



METROPOLITAN HOUSING TRUST FUND COMMISSION MINUTES

July 23, 2024

2pm- 4pm

Members Present: P. Westerholm; K. Friskics-Warren; M. Carmen-Jackson; A. Christianson-Galina; G. Emmanuel, D. Moore

Members Absent: CM Brandon Taylor

Staff Present: A. Hubbard (Planning Dept- Housing Division); C. Middlebrooks (Planning Dept – Housing Division); R. Pardue (Planning Dept – Housing Division); J. Dean (Planning-Housing Division); T. Ortiz-Marsh (Metro Legal)

1) **Welcome**

Westerholm begin the meeting at 2:01pm by introducing himself, noting the date and reading the Metro code.

2) **Public Comment**

Westerholm called for public comment.

Eddie Latimer signed up for comment. He stated he would like to make a comment about a disaster that had been avoided thanks to Barnes Funds being available. Developers are facing the problem of there being no clear voice for Affordable Housing. Everyone says they're for it but the actions from the departments developers deal with aren't showing that. They are hostile at times. Case in point is the church that built five cute townhomes only to have the city charged them \$380K for a water line. That would have put the church in jeopardy of survival. We cannot afford to have naysayers of the Barnes Fund to have ammunition to speak against us and take away from that.

You all in this room actually true champions of affordable housing and you are good stewards of it. You watch it and collect it back if housing not produced and put it back out. There are too many departments that don't have that mission or vision and it's pretty much based on this and Angie told me there was a committee being formed that I'm excited to hear about, but you cannot have a philosophy that the developer has to pay for the city's infrastructure and still

expect us to deliver an affordable product. We have a hard time building home for 200K and that is barely affordable to an eighty percent person making over 70K per year. We have to have a voice that can have the authority to speak to all departments and have them on the same page. We have to compromise on the philosophy that the developer has to pay for the city's infrastructure.

3) Approval of Minutes

Westerholm called for a motion to approve the June minutes. Moore motioned to approve. Cristiana-Gallina seconded. Passed unanimously.

4) Financial Update and Legislation

a) Financial Update

Westerholm stated June financial would be presented and turned the floor over to Hubbard.

Hubbard asked for grace and patience as this was the first meeting she had led. She noted that she knew there were some questions about what these numbers mean. The Barnes team will be having meeting with Metro finance about these numbers and how to streamline how data is presented. June financials reflect budget to 6/30, in operational transfers includes money from MDHA to Barnes Fund which counts in the FY25 budget. Also clarifying and elevating for you the STR transfers, it is my understands when council approved portion Barnes Funds receives from Hotel/ Motel H/M tax that comes to Barnes Fund reduces down the operational transfers. I need to make sure that's happening in the report and not on top off so these are some of the things we will clarifying with finance, in Aug we will come back and walk through numbers. These are the budget to actual through 6/30 and next page is the five-year report for the Barnes Fund. She asked for questions to take to finance if any.

Westerholm asked if the budget confirms column for year to date actual for FY24 was a yearend actual or not.

Hubbard responded that staff would have that confirmation with July actuals after closing out the fiscal year.

Christiana-Galina inquired about the software license and subscription; he asked what the 10K subscription was for.

Hubbard stated it was for Survey Monkey Apply, the current software used for grant applications, its roughly around ten thousand dollars and it's renewed each year or less, it's about six thousand. She shared we asked for funding for actual grant management software, and it was not approved.

Survey monkey showing up in the software license and then the subscription.

Hubbard stated she'd confirm with finance and report back.

Friskics-Warren comment that grant management software was not inexpensive.

b) Draw Report Update

Pardue shared draws to date ending June 30, 2024- see attached.

Westerholm asked in case of Pathway Lending, once it's completely drawn down, what happens next. What happens to ensure compliance over the duration of the term.

Pardue shared the organization would complete a final report as well as record a restrictive covenant on the property for the affordability period. She also shared that Dean, the compliance manager, would be to ensure grantee compliance post contract.

5) Items for Vote

a) Grant Contract Amendments

i) Living Development Concepts

Hubbard shared that LDC requested an initial 12 extension to its Round 10 contract extending the contract term to thirty-six months (36) for its 1604 Arthur Ave, 919 43rd Ave N., 229 Center St. and 2909 Booker St addresses due to needing more time to clear title.

Westerholm asked for questions or a motion.

Vote: Friskics-Warren moved to approve the amendment. Emmanuel seconded. Passed unanimously.

ii) Woodbine Community Organization

Hubbard shared WCO requested an initial extension of twelve months, a location and unit change to its Round 10 project RS2022 1857. The request will extend the contract term to thirty-six months (36); change the location from 6962 Highway 70S. to 869 West Trinity Lane from a site that has experienced buffer issues negatively impacting the development to a better site which is already contracted by WCO; and increase the unit count from sixty (60) to one hundred and eighty-two (182). This request is supported by staff due to the significance in the ability to increase unit number and unit types from studio to units which will be heavier in the two, three bedrooms.

Hubbard stated that the increase in units would not impact the grant award and that WCO, may need an additional extension for the project to be completed.

Moore noted that this project was approved in 2022 and another project was not approved for an address change previously. She mentioned a concern in not setting precedence for location changes as well as the amount of time passed. It is

commendable that the units offered will be more houses and units serving larger families but is concerned about the length of time.

Hubbard noted the other project also requested a change in project type from New Construction to Rehab without adding additional net new units to the inventory. WCO would not be switching evaluation factors; however, if so, staff felt like the project would have scored more due the increased unit count. For this project they would be under the same evaluation.

Emmanuel asked if other projects might have scored higher against other projects.

Hubbard stated she believed this one would have scored higher.

Emmanuel agreed with Moore but noted the two requests were not identical. The larger units are really an asset. Developers are doing the best they can to create affordable units.

Pardue reminded the commission that it had approved a previous address change.

Friskics- Warren noted Crossroads Campus changed location multiple times but ended up in the original site.

Hubbard noted the consideration of Barnes being first funding in the project means it's possible for some project details need to be worked out. Site control, capital stack, etc.

Friskics-Warren noted the commission should balance Barnes being first money in a project and the number units provided to serve people quickly.

Hubbard noted that staff would not have recommended approval without a sales contract in hand.

Westerholm asked for further questions and noted if the West Trinity Lane address is in the process of being better equipped by transit and would be better than the Bellevue project. He asked if the commission would entertain a motion to approve.

Vote: Emmanuel moved to approve. Friskics-Warren seconded. Passed unanimously.

b) Contract Templates

a. Homeowner, Rental New Construction and Rehab Projects

Westerholm asked if the templates should be voted on individually or as a whole.

Hubbard provide background noting staff are working to streamline processes. Staff decided to do a template for each funding type as the project types having different requirements. She noted staff would use the updated contract going forward and that

she had collaborated with legal to create the templates. She noted the fund has over 150 contracts to manage. She noted edits included adding a contract number to all three contract templates and provided context that the historical reference data used included the resolution and exhibit numbers for tracking and reporting. Hubbard noted A.6 requirements had been updated to be project specific, that the draw schedule would be removed from the body and replaced as an attachment to the contract and reporting requirements. She iterated that the current interim and final required reports would now be annual reports for as long as project is ongoing. For example, if a project is awarded and starts a year later staff would not get a report until project started. She stated those are some of the changes implemented and the commission could vote individually or as a whole.

Westerholm asked how the commission would like to vote, whole or individually.

Friskics-Warren asked if labor protections was in contract or somewhere else.

Hubbard responded it was in the policy and noted that staff checks data base and asked in application A.6 for rental project to provide annual eviction report including reason and type.

Westerholm noted he was comfortable taking the vote unless there were objections. He asked for a motion to approve.

Vote: Christianson-Galina moved to approve. Moore seconded. Passed unanimously.

6) Items for Discussion

a) Transition Update

Hubbard stated that Middlebrooks, the new Housing Trust Fund Manager is official, and had been on the job one- and one-half days. She invited Middlebrooks up to be reintroduced to the commission and public.

Middlebrooks expressed excitement to have started. She shared that she was previously at the juvenile court managing a grant; however, prior to that she managed a federal housing grant for many years. She shared that she hails from Germany by way of the military but was originally from New Jersey. She has been in TN since 2011 and is super excited to be here and learn.

b) Round 14 Update

Hubbard shared the Round 14 PSH Deeply Affordable housing applications which closed on July 15th, received seven (7) applications totaling 27.5 M, well over amount available. She noted staff was currently performing a threshold review and that eligible applications will go to an external evaluation review panel. Results of that information would be provided to the commission at the August meeting. No commissioners are on the review panel.

Friskics-Warren noted she was wrong about no applicants applying for this round and is interested in the analysis. Wondering if information will reflect how little debt developers may carry to produce these units.

Hubbard noted she'd be happy to provide an analysis and is also looking forward to that information to look at how deeply affordable housing is funded. She thanked Friskics-Warren for the comment.

Westerholm mentioned the current holistic challenges and there are many lessons learned. He noted no approval was needed for the discussion and moved to the FY25 Budget discussion.

c) FY 25 Budget Update

Hubbard mentioned staff was working on the budget, Metro Finance did not include FY26 funding, in August we will have that breakdown, including subscription, fund balance, identified projects incomplete, as well as the FY25 funding cycles (returned \$). This would include any returned funding in process.

d) FY 25 Funding Cycles

Hubbard shared 6M would be available in July 2024, 7.5M available, which will be on the August vote for recommendation for round timing and \$16M will be accessible in February of 2025. Metro will perform audited financials and transfer funding when available. It is not recommended to open round until all funding is available. She mentioned the commission could have a conversation on whether they preferred a split cycle round or wait for late winter when all funding is accessible. She referred to this discussion and vote at the last meeting.

Westerholm opened the floor for comments and questions.

Friskics- Warren mentioned waiting might allow new staff time to orient but the flip side is that nonprofits may have opportunity for which timing is important. She asked if there was a way for folks to share opinion on the topic.

Hubbard reminded the commission that public comment could be used to express opinions.

Emmanuel agreed and said a series of round put out may already be hard to manage and that putting out small round is a lot of work for a little money.

Hubbard noted one comment after last month's meeting, would expect same level of response for \$6M, alternately, we could award \$6 M and have que lined up. She mentioned she was not sure if that is legal.

Ortiz-Marsh noted she could not provide a response today.

Westerholm noted the commission would discuss and vote in August whether to split funds and have two rounds.

Christianson-Galina noted he was intrigued by the proposal.

e) Commissioner Survey

Westerholm thanked all who submitted responses. He shared the commission asked questions and shared input and mentioned he would not be going through question by question but opened the floor for reflection and general reaction.

Friskics-Warren wanted to understand role in working for not for profits and for profits consultants so that people know our lane or niche. She mentioned sharing results to share with United Housing Strategy

Hubbard mentioned there were more tactical responses related to issues which could be used to address how the team will provide data, we will use this feedback in both of those ways.

Christiana-Galina inquired about a historical data meeting to gain historical information on a Land bank, etc.

Hubbard offered to set up meetings with Chair and noted there were different interpretations.

Friskics-Warren noted the commission could invite some folks like Chris Ferrell, my head went to Jemison, we grieve her and her role in affordable housing.

Hubbard agreed it would be good to know the, how, why, evolution, role, now that we have the division and other tools, working with Catherine on training etc.

Friskics-Warren mentioned the other advantage to rolling money up is to allow time for training, using time to educate commission on what they need to do and how they can do more.

Westerholm mentioned that he appreciated having the access to tools to look at like the housing dashboard and he encouraged commissioners and audience to add to their favorites tab. He also agreed with Friskics-Warren about sharing survey results with UHS consultants.

f) Unified Housing Strategy Roundtable Session

Hubbard shared the division had been having listening sessions for community and stake holder engagement with four county wide and specific discussion with targeted groups like

NOAH and Standup. We would like to hold session with just the commission at the back end of the September meeting. It will not be planned as an agenda item as it would be an hour plus to hear from commission and share with consultants. Hubbard will work with Legal on format and regardless will be a public noticed meeting. Asked commission to plan to attend as it will be good for commission feedback and provide opportunity for citizen input. She iterated that the page on website dedicated to the UHS with link to survey. She noted during the meeting staff steps out and let honest discussion happen.

Westerholm asked to what extent are other metro departments engaging in the conversation.

Hubbard responded there's a technical committee that is made up of leadership from Metro Social Services, Metro Action Commission, MDHA, Metro Courts, Planning, Land Development, the Land development director, Claxton and his tech team. They use the UHS to look at comprehensive housing needs and how do we address those comprehensively, not just through Metro resources, it helps identify where we aren't picking or tracking a particular issue. That's that committee, there are also targeted engagement with Water, NDOT and Codes. Speaking to Latimer comment, a couple of months ago the council pass a resolution introducing a housing and infrastructure study and that's going to take the finding from the UHS looking at NDOT, Nashville Department of Transportation, multi model mobility masterplan, stormwater management plan, our land use and zoning policy, how all of that is addressing housing and infrastructure to better align our policy around our growth and infrastructure plan, as well as our housing and planning so that hopefully we can get in front some of the problems our developers have encountered regarding infrastructure needs and our UHS consultant is also elevating where they are finding issues related to infrastructure impact on housing as well as our regulatory bodies.

Westerholm asked for any further comments.

g) Housing Division Updates

Hubbard shared the following:

- The division received a Pro Housing Grant for 5M although applied for 10M. It took six months longer than expected to be noticed of funding award. The original scope included four items including funding PSH housing. However, since full funding was not received. She has asked HUD to adjust budget. The grant items include Faith based development support which assist faith-based organizations that do not have infrastructure. The other is an affordable housing accelerator program geared at BIPOC and emerging developers to act as a vehicle to bridge funding gap for accessing the set aside from Barnes fund. She noted it would fill the gap between RED academy graduate and access to funding by providing access to a grant writer, design, legal advice, etc. Those are the activities we are looking to do with that fund.
- Catalyst launched 20M ah task force, from ARPA, what we don't have right now, is the ability to compete with market for naturally occurring affordable

housing. This tool will assist developers to have access to nimble low-cost capital. Hannah Davis and the Catalyst team will present on the fund to educate the commission on how this tool works and aligns with the Barnes Fund. Asked Housing Department to present in August. These are two big new tools.

Friskics-Warren asked about where corporate funds added to 20 M.

Hubbard shared it will be leveraged by First Horizon bank who will come in as a 50M credit facility, which means they will loan us 25M in low cost loans and we are recruiting other banks to come in at five million at minimum but to get to the 50M credit utility and then the Community Foundation team are fundraising for philanthropic so Vanderbilt signed on for a five million dollar commitment and we are looking for more philanthropic as well as corporate to donations into the fund and this designed to be a Revolving Loan Fund and it sits outside of Metro and the Community Foundation is our fiscal agent, they partner with Forsythe Street Advisors who is the fund manager and they've created these fund in larger cities around the country and have really been successful. That's our big news.

Emmanuel asked if the Housing Accelerator Program would be open to Non-Profit and for-profit developers.

Hubbard stated we'd want it open to anyone.

Westerholm move on to announcements.

7) Announcements

Hubbard noted that the contract amendment request should be submitted by the 1st of the month to get on the agenda for that month. This will allow staff time to process as well as get too legal etc. She shared publicly for anyone in the room.

Friskics-Warren thanked staff for Memo format, important that Commission does look into these things and that Commission believes in protecting the fund. She noted labor violations and evictions is something commission needs to learn about.

8) Adjourn

With no further announcements, Westerholm ask for a motion to adjourn at 2:56 pm. Christianson-Galina moved. Friskics-Warren seconded.