



building back
2011 report to the community

MDHA

building back

2011 report to the community

CONTENTS

Message from the Executive Director

Board of Commissioners

Neighborhood Stabilization Program

Connecting Neighborhoods, Connecting Growth

LYDIA Society 2011

High-Rise Renovations

Nance Place

Rental Assistance

Financial Highlights

Edmondson Park Tribute



Rolling Mill Hill Groundbreaking



Omni Hotel



Summer Youth



Farm in the City

a message from the executive director

For the Metropolitan Development and Housing Agency, 2011 was a time in which our organization found itself dealing with the after-effects of the national housing collapse, tightened credit markets and reduced federal funding, but the agency continued to look for positive signs on the horizon.

As the theme of this year's annual report, MDHA has chosen the title "Building Back," which we believe reflects our role in the community's effort to weather the deepest recession in half a century and to energize the local economy with building projects which reinforce Nashville's image as a vibrant, growing city.

All of our efforts must be viewed through the prism of federal initiatives to stabilize the housing market. While the sales of single family homes in Nashville saw steady growth through 2011 and the monthly sales figures showed significant improvement over 2010, the region's unemployment rate remained stubbornly high, confirming the national consensus that the U.S. economy would see a slow, drawn-out recovery.

As Nashvillians remained cautious about future job prospects, the demand for multi-family workforce and low-income rental housing remained strong throughout the year.

The pressure on the multi-family market in Nashville was reflected in rising rental costs. The average rent for all apartments in Nashville in February of 2011 was approximately \$1,080, but by December of the same year, that average cost had risen to \$1,161.

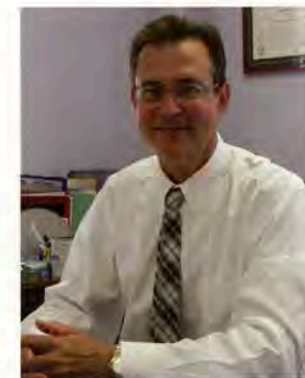
MDHA saw the impact of rising demand along with rising costs in the summer of 2011 when the Nance Place workforce housing development was completed. A flood of applicants began inquiring about the availability of space at Nance Place and with income limits of approximately \$28,000 placed on individual applicants, it took only four months for Nance Place to become 100% leased and inquiries continue to come into the leasing office on a daily basis. MDHA fully expects similar demand for workforce housing when the agency's innovative, new Ryman Loft complex for visual and performing artists opens in 2012.

In 2011, MDHA employed funds from the American Reinvestment and Recovery Act to upgrade a broad array of public housing facilities, especially those called home by our elderly and disabled residents. New "loft style" designs along with replacement of aging appliances, HVAC systems, new paint and color schemes and updated gathering spaces were met with positive reviews by residents and celebrated by public officials and neighborhood supporters.

MDHA continues to be a leading partner in the redevelopment of Nashville's urban core. The progress seen daily on Rolling Mill Hill, the Music City Center, the Trolley Barns, the Riverfront Redevelopment district and other areas of the city shows MDHA's leadership in moving Nashville forward. The transformation of these areas and the creation of new public spaces has been an integral part of Nashville's efforts to construct revitalized urban neighborhoods, capable of attracting a new generation of residents to the city.

All of this has been done with an eye toward incorporating sustainability in all of our development projects. MDHA is especially proud of Nance Place's designation as the first LEED Platinum multi-family structure in the state of Tennessee.

Despite what is projected to be an even more challenging year in terms of federal funding, MDHA is looking forward to achieving even greater distinction in 2012. As Mayor Karl Dean is fond of saying "Nashville is a city whose best days are still ahead" and MDHA is determined to contribute to making that dream a reality.



Phil Ryan
Executive Director

2012-2013 MDHA board of commissioners



RALPH MOSLEY Chair
retired chairman and CEO of Southwestern/Great American, Inc.



MELVIN C. BLACK Vice Chair
former member of the Metropolitan Council of Nashville-Davidson County
and retired educator.



JAMES (JIMMY) GRANBERY
CEO, H.G. Hill Realty Company, LLC.



GUILFORD F. (GIF) THORNTON
partner and executive committee chair, Adams & Reese, LLP.



ANNA PAGE
former member Metropolitan Council of Nashville-Davidson County and
owner, Rebel Hill Florist.



MINIIMAH BASHIR Resident Board Member



GAYLE FLEMING Resident Board Member



2011-12 MDHA board of commissioners

The Metropolitan Development and Housing Agency is governed by a seven-member Board of Commissioners appointed by the Mayor and confirmed by the Metropolitan Council of Nashville-Davidson County. The Board meets monthly to establish policy, approve budgets and expenditures and to give guidance to MDHA staff in carrying out the agency's responsibilities within the framework of federal, state and local law.

The staff and leadership of MDHA would like to thank those Commissioners who served on the board during the past year for their knowledge, dedication and spirit of public service. The Board led through a period of recession and uncertainty in the national economy and the guidance they provided allowed MDHA to fulfill its mission of creating affordable housing, nurturing neighborhoods and building a greater downtown.

Board members shown, (l to r) are: Melvin Black, former Metro Council member and retired educator, Ralph Mosley, retired chairman and CEO, Southwestern/Great American, Inc, Mary J. Southall, resident board member, Arnett Bodenhamer, retired Navy officer and CEO of Arnett & Associates, Gayle Fleming, resident board member, Gary M. Brown, attorney, Baker, Donelson, Bearman, Caldwell & Berkowitz and MDHA Board Chair Chase Cole, attorney, Waller, Lansden, Dortch & Davis. Phil Ryan, MDHA Executive Director is on the far right.



neighborhood stabilization

Building Communities and Lives

While MDHA has a long history of developing programs with broad impact on the city, arguably few initiatives have changed the lives of individual homeowners as much as the Neighborhood Stabilization Program or NSP. Through NSP, MDHA provides a path to affordable home ownership or access to affordable rental housing for a significant number of low- and moderate-income people.

In 2009, MDHA received more than \$4 million from the U.S. Department of Housing and Urban Development for what is now known as NSP 1. MDHA uses the funds to acquire abandoned and foreclosed homes and redevelop them into attractive, marketable properties. Under NSP 1, Nashville was able to purchase approximately 30 homes and refurbish them for sale, while bringing 50 new affordable rental units onto the market.

In 2010, MDHA partnered with a number of local non-profit agencies such as the Housing Fund, Urban Housing Solutions and the Woodbine Community Organization to continue the program, which became known as NSP 2. MDHA and its partners utilized \$30 million in funding to leverage additional partnerships with organizations like Be A Helping Hand Foundation, 15th Avenue Baptist Church Community Development Corporation, Jefferson Street United Merchants Partnership and the New Level Community Development Corporation to focus the program's

efforts in the North Nashville area. Together, the partnerships facilitated the purchase of more than 100 properties for home ownership or rental, yielding approximately 400 new residential units.

Neighborhood groups consider NSP an integral part of their efforts to build back neighborhoods into viable homes for hard working families, helping property values and building neighborhood pride in the process. In the 12th Avenue South neighborhood, a vacant 44-unit apartment building was purchased, renovated and now has become home for dozens of households with incomes at or below 50% of the median area income.

In a North Nashville neighborhood known as Curtis Hill, foreclosure had stopped redevelopment efforts and six homes in a neighborhood subdivision had sat empty and abandoned for more than six years until MDHA purchased them. MDHA completed the construction of the homes and sold four of them. Two of the purchasers were families who had previously been living on public assistance.

The effort to stabilize neighborhoods continues. MDHA is in the process of developing The Townhomes at Montague, a 12-unit development in the Madison area. A private developer began the project, but construction was halted before completion as the result of foreclosure. Now, The Townhomes at Montague is being marketed to households making 120% of the median area income and a similar effort (begun in 2011) is underway at Uptown Flats, a 72-unit apartment complex on Dickerson Pike, which will provide affordable rental options for Nashville's workforce.

"I've seen the Neighborhood Stabilization Program transform people's lives," said Phil Ryan, executive director, MDHA. "Suddenly, having a home or even a well-built apartment gives people a path forward, it tells them they're making progress in their lives and have a reason for hope. NSP really strengthens our community."



connecting neighborhoods, creating growth

In October 2011, MDHA, along with Nashville Mayor Karl Dean and friends at Tennessee State University and the Jefferson Street United Merchants Partnership launched



on a program to improve the commercial areas along historic Jefferson Street and to create an historical public space along 28th Avenue North by building a beautifully landscaped area, known as Heritage Plaza.

Improvements along Jefferson Street included the demolition of broken sidewalks and the construction of new, pedestrian-friendly walkways. The design is intended to allow easier access to shops and businesses along

Jefferson Street. In addition, the Heritage Plaza will feature a mural wall, unique columns embedded with designs evocative of Nashville's history, and a colorful plaza featuring walkways of stained concrete and pavers of red, blue and yellow.

MDHA has been working with neighborhood representatives and business people from Jefferson Street to develop the design for Heritage Plaza. Last year, MDHA also spent more than \$5 million to renovate and redesign the residential high rise building for elderly residents in nearby Hadley Park.

Neighborhood residents envision Heritage Plaza as a community gathering place for cultural events and believe it will present opportunities to connect the neighborhood to nearby institutions like Tennessee State University and Hadley Park.

"We're excited by the potential for Heritage Plaza and the Jefferson Street improvements to bring people together and to make this a more walkable neighborhood," said Sharon Hurt, executive director, Jefferson Street United Merchants Partnership. "This is an historic neighborhood and these improvements will mean a lot to its continued vitality."

Hurt says the improvements are just part of the larger Gateway to Heritage project, a series of improvements designed to connect neighborhoods separated when Interstate 40 was built through the middle of the area, creating both a physical and psychological barrier between Nashville residents who once lived next to each other.

LYDIA society 2011

Fourteen beautiful and talented young women undertook a journey to build self-esteem and lay the groundwork for high school graduation and college entry as part of the LYDIA Society in 2011. The organization, which stands for Leading Youth in their Dreams, Inspiration and Ambition began its second year of

existence with hopes of another year of significant change in the lives of young girls between the ages of 13-16 in public housing.

Each spring, the girls embark on a six month course involving extracurricular classes on academic achievement, goal setting, public speaking, financial security and avoiding problems relating to substance abuse and early pregnancy. Each LYDIA member is paired with a mentor who has college experience and works with the mentor to map out a plan for the future.

Each year, the LYDIA Society holds its Trumpet Ball and one girl from the class is chosen to represent her classmates. The Miss LYDIA for 2011 is Santisha Ezell. Santisha was a participant in the 2011 Race for the Cure benefitting the Susan G. Komen Foundation and its fight against breast cancer. Santisha was also a guest of Metro Police Department Officer James Glenn Duke and his wife, Antoinette, at the annual Comedy Luau in Huntsville, Alabama, where she was invited to address the crowd. By all accounts, she made Nashville proud.



Santisha Ezell, Miss LYDIA 2011

renovations create excitement for mdha residents

Upgrades and New Construction Reinvigorate Pride of Place

To anyone who has lived through a home renovation, the noise, dust and temporary chaos can be disruptive, but the hope is that the end result will be well worth the discomfort. For residents of MDHA high-rise buildings like Parthenon and Hadley Park Towers, the change has been a welcome one.

"Funding from the American Recovery and Reinvestment Act really allowed us to move forward on system updates and sustainable features for our high-rises," said MDHA Executive Director Phil Ryan.

More than \$32.5 million in ARRA funds flowed into MDHA to launch a broad array of construction projects, some complete and others still in process. At Hadley Park Towers, apartments were renovated, receiving brightly colored new paint and energy-efficient appliances as well as upgrading of heating, ventilation and air conditioning systems. The redesign of the public spaces in the building led architects

to give each floor its own color palette and theme, based on historically significant structures and landmarks around Nashville.

Energy-efficiency was a key driver in many of the high-rise renovations undertaken by MDHA in 2011. At Parthenon Towers, not only were apartments redesigned to give a new, loft-style look, but each living space was given a new, state-of-the-art Variable Refrigerant Volume heating and cooling system. As part of a



partnership program with Siemens, the VRV systems are projected to reduce heating costs by 60% and cooling costs by 30%. MDHA also installed solar panels on the roof of Parthenon Towers, Edgefield Manor and Madison Towers, making the agency the largest solar power generator in Davidson County and one of the largest in the state of Tennessee.

In addition, MDHA installed geo-thermal heating and cooling units at its neighborhood housing properties in Hope Gardens, indicating a clear commitment by the agency to sustainability.

"When you look at all of the improvements we've done at our developments, like Levy, Vine Hill, Preston Taylor and Hale, and the renovations at our high-rises, our properties are as attractive, comfortable and energy-efficient as any apartment community in Middle Tennessee," said Ryan.

In addition to the building's makeover, MDHA has begun converting Parthenon and other high rises to non-smoking facilities, improving living conditions for the more than 300 elderly and disabled residents of the building, as well as their health through the offer of smoking cessation classes.





nance place brings innovation, excitement to rolling mill hill

From its perspective atop one of the highest points in downtown Nashville, Nance Place's unique design elements are intended to catch the eye. With its sloping sight lines, bright red metal exterior and muted palette of tan, brown and gray brick, the building certainly seems like the type of trendy, urban structure likely to attract those who want to reside in the heart of the city. But, it's often the less obvious features of the building as well as a leasing structure designed for workforce tenants that generate the most buzz.

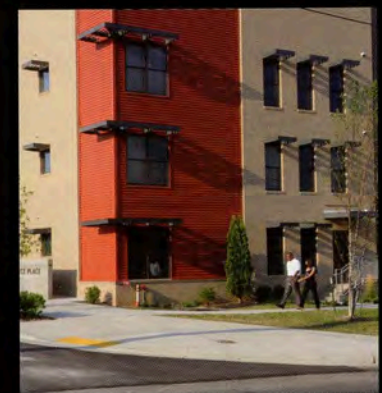
Nance Place consists of 109 studio, one-, two- and three-bedroom apartments targeted toward people who earn 60% or less of the average median income for the community. That helps people who might want to live and work downtown, but simply can't afford it. It also helps Nashville by creating a vibrant, active community of Rolling Mill Hill residents who give energy to the area's nightlife and provide a strong customer base for the area's coffee shops, cafes and restaurants working hard to create foot traffic and economic activity.

Nance Place was built using a combination of private funds, tax credits and U.S. Department of Housing and Urban Development HOME program funds. In a collaborative design from Moody-Nolan Architects and Dryden Abernathy Architecture Design, specific attention was paid to making Nance Place a project with a focus on sustainability.

More than 80% of all construction waste from the \$9.5 million project was recycled, diverting more than 100 tons of scrap materials from local landfills. The structure uses a white roof feature to lower heating and cooling costs and the interior courtyard captures rainwater run-off from the roof and from the permeable pavement for re-use in irrigation of the grounds. EnergyStar appliances, coupled with low energy use lighting and low-flow water fixtures helped Nance Place capture LEED Platinum certification, becoming the first multi-family structure in the state of Tennessee to be awarded LEED's highest standard.

The sustainability focus might have required extra care in the construction process, but the market for Nance Place has definitely responded to the effort. Within four months, the building was fully leased and leasing manager Gina Rosa of Freeman-Webb says she continues to get calls on a daily basis inquiring about available space.

"When one of my apartments comes open, I can usually find a tenant pretty quickly," Rosa says. "It makes my job easy."



rental assistance does more with less

Great Recession Increases Demand, Requires Creativity

Budget pressures in Washington, DC have prompted MDHA's Rental Assistance division to innovate in the wake of growing demand for help in finding adequate and affordable housing. With unemployment levels in the region remaining above 9% for much of 2011, significant numbers of families turned to MDHA for help. Despite the challenging environment, the agency's Rental Assistance team was able to help eligible families already enrolled in the Housing Choice Voucher (HCV) program stay there.

During the course of 2011, Rental Assistance helped more than 15,000 families and individuals through HCV, a total that included 7,647 children and 2,274 elderly and/or disabled individuals. The average household income of the people in the HCV program administered by the agency was \$11,215 annually.



2011 Homeless Count

Rental Assistance continued an initiative to improve customer service through the utilization of more modern technology. Online update forms were made available and direct deposit of rent and utility payments improved the speed of payment to landlords and made possible more efficient tracking of the program.

The challenges are especially daunting when MDHA is asked to provide help to

customers with special needs, such as mental illness, HIV, physical disabilities or who are living on the street. Through the Continuum of Care program, MDHA has partnered with social service agencies like Nashville Cares, the Mental Health Co-op, Park Center and Urban Housing Solutions to make sure underserved communities are aware help is available and that assistance is fast and efficient.

MDHA is also one of three local agencies offering Veterans Affairs Supportive Housing, or VASH services to former members of the military in Davidson County. In addition to rental assistance, VASH also provides clinical services and case management to veterans needing help. An increase in the number of VASH vouchers available through MDHA was a true bright spot in 2011, bringing the number of homeless vets taking part in the program to 230.

Statement of Revenues and Expenses and Changes in Net Assets

For the year ended September 30, 2011

	Total Entity	Public Housing
Operating Revenues		
Rentals	10,438,631	9,594,504
Governmental Revenues	148,583,933	33,605,819
Other Income	7,135,864	1,568,762
Total Operating Revenues	166,158,428	44,769,085
Operating Expenses		
Utilities	7,574,831	7,480,406
Maintenance	12,587,447	11,937,548
Housing assistance payments	42,328,407	-
Administration and other direct program costs	63,526,208	13,021,903
Depreciation	10,443,678	9,744,501
Total Operating Expenses	136,460,571	42,184,358
Operating Income (Loss)	29,697,857	2,584,727
Nonoperating Revenues (Expenses) and Transfers	5,857,497	6,224,345
Income (Loss) Before Capital Grants	35,555,354	8,809,072
Change in Net Assets		
Net Assets, October 1, 2010	305,191,125	229,927,612
Net Assets September 30, 2011	340,746,479	238,736,684

speaking in stone



*A Nashville Artist's Work Comes to Life in a Park
Near J. Henry Hale Development*

The struggle to be recognized as a culturally and historically significant Nashville neighborhood has been a long one for the residents of the J. Henry Hale development along Charlotte Avenue. Long known as the neighborhood of Pearl High School, a dominant force in high school athletics in the city for decades, J. Henry Hale is now home to Martin Luther King Magnet High School, the city's top math and science-focused public school, ranked annually as one of the top public schools in the nation.

But the neighborhood is becoming known for its cultural heritage as well with plans launched in 2011 to redesign a small park honoring a man who lived in Nashville most of his life, but never attended school. William Edmondson is a world-renowned self-taught sculptor whose work is highly prized, but whose name is perhaps only well-known among art collectors in his native Nashville.

Born on a plantation outside Nashville to freed slaves, Edmondson's birth date was recorded only in a Bible, which burned in a house fire. At 16, he left the plantation for Nashville, employed at the city sewer works and later on the Nashville, Chattanooga and St Louis railroad until a leg injury forced him from the railroad into a job as a hospital orderly.

A series of religious visions throughout his life eventually led him to take up sculpting irregular pieces of stone at age 57 in a shed next to his home on 14th Avenue South. He began by selling tombstones to black churches in the neighborhood, but eventually drew the interest of a faculty member at Peabody College. Sidney Hirsch began collecting Edmondson's sculptures of small animals and everyday people and his admiration for Edmondson's sparing and simple approach to carving figures drew the interest of art collectors in New York. Impressed that he'd begun his career as an artist with simple tools (a short-handled hammer, a file and a railroad spike for a chisel), a photographer for the fashion magazine Harper's Bazaar, Louise Dahl-Wolfe, came to Nashville in the mid-30's to photograph Edmondson and to purchase some of his sculptures.

Returning to New York, Dahl-Wolfe showed them to her friend, Thomas Mabry, a curator at the Museum of Modern Art in New York. He arranged for 12 of Edmondson's

pieces to be exhibited at the museum in 1937, making him the first African-American artist to have a solo exhibition at one of the world's most prestigious art museums. The exhibit was shown the following year at a museum in Paris.

Still, Edmondson's work was not exhibited in Nashville until 1941 when the famed photographer, Edward Weston, came to take pictures of the artist. His work was garnering praise in the art world and in national publications like Newsweek, Time and The New York Times, but Edmondson's reputation barely rippled in Nashville, where his sculptures could be bought at his workshop shed for as little as \$5 or \$10.

To Edmondson, sculpting was a religious expression and the prices his works fetched were of little concern. "I got to do these things for my Heavenly Father whether folks buys 'em or not," he told the Tennessean. "He ain't never said nothin' 'bout pay for it."

Edmondson's career as an artist lasted until 1948 when ill health forced him to put down his chisel. He died in 1951 having produced more than 300 works of art. When he died, his family (unaware of his growing reputation as an artist) sold the remaining works of sculpture lying in his yard for as little as \$20 each.

In 1979, a small strip of land adjacent to the J. Henry Hale homes was designated by the city as Edmondson Park, but it was largely unimproved for many years, surrounded by a tall, cinder block wall painted with a mural.

In 2011, MDHA contracted with Hawkins Design Partners to develop the park into something which recognizes the inspiration William Edmondson received through his faith and translated into stone. Project architects held meetings with neighborhood residents and local business owners to gather ideas for a green space which would honor William Edmondson while connecting neighborhood residents and the larger city.

"People used to gather outside William Edmondson's shed and watch him sculpt," said Phil Ryan, executive director, MDHA. "We want this park to bring people together again and maybe remember someone who isn't well known in Nashville, but should be."

MDHA

metropolitan development and housing agency

701 South 6th Street
Nashville Tennessee 37206
Nashville-MDHA.org
twitter.com/NashMDHA