



METROPOLITAN HOUSING TRUST FUND COMMISSION MINUTES

Tuesday, September 26, 2023
2pm - 4pm
East Park Community Center
600 Woodland St., Nashville, TN 37206

Members Present: P. Westerholm, G. Emmanuel, J. Simmons, K. Friskics-Warren

Members Absent: J. Schmitz, M. Carmen-Jackson, CM Zulfat Suara

Staff Present: K. Weaver (Planning Dept – Housing Division),
R. Pardue (Planning Dept – Housing Division), K. Ensign (Planning Dept – Housing Division), T. Ortiz-Marsh
(Metro Legal)

I. Welcome

- Emmanuel welcomed everyone and started the meeting.

II. Approval of the Minutes

- Emmanuel asked for a motion to approve minutes. Westerholm motioned to approve. Friskics-Warren seconded. Passed unanimously.

III. Public Comment

- Emmanuel asked for public comment. Andy Zou from MFX Ventures addressed the commission.
- Zou shared generic proforma information related to the ARPA Co-op grant and its unit requirements. He conveyed the units required (108 in initial policy language) may not be financially feasible for a developer to produce.

IV. Financial Update and Legislation

A. Financial Update-Budget to Actual Financial Report FY23 EOY 7/1/22 to 6/30/23

- Weaver shared FY23 EOY actuals through 8/31/23. The report included Operations and Barnes grant funding for the period shown.

B. FY24 Budget Monthly Barnes Financial Report- Inception to Present

- Weaver shared the Monthly financial report.
 - \$383,300 operations budget for the year
 - \$31,000 spent in August 23

- Inception to present (FY2014 to 8/31/23) total revenue \$96.45M
- FY23 expenses to date \$9.81M

C. Draw Updates

- Pardue shared the draw updates for August.

Non-Profit	Round	Project	Draw Amount	Fund Balance
Rebuilding Together Nashville	9	Various Sites	\$ 66,295.73	1,352,598.26
Pathway (TVA)	9	Various Sites	\$ 26,344.65	763,464.82

V. Old Business

A. For Discussion: Feedback from Alliance Workgroup & Grantees on Process and Program Improvements & Grant Policy Changes

Alliance Workgroup Feedback and Resulting Grant Policy Changes for Round 12

- Weaver shared feedback from Alliance members would be used for program improvements. Some of the highlights include:
 - Highlights - Up to \$4M for grant cap
 - Increased developer caps
 - Better aligning the scoring matrix with the applications
 - Setting predictable Fall and Spring funding rounds – around October and March of each year
- Emmanuel inquired about procurement and asked for guidance on releasing policy in advance of the application period opening. Weaver explained policy is now included in the application making it necessary to release all information at once for fairness.
- Weaver stated that the application period for Rounds 12 and 13 will be 6 weeks, but in future may be shortened if announcement timeframe can be lengthened to give potential grantees more time to prepare.
- Weaver advised that although the policy and scoring matrix were not ready for release due to fairness in procurement, two of the upcoming grants (Cooperative Housing and Shared Housing Improvements) were still listed on the website from Round 11 if potential grantees wanted basic information about those two grants.
- Weaver mentioned that online orientations would occur within 1 week after application opens to provide more guidance and information about each grant.

- Weaver shared that Round 13 would split rehab into two sections: owner-occupied and nonprofit-owned/operated models (i.e. an agency renting units to program participants). Although both are preservation, the owner-occupied model would include shorter affordability periods whereas the nonprofit owned model would retain the 30-year affordability period.
- Friskics-Warren asked if the existing units already funded would reset affordability period if grantees later received funding for rehab of those same units. Weaver acknowledged it was a good question and offered to follow up later.
- Weaver continued that the lien amounts would be contingent upon the rehab or project amount. There will be a tiered affordability period. Additionally, the draw schedules would be updated to match the corresponding project types.
- Weaver shared there are now four minimum questions each applicant would need to answer in the affirmative to be able to move forward with an application. This will assist in allowing an organization to avoid spending time completing an application if their organization isn't eligible.
- Frickics- Warren asked about the cure period in previous application cycles. Weaver agreed to retain the cure period and stated she'd review the previous manager's system.
- Weaver shared the following:
 - No Metro properties would be offered in Round 12
 - Friskics-Warren inquired as to when are income limits verified? Weaver responded that would be one of the new compliance monitor duties to see what is currently being done and help us develop policy.
- Weaver encouraged people to email with comments about current processes at Karin.weaver@nashville.gov.

B. For Vote: Round 12 - ARPA Special Funding Round issued within next couple of weeks.

- Westerholm advised to discuss and vote on each section separately.
- Friskics-Warren asked about changes with the Co-op model.
- Emmanuel reminded staff that Shared Equity training should be offered to the commission.
 - i. **ARPA Age in Place – Shared Housing** **\$ 1,200,000**
 - Westerholm moved to approve. Simmons seconded. Approved.
 - ii. **ARPA Innovative Housing Solutions – Co-op Housing** **\$ 7,000,000**

Voting deferred to October meeting to allow for further discussion and commission questions to be answered. Weaver will respond to questions from directors, she asked commission members to put questions in writing.

iii. ARPA Shared Equity Housing

\$ 9,504,856

Westerholm moved to approve. Simmons seconded. Approved.

iv. FY24 Grant Policy Round 12 - ARPA

Weaver asked the commission to move forward with approving the grant policy noting it was emailed to the commission for review. Friskics-Warren moved to approve. Westerholm seconded. Approved.

C. For Vote: Amendment to Contract for Urban League of Middle Tennessee/Holladay Construction

- Weaver shared Council Member Sean Parker supported the unit mix change. She shared the original CBA 11/1/2022 between CREA and Urban League of Middle TN was provided as requested. Weaver reminded the commission they would be voting to amend 590 Joseph Avenue contract for Urban League of Middle Tennessee and Holladay in the following ways:
 - 116 units of rental housing for individuals making 31-60% AMI would be amended to:
 - 35 units of rental housing for individuals making at or below 30% AMI
 - 53 units of rental housing for individuals making 31-60% AMI
 - Total of 88 units (32% decrease from original contract)

Friskics-Warren moved to approve. Simmons seconded. Approved unanimously.

D. For Discussion: Update on HTF Commissioner appointments/expiration

- Weaver shared that terms for Schmitz (9/17/23), Simmons (8/31/23) and Zulfat (8/31/23) have all expired; however, all are able to continue serving for 60 days from expiration date.
- Ortiz-Marsh shared Metro Nashville's policy 60-day holdovers while waiting on appointments, after 60 days the seats will be empty.
- Weaver shared the housing director was in touch with mayor's office and MDHA.
- Emmanuel mentioned it has happened before; Friskics-Warren advised to propose mayor names in advance. Emmanuel agreed there were plenty of great people in the city.
- Weaver asked commission members to provide suggestions for potential Commissioners. Noted that good candidates would represent a diverse perspective including candidates in Design, real estate, development, finance, etc.

E. For Discussion: Round 13 - Barnes General Funding Round

- Weaver shared that a vote is expected for Round 13 at the October meeting. She stated the funding, consisting of \$25,446,499, would be expected to open by early November.
- Friskics-Warren asked about land, specifically how to use Metro land? Weaver responded available land is currently limited for immediate rounds; however, Angela Hubbard, the housing director, has been meeting with other departments and will be working with external faith-based organizations to find land available for development. It was noted the city is behind with land acquisition for affordable housing.

VI. New Business

- Weaver reported the audit was complete and clear of findings- see attached.

VII. Announcements

- The next HTF meeting will be held back at Sonny West building at the Howard Campus.
- Ensign shared information for the HUD Pro Housing grant which will make \$75M for municipalities throughout the country for land use, production, land barriers and other affordable housing issues.
 - The housing division worked closely with leadership to come up with a proposal and the division plans to apply for the max grant award, which is \$10M.
 - The grant is competitive grant is aligned with MDHA Consolidated Plan. Data analysis, zoning, land supply, public input from the consolidated plan will be used to address primary barriers.
 - There will be a stakeholder meeting and a public hearing in a couple of weeks. Some activities include:
 1. Grant administration
 2. Focus on Middle Housing and using BIPOC lead developers (i.e., Red Academy);
 3. Supplying faith-based organizations, etc., drafting initial guide with definitions to share with those partners to educate to have them apply for funding. The idea being that faith-based organizations have access to land which is needed for affordable housing development;
 4. Finance and development for developments servings the 0 to 30 % population as existing tools do not support that unit type (PSH/ deeply affordable units).
- Ensign shared that two meetings would be held, one virtual and one in-person at Sonny West on Wednesday, 10/11 at 11 am and 5:30, pm respectively. The application draft would be shared online on 10/2 and the application is dues at the end of October. A draft will go to council for approval on 10/17. Please reach out to Kaycee Ensign with questions or comments at kaycee.ensign@nashville.gov.
- Zhou pressed \$50K gap unit, a 50 percent AMI, cannot get 100 units done at current AMI, requested that grant change to “as many as possible” instead of a particular number.
- Public comment- Release draft asap to applicants to make process easier.

- An audience member noted rental dollars should serve up to 75 % AMI.
- Recommendations should be approved or not approved by October meeting including raising grant amount to \$4M.
- Timing, if approved, when will R13 open? Weaver responded, some time in November.

VIII. Adjourn

- With no further comments, Emmanuel concluded the meeting.

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>