



## **SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS**

April 11, 2023

### **6a. PILOT – Charter Village**

Charter Village Preservation, LP has applied for a PILOT to rehabilitate a 250-unit affordable housing complex at 333 Rio Vista Drive. Charter Village Preservation, LP has applied for 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). If awarded, the tax credits will result in an equity amount of \$28,502,536. When completed, the rehabilitated development will consist of 250 units that spread between 22 two-story buildings. 100% of the units will be subject to income and restrictions, the average income restriction will be no greater than 60% of AMI.

Staff is recommending approval of a PILOT that would have an initial payment of \$186,079 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 \$433,111 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$1,543,938.

### **6b. Banking Services with Pinnacle Financial Partners**

It is requested for the MDHA Board of Commissioners to approve the Executive Director, or their designee, to execute documents for Banking Services with Pinnacle Financial Partners ("Pinnacle"). Pinnacle has offered to waive their fees for their services and provide an interest rate equal to the Effective Federal Fund Rate less 0.20% on interest earning accounts. The Effective Federal Fund Rate as of April 5, 2023, was 4.83%, so account interest earnings would be 4.63%. The contract is for an initial two (2) year term with the option to renew three (3) additional terms of twelve (12) months each.