



SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

September 12, 2023

6a. MDHA 2024 Agency Budget.

Board approval is requested for the FY 2023-2024 budgets for the Central Office Cost Center (COCC), Commercial properties, the Project Based Rental Assistance (PBRA) properties, the Freeman Webb managed properties, Rental Assistance programs, and the Community Development grants. The budgets were reviewed and recommended by the Finance & Development Committee at the September 7th meeting.

6b. PILOT Agreement – Sojourn Nolensville Apartments.

Sojourn Nolensville Apartments, LP has applied for a PILOT to construct a 170-unit affordable housing complex at 4608 and 4612 Nolensville Pike. Sojourn Nolensville Apartments, LP has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 170 residential units consisting of 38 two-bedroom units, 90 three-bedroom units, and 42 four-bedroom units. 100% of the units will be subject to income and rent restrictions, the average income restriction will be no greater than 60% of area median income (AMI).

Staff is recommending approval of a PILOT that would have an initial payment of \$30,600 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 \$391,803 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$474,114.