



SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

Aug. 13, 2024

5a. PILOT Agreement Trinity Flats

ECG Trinity Flats, LP has applied for a PILOT to develop a 253-unit affordable housing complex located at 869 W Trinity Lane. ECG Trinity Flats, LP has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 253 units consisting of 22 one-bedroom units, 91 two-bedroom units, 98 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 \$25,300 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 \$583,853 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$2,873,860.

5b. PILOT Agreement North River

WCO North River, LP has applied for a PILOT to develop a 250-unit affordable housing complex located at 3720 Clarksville Pike. WCO North River, LP has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 250 units consisting of 25 one-bedroom units, 90 two-bedroom units, 100 three-bedroom units, and 35 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 \$25,000 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 \$719,791 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$2,154,069.