund, she request commission support to make legislation permanent.
- Friskics-Warren confirmed that Council prefers to see support of commission when enacting changes in Metro Code.

ii. Vote

- Brown recapped the conversation.
- Friskics-Warren inquired about the definition of a small organization.
- Brown stated the Council definition is less strict than commission definition.
- Friskics-Warren moved to support the legislation written by CM Suara and provide a letter of support from the commission.
- Simmons seconded.



- During discussion, Westerholm advised to have legislation filed by mid to late March to prepare for the August vote with council.
- Suara stated legislation is ready to file with commission approval.
- Brown stated she would generate letter of support for the chair to sign and asked council member Suara abstain from voting.
- Emmanuel recalled the motion. Friskics-Warren, Westerholm, Emmanuel, Jackson, and Simmons voted in favor. Suara abstained.

## **V. Preliminary Budget Review**

### **a. Discussion**

Brown stated that in previous years staff have presented a budget for the commission to vote on and then the commission would have to rework the budget once a final amount is allocated. Now, staff will be requesting a total amount through the Housing Director along with the other Housing Division requests. Brown noted that the Housing Director plans to request a full \$30M for FY24 as recommended by the Housing Task Force Report in 2020.

Once a final amount is approved by Metro Council, staff will present an updated budget for the commission to review and vote on for FY24.

- Brown asked for feedback to the new budget process.
- Suara noted it was efficient not to spend time voting twice.
- Brown pointed out that there was some confusion created when listed obligated funding versus the actual fund balance is shared. She explained that the Barnes fund budget usually includes grantees in various stages of the construction related expenditures. This usually inflated the balance as the program works on a reimbursement cycle and those monies, although not spent, were already obligated.

She advised finance and housing were working together to better display the budget and make reporting less confusing.

- Friskics-Warren asked if the commission could make a case by highlighting the expenditure of the twenty-six million dollars grant to applicants.
- Brown noted she would not know how many applicants were in the pipeline until February 20<sup>th</sup> when the grant applications were due.
- Friskics-Warren asked about the possibility of the fund requesting larger Metro donated properties to allow for larger affordable housing projects to be developed.
- Brown mentioned housing is currently working with the Public Property Administration stated that the EY study was underway and would inform Metro more about what Public Property is available. The Housing Director will continue to work with Public Property to determine which parcels could be utilized for the Housing Division's programs including the Barnes Fund.

#### **VI. Overview of FY23 Scoring Matrices**

- Brown mentioned that staff presented updated scoring matrices and changes and provided an update on open meetings with potential applicants.
- Brown stated the commission had received a copy of the presentation that Housing Division staff gave to potential applicants at two virtual meetings on Thursday, 01/19 and Monday 01/23 at 1pm CST. The meetings were well attended, and some general eligibility questions were received, however, there have not been any deeper questions from developers at this time. There have not been any completed applications submitted but applicants have until Monday, 02/20 at midnight to submit their applications.

- Brown also mentioned Barnes staff had worked diligently on outreach to ensure equitable access and participation in the current open funding round. She furthered that an affirmative action plan like the PILOT program had been added to the scoring matrix as well with a template being available online.
- Brown's other scoring matrix updates include bonus points for back lot donations, which have strong site control implied; bonus points for experience shifting from one person with the bulk of years to include several persons with combined years of experience; and in-depth breakdowns of ARP, rental housing, outreach to seniors, etc.
- Brown noted the ARP funding would be recaptured in 2026 if not spent. It is the hope to use the scoring matrix for the ARP funding to attract developers with experience and understanding of proposed housing models (i.e. ADU's).

**VII. Best Practice Share**

- Brown shared that, Lisa Milligan's, Land Development Division Manager in the Planning Department, presentation will be moved to subsequent commission meeting.

**VIII. Other Housing Updates**

- Brown shared the first Connecting Housing to Infrastructure Program (CHIP) bill passed which will provide additional support financing to install a HAWK crosswalk signal.
- Brown shared the Housing Division has hired a Housing Response Coordinator (Daryl Hill) and a Housing Programs Specialist (Marquel Mitchell) who will start on 01/30. She stated that this completed three of the four positions originally promised to the Housing Division. The last position will be a civil service position.

- Brown reminded the commission they received a copy of the Housing Division report card that the Housing Director sent out last week. It includes all the work that the Division completed over the course of 2022 including a link to the Housing Dashboard which includes all the Barnes data up to Round 10.

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

- Emmanuel called for public comments, having none, motioned to adjourn.

**X. Announcements**

- Brown reiterated the zoning presentation would be rescheduled.

**XI. Adjourn**

- Meeting adjourned.

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>