



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

Sept. 10, 2024

### **5a. 2025 Agency Operating Budget**

Board approval is requested for all the Fiscal Year 2025 budgets for the Central Office Cost Center (COCC), the Freeman Webb managed properties, the RPM managed properties, the Project Based Rental Assistance (PBRA) properties with Public Housing properties, the program budgets for Rental Assistance, Community Development and Resident Services, and Urban Development, and the operating budgets for other commercial leases and business-type activities. The budgets were reviewed and recommended by the Finance and Development Committee at the September 5th meeting.

### **5b. Driver Safety Matching Grant Program**

MDHA is committed to the safety and well-being of its employees, and all efforts shall be made to provide a safe and hazard-free workplace. MDHA holds automobile liability coverage with Public Entity Partners and is eligible to seek reimbursement of half of its costs (up to \$4,000 through a matching grant program) by offering driver's safety training to its employees. Board approval is requested to apply for this grant.

### **5c. PILOT Agreement – Burning Tree**

EC Burning Tree, LLC has applied for a PILOT to rehabilitate a 280-unit affordable housing complex located at 345 Burning Tree Drive. EC Burning Tree, LLC has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 280 units consisting of one, two, and three-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 \$224,678 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 \$261,398 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$2,054,527.

**5d. PILOT Agreement – Northview**

UCC Northview, LLC has applied for a PILOT to develop a 254-unit affordable housing complex located at 876 W Trinity Lane. UCC Northview, LLC has received an allocation of 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). The development will contain 254 units consisting of 130 one-bedroom units and 124 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 \$25,400 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 \$557,935 for the first year the property is placed in service. This would leave MDHA's annual abatement capacity at \$2,315,925.