



METROPOLITAN HOUSING TRUST FUND COMMISSION MINUTES

October 22, 2024

2pm - 4pm

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

Members Absent: M. Carmen-Jackson, CM Brandon Taylor

Staff Present: 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 began the meeting at 2:05pm noting the issues with parking and reading the Metro code. He encouraged anyone wanting to make public comment to sign up. He iterated that former commissioner, Kaki Friskics-Warren, asked the audience to use the time to voice concerns and ask questions and termed the action the “Kaki” nudge.

2) **New Commissioner Introduction**

Westerholm paused to introduce the new commissioner.

Middlebrooks informed the commission that Jayla Thomas was elected to take the vacant seat. She was not available for introduction.

3) **Approval of Minutes**

Westerholm called for approval of the September minutes.

Vote: Emmanuel motioned to approve. Moore seconded. Passed Unanimously.

4) **Public Comment**

Westerholm called for public comment.

Pardue introduced Lucile Houseworth from Habitat for Humanity.

Houseworth iterated she accepted the “Kaki” nudge and thanked the commission for the opportunity. She stated that Habitat has had more than 10 rounds of successful funding serving many folks who otherwise would not have been able to afford homes. She iterated appreciation for the fund. During the last meeting, as you pointed out, Friskics-Warren invited us to use this opportunity for education. Offers the following observation and thoughts.

Overall thoughts on application. Been working in grants for Habitat for sixteen years now, have seen a lot of applications. For the commission’s understanding, from her perspective, having seen numerous applications, she shared the application is thorough and insightful asking questions to get the project started and completed as well as positioned for long term success.

As consideration is giving to updating the criteria for the 2025 round as discussed in the previous meeting, I wanted to share some application observations. There are four points to cover.

The first is related to the due diligence question. The second to Funding Sources and Uses also called the capital stack. The third, which has come before this commission a number of times, which it should, is land being an allowable purchase and the fourth having to do with reporting.

So, let me start first with due diligence, the question from round thirteen, was a great category to include and expand. I’m sure everyone has seen it but I’ll read a few lines to be sure we are all on the same page, words from that section read as follows: “Please describe the level of dd performed to understand the permitting and code requirements for the proposed project. If you have met with a Metro official, please provide the name and date of the meeting” and then elsewhere in the application, it invites you to comment on any engagement you’ve had with a CM for the respective district where the project is. As we, or you all discussed in the last meeting, CM is critical and generally most effective early on in the process in the hopes it can reduce weed work to make design changes, etc.

Houseworth recommended keeping this question in the application as it provides insight into the whole situation with approvals or the status of the property.

The second, FSU, formerly called the capital stack. Again, she read a few lines from the application, “to receive points, applicants generally need to request fifty percent or less of the project budget to receive full points, if you request more than fifty percent of the project budget, the application will be allowed but will be scored accordingly, ideally you should also have funding for the remaining balance, usually from several sources, please list all sources of funding, for each source, describe whether it is a loan, grant or other subsidy, and the status for each source, such as secured, applied for, waiting determination or not yet applied for funding.

Here are my thoughts on that which I offer to the commission. Given that the capital stack is always more than Barnes funding and sometimes at least six or more other sources with their own criteria and restraints, I would offer that as the commission evaluates criteria for Barnes such as the appropriate income as discussed in the last meeting, it would be helpful if the changes considered what other funding sources require, because the criteria has to be met for

each source of funding within the capital stack. So, as an example, if other funding sources in the stack use AMI for income and Barnes uses a different index, the income calculations would need to run both ways because of the requirements for different funding sources, which could add work to the nonprofit.

The third topic I'd like to talk about is, should purchase of land be an allowable expense? It has come up over several meetings. That is appealing, since when land has to be purchased, it is more and more expensive, if you can even find it. She cautioned, that unless the purchase of land could be included on a reimbursement basis for the funding, including its purchase within a Barnes grant would be challenging given the contract term of two years, even with a one-year extension which is generally awarded. This is especially true if part of the capital stack is federally funding, such as HUD, HOME or Shop? funding that requires an environmental review, which takes a minimum of six months, and in our recent experience closer to one year. So it's that time factor that we need to consider.

Last, she talked about reporting, I have with me today Jessi Shaler, our grants manager. She handles the grant reporting. We wanted to comment on that particular topic. At prior meetings, reporting enhancements have been outlined as a priority, which as an awardee we support, especially given the significant dollar investment of Barnes funds in the project. Additional specificity and clarity within the interim and final reports will help ensure clarity of expectations for the partnership.

In conclusion, she thanked the commission members for their work and the staff in the housing office and all the other members and council members for committing this funding for our city. She shared she's been in Nashville for forty years and has witnessed the change and growth including the increased need for affordable housing.

Westerholm thanked Houseworth for her comments and reminded everyone that public comment should generally be kept to three minutes but iterated due to the meeting's light agenda, at the chair's discretion, a little more time was allowed. In the future, if you have prepared notes, please check in to ensure there is time. He iterated his appreciation for the comments otherwise.

Pardue introduced Andy Zhu with MFX Ventures.

Zhu iterated he was also following the "Kaki" nudge stating, that essentially, just adding on to the back of that, noting the commission had discussed changes as well as potential changes last time to the ranking and scoring, just wanting to follow up and make sure that was on the agenda for discussion today, wondering when or if there was going to be availability to submit comments or how the commission wanted to take or solicit feedback from Habitat or other groups about improvements to the process. He just wanted to hear what the ideal forum would be.

Middlebrooks shared the Round 15 timeline had been put out and stated when we start putting out the round, we will work with the commission to set things in motion like prepping and you all will know about when we start working with the commission on that.

Emmanuel noted the next meeting was a combined meeting, a lot of that will be on commissioner training and talking about policy. I'd encourage you to come to that, it's a great opportunity to talk about things like that. Last month we covered the listening session and I'm sure we will be discussing that kind of thing then.

Westerholm thanked Middlebrooks and Emmanuel and asked for further comments. Being none, he moved to the next agenda item.

5) Financial Update and Legislation

Westerholm asked Middlebrooks to walk through the September financials.

Middlebrooks said the commission has the financials in their packets. The FY24 actuals followed by the FY25 Budget and the actuals for July and August and September and lastly, as requested by commissioner Kaki Friskics-Warren, we also added the year-to-date percentage.

Westerholm asked for questions or comments and noted he'd share the addition with Kaki (Friskics-Warren).

Middlebrooks iterated Kaki (Friskics-Warren) set some things in motion on her way out.

Westerholm paused to allow time for review and questions. Being none, moved on to the next agenda item.

6) Items for Vote

There were no agenda items for vote.

7) Items for Discussion

a) Progress Report

Westerholm noted the progress report was next on the agenda and asked Middlebrooks to walk the commission through the report.

Middlebrooks noted this was the first quarterly project report prepared for the commission. She noted it had a lot of information, including the organization, funding round, effective contract date, funding amount, current amount drawn, number of units, number of Metro properties awarded, project status (i.e. predevelopment, construction, completed), amendments and comments for amendments. She asked the commission to review and encouraged questions.

Westerholm thanked Middlebrooks for the introduction and asked if the column listed, number of Metro properties awarded, is that cumulative or for a specific line item.

Middlebrooks confirmed it was for a specific project. She noted it was a lot of information and invited the commission to email her with later comments or questions if needed.

Westerholm asked for immediate questions or comments.

Christianson-Galini noted the format made things clear regarding progress of projects.

Westerholm compared the report to an annual report. He encouraged commissioners to send further comments to Middlebrooks to be discussed publicly at the next meeting.

b) Combined November/December Meeting

Westerholm noted the next meeting would be combined for November and December and held on December 3rd, in the Sonny West Conference Room. He asked if there was any other information.

Middlebrooks added that following the meeting would be commissioner training and policy discussion and that staff would be sending out a survey regarding training topics for that session. She asked the commission to review and return by November 11th.

Westerholm asked if there were policy conclusion decided upon, would those be applicable to the next funding round.

Middlebrooks shared she'd need to check with the director and follow up with an answer.

8) Announcements

Westerholm called for announcements, being none, moved on to the next agenda item.

9) Adjourn

With no further business the meeting was adjourned at 2:26 pm.