



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

July 9, 2024

### **5a. 2024 Annual Update to the Consolidated Plan.**

MDHA has prepared the 2024 Annual Action Plan for Nashville-Davidson County which describes funding priorities for the 2024-25 program year (June 1, 2024 – May 31, 2025) that align with strategic goals identified in the 2023-2028 Five-Year Consolidated Plan for the following HUD grant programs: CDBG, HOME, ESG, and HOPWA. The 2024 Action Plan serves as Metro Nashville's application for receiving grant funds.

### **5b. Third Omnibus Amendment for Randee Rogers Apartments Construction Financing.**

The Third Omnibus Amendment for the construction financing of Randee Rogers Apartments will extend the loan for six months, with a new outside conversion date of December 19, 2024. This amendment also incorporates a Resizing Escrow Agreement, which establishes a \$2,000,000 escrow that will cover costs associated with any resizing of the permanent loan at conversion to permanent financing. Any unused portion of the escrow will revert to MDHA at permanent loan conversion.

### **5c. PILOT Agreement - 4th and Shelby.**

Shelby House II, LP has applied for a PILOT to develop a 289-unit affordable housing complex located at 400 South 5th Street. Shelby House II, LP has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 289 units consisting of 68 studio units, 211 one-bedroom units, and 10 two-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 \$15,895 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 \$761,956 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$957,713.

**5d. PILOT Agreement – Inspiritus.**

Inspiritus Senior Housing, LP has applied for a PILOT to develop an 80-unit affordable housing complex located at 1622 Rosa L Parks Blvd. Inspiritus Senior Housing, LP has received an allocation of 9% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 80 units consisting of 32 studio units and 48 one-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 \$24,000 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 \$60,484 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$1,719,669.