MINUTES OF MEETING

OF

THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

 The regular meeting of the Board of Commissioners of the Metropolitan Development and Housing Agency was held on Tuesday, December 11, 2018, at 11:30 a.m. in the Collaboration Room of the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

 PRESENT: Charles Robert Bone, Chair

 Melvin Black, Vice Chair

 Ralph Mosley

 Antoinette Batts

 Emily Thaden

 ABSENT: Miniimah Basheer

 ALSO PRESENT: James Harbison, Executive Director

 Saul Solomon, Legal Counsel

 James Thiltgen, Deputy Executive Director

 David Dellinger, Chief Operating Officer

 Will Choppin, General Counsel

 Melinda Hatfield, Director of Finance

 Will Biggs, Director of Affordable Housing

 Joe Cain, Director of Urban Development

 Ed Shewmaker, Director of Construction

 Norman Deep, Director of Rental Assistance

 Mike Wegerson, Director of Recapitalization

 Jamie Berry, Director of Communications

 Pat Thicklin, Assistant Director for Human Resources

 Angela Harrell, Senior CD Program Manager

 Matt Loftis, Urban Development Analyst

 Curtis Thomas, Urban Planning Manager

 Mike Green, Resident Association Coordinator

 Jean Merkle, Administrative Assistant to the Board of Commissioners

 Gloria Oliver, President, Cheatham Place Resident Association

 Pat Alexander, Bradley

 Hiram Brown, UHS

 Matt Wiltshire, Mayor’s Office of Economic & Community Development

 Zach Hunt, TSG

 Steve Reiter

 Chair Bone called the meeting to order and requested approval of the Minutes of the Meeting of November 13, 2018. Commissioner Mosley moved adoption of the following resolution:

Resolution No. 75-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of November 13, 2018, as submitted.”

 The motion was seconded by Commissioner Batts, and upon vote all voted “aye”. None voted “no”.

 Chair Bone introduced Gloria Oliver, President, Cheatham Place Resident Association, and Mike Green, Resident Association Coordinator, who would be called on later in the meeting for comments.

 The Chair introduced Steve Reiter for public comments. Mr. Reiter commented on the Mayor’s press conference regarding minority business council.

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 Commissioner Black assumed the chair and called for nominations for the office of Chair. Commissioner Thaden moved that Charles Robert Bone be elected Chair of the Board of Commissioners for the coming year 2018-2019. Commissioner Batts seconded the motion and all Commissioners voted “aye”. Chair Bone called for nominations for the office of Vice Chair for Housing. Commissioner Black moved that Emily Thaden be elected Vice Chair for Housing of the Board of Commissioners for the coming year 2018-2019. Commissioner Batts seconded the motion and all Commissioners voted “aye”. The Vice Chair for Development will be elected at the next meeting of the Board.

 The appointment of Secretary/Treasurer and Executive Director was next in order, and Commissioner Black moved adoption of the following resolution appointing James Harbison to serve as the Secretary/Treasurer and Executive Director:

 Resolution No. 76-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby appoints James Harbison to serve as the Executive Director and Secretary/Treasurer for the 2018-2019 year.”

 The motion was seconded by Commissioner Thaden, and upon vote, all voted “aye”. None voted “no”.

 Mr. Harbison said the holiday lunch for agency employees will be on December 13 and 14 at the Training Center and invited the Commissioners to attend. He said the agency has received a 100% SEMAP score for the Rental Assistance Department and congratulated Mr. Deep and the department’s staff. He announced an award of $500,000 from the Federal Home Loan Bank for a collaborative initiative between MDHA, TVA, NES, Mayor’s Office of Housing and other local non-profit housing providers for up to 100 low income homeowners in need of improvements. Mr. Harbison provided updates on various construction projects including Kirkpatrick Park, Boscobel I and II, and the Bordeaux Townhomes.

 Commissioner Black reported on the joint Finance & Audit and Development committees held prior to the Board meeting. He said the committee reviewed and approved the items on the agenda for consideration by the full Board.

 Jim Thiltgen stated that T.C.A. Section 9-21-151 requires submission of State Form CT-0253 Report on Debt Obligation when a public entity incurs debt. He said on November 9, 2018, MDHA issued $25 million in tax increment bonds to assist in the financing of the Fifth & Broadway project on the site of the former Nashville Convention Center. Mr. Thiltgen said the bonds have scheduled principal payments extending to June 2036 with a blended interest rate of 4.99%. Statement of this information, together with distribution of the State form to the members of the Board, meets the public disclosure requirements. No action is required.

 Mr. Thiltgen presented a resolution relating to the $25 million tax increment bond issue requesting ratification of any and all actions previously taken by the officers of the Agency in the issuance and delivery of the bonds. In addition, approval of the interest rates and the principal payment plan was presented in the resolution as well. After a detailed explanation, Commissioner Mosley moved adoption of the following resolution:

Resolution No. 77-18

“RESOLUTION APPROVING, RATIFYING AND AFFIRMING ALL ACTIONS AND MATTERS TAKEN IN CONNECTION WITH, OR PERTAINING TO, THE ISSUANCE, SALE AND DELIVERY BY THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY OF ITS BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 TO FINANCE CERTAIN COSTS INCURRED IN CONNECTION WITH THE REDEVELOPMENT OF THE OLD CONVENTION CENTER.

WHEREAS, the Metropolitan Development and Housing Agency ("MDHA"), is a public body corporate and politic organized and existing under, and by virtue of, the provisions of Chapter 20, Title 13, Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, MDHA is authorized by the Act to, among other things, undertake "redevelopment projects," as defined in the Act, and to borrow money upon its bonds, notes, debentures or other instruments evidencing indebtedness and to secure the same in accordance with the provisions of the Act; and

WHEREAS, the Act authorizes MDHA to adopt a redevelopment plan that contains a tax increment financing provision; and

WHEREAS, to eliminate slum and blighting conditions and to provide for the redevelopment of a certain area of Nashville, Tennessee, in accordance with the Capitol Mall Redevelopment Project Plan, as amended (the "Redevelopment Plan"), approved by Ordinance No. 77-716 and amended by Ordinance Nos. 82-845, 87-1695, 91-1567, 93-774, 97-755, 98-1187, BL2002-1033, BL2004-424, BL2009-436, BL2013-377 and BL2014-699, all of the Metropolitan Council of The Metropolitan Government of Nashville and Davidson County, and specifically to provide for the redevelopment of the old convention center at 5th Avenue North and Broadway, which project (herein the "Project") is necessary to support continued stabilization and improvement of the area described in the Redevelopment Plan, MDHA has entered into a certain Development Agreement, dated as of June 25, 2015, between MDHA and OliverMcMillan Spectrum Emery, LLC (successor to OliverMcMillan Spectrum Emery, Inc.) (the "Developer"), as amended by that certain First Amendment to Development Agreement, dated as of September 24, 2018, between MDHA and the Developer (collectively, the "Development Agreement"); and

WHEREAS, the Board of Commissioners of MDHA has previously (i) determined to finance certain costs incurred in connection with the Project by issuing its tax increment revenue bonds in the aggregate principal amount of $25,000,000, and (ii) approved the form of certain documents in connection with the issuance, sale and delivery of such tax increment revenue bonds; and

WHEREAS, such tax increment bonds have been sold, issued and delivered by MDHA in the aggregate principal amount of $25,000,000 in accordance with the previous approval by the Board of Commissioners of MDHA; and

WHEREAS, the Board of Commissioners of MDHA hereby approves, ratifies and affirms all actions and matters taken in connection with, or pertaining to, the issuance, sale and delivery by MDHA of such tax increment bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of MDHA, and it is hereby resolved, as follows:

Ratification. Any and all acts previously taken by the Chair of MDHA, the Executive Director of MDHA and the Deputy Executive Director of MDHA, or any one of them, acting alone, for and on behalf of MDHA, in connection with, or pertaining to, the issuance, sale and delivery by MDHA of tax increment bonds in the aggregate principal amount of $25,000,000 to finance certain costs incurred in connection with the Project are hereby approved, ratified and affirmed (such bonds are sometimes referred to herein as the "Bonds").

Approval of the Interest Rates and Principal Repayment Plan. Without limiting the provisions of Section 1 above, the Board of Commissioners of MDHA hereby approves, ratifies and affirms the issuance of the Bonds with the following interest rates and principal repayment terms:

Bonds in the aggregate principal amount of $7,810,000 bearing interest at the rate of 4.500% per annum, maturing on June 1, 2028 and being subject to mandatory sinking payment redemption in part on each June 1 from June 1, 2022 to maturity, as follows:

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| --- | --- |
| Redemption Date | Amount |
| June 1, 2022 | $435,000 |
| June 1, 2023 | 1,010,000 |
| June 1, 2024 | 1,055,000 |
| June 1, 2025 | 1,105,000 |
| June 1, 2026 | 1,340,000 |
| June 1, 2027 | 1,400,000 |
| June 1, 2028\* | 1,465,000 |

\*final maturity

Bonds in the aggregate principal amount of $17,190,000 bearing interest at the rate of 5.125% per annum, maturing on June 1, 2036 and being subject to mandatory sinking payment redemption in part on each June 1 from June 1, 2029 to maturity, as follows:

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| --- | --- |
| Redemption Date | Amount |
| June 1, 2029 | $1,540,000 |
| June 1, 2030 | 1,825,000 |
| June 1, 2031 | 1,920,000 |
| June 1, 2032 | 2,020,000 |
| June 1, 2033 | 2,125,000 |
| June 1, 2034 | 2,455,000 |
| June 1, 2035 | 2,585,000 |
| June 1, 2036\* | 2,720,000 |

\*final maturity

Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit or describe the scope or intent of any provision hereof.

Partial Invalidity. If any one or more of the provisions of this Resolution shall be held invalid, illegal or unenforce­able in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Resolution shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein.

Repealing Clause. All resolutions or parts thereof of MDHA in conflict with the provisions herein contained are, to the extent of such conflict, hereby suspended and repealed.

Effective Date. This Resolution shall take effect immediately upon its adoption.

Approved and adopted this 11th day of December, 2018.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

By:
 Charles Robert Bone, Chair

By:
James E. Harbison, Executive Director and Secretary”

 The motion was seconded by Commissioner Thaden, and upon vote all voted “aye”. None voted “no”.

 Mr. Thiltgen requested approval of an Amended and Restated Debt Management Policy for the agency. The policy was reviewed by the Finance Committee prior to the meeting. Commissioner Batts moved adoption of the following resolution:

Resolution No. 78-18

“WHEREAS, The Metropolitan Development and Housing Agency has committed to the proper management of its debt portfolio; and

WHEREAS, The agency on July 10, 2012 adopted the Amended and Restated Debt Management Policy; to provide guidelines and restrictions that describe the types of debt and the amounts and issuance practices corresponding to each type of debt; and

WHEREAS, A number of changes have occurred since this time including the conversion of the agency’s public housing funding to Project Based Rental Assistance, as well as changes in the State law:

RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That is hereby adopts the Amended and Restated Debt Management Policy in its entirety as of December 11, 2018 and made a part of these minutes by reference; and

BE IT FURTHER RESOLVED, That this resolution shall take effect immediately and the Executive Director will initiate the actions to implement this policy.”

 The motion was seconded by Commissioner Mosley, and upon vote all voted “aye”. None voted “no”.

 Ed Shewmaker, Director of Construction, presented the newly revised Procurement Policy for approval. Mr. Shewmaker said the recent conversion of the agency’s public housing sites to the Rental Assistance Demonstration (RAD) program is a major change. The micro purchase threshold has increased from $3,000 to $10,000. Mr. Shewmaker also said change orders to contracts that exceed $10,000,000 will require Board approval when the cumulative change order exceeds 2% of the original contract amount. He said the policy was reviewed by the Finance Committee prior to the meeting. Commissioner Black moved adoption of the following resolution:

Resolution No. 79-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the revised Procurement Policy, made a part of these minutes by reference, as presented and effective December 18, 2018.”

The motion was seconded by Commissioner Mosley, and upon vote all voted “aye”. None voted “no”.

 Mr. Dellinger presented the details of the next item regarding Boscobel II. He stated the Board previously approved a total project budget of $34,230,000 for Boscobel II which remains unchanged. However, he said the request is to release $475,217 of the agency’s contingency to cover financing costs for the project. He said there is also an increase to the contract with Hardaway Construction for additional expenses to the previous construction cost. Mr. Dellinger said this item was discussed in the committee meeting. After questions and discussion, Commissioner Mosley moved adoption of the following resolution:

Resolution No. 80-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the revised construction cost of $27,692,783 presented by Hardaway Construction; and a revised Owner Contingency of $1,099,783; and

BE IT FURTHER RESOLVED, That the approved total Boscobel II budget remains at $34,230,000.”

 The motion was seconded by Commissioner Thaden, and upon vote all voted “aye”. None voted “no”.

 Mr. Thiltgen said at its meeting on October 9, 2018, the Board authorized MDHA’s participation in the financing and development of the Boscobel II development. He said the ownership structure for the project has been finalized with the execution of a ground lease rather than a deed between MDHA and CP II, L.P., owner of the project. Financing projections have been refined, loan amounts have shifted and MDHA will make an equity contribution to CP II, L.P. Mr. Thiltgen said this was discussed with the committees prior to the meeting. Commissioner Thaden moved adoption of the following resolution:

Resolution No. 81-18

**“**RESOLUTION BY THE BOARD OF COMMISSIONERS OF METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

Effective Date: December 11, 2018

The undersigned, being a quorum of the Board of Commissioners of Metropolitan Development and Housing Agency (“MDHA”), at a duly called meeting on December 11, 2018, acting in accordance with the applicable provisions of the T.C.A. § 13-20-101, et. seq., and its Charter and Bylaws, do hereby adopt, the following resolutions to be effective as of the date hereof:

WHEREAS, MDHA, was organized to acquire, construct, develop, lease, manage, operate, sell, and otherwise provide and address matters concerning, decent and affordable housing in the City of Nashville, Tennessee;

WHEREAS, CP II, L.P., a Tennessee limited partnership (“Partnership”) was created to construct improvements known as Boscobel II, consisting of 45 low-income housing units and 56 market-rate units on a site located at 891 South 6th Street, in Nashville, Davidson County, Tennessee (“Project”);

 WHEREAS, at a duly called meeting of the MDHA Board of Commissioners held on October 9, 2018, a certain incumbency certificate and resolutions authorizing MDHA’s participation in the financing and development of the Project and identifying persons authorized to execute transaction documents were approved (the “Primary Resolutions”);

WHEREAS, since the approval of the Primary Resolutions, the ownership structure for the Project has been finalized and a ground lease will be executed by and between MDHA and the Partnership instead of a deed from MDHA to the Partnership allowing MDHA to maintain fee ownership of the land while the Partnership owns the Project;

WHEREAS, since the approval of the Primary Resolutions, financing projections have been refined and loan amounts for each of the four loans detailed in the Primary Resolutions have shifted;

WHEREAS, in addition to loans and transactions described in the Primary Resolutions, MDHA will also make an equity contribution to the Partnership;

WHEREAS, the purpose of this Resolution is (i) to ratify MDHA’s execution of a ground lease agreement with the Partnership, and (ii) to approve the approximate amount of MDHA’s equity contribution to the Project;

NOW, THEREFORE, BE IT RESOLVED, that MDHA, is hereby authorized and directed to enter into a ground lease agreement with the Partnership and to execute, deliver and perform any and all other documents, agreements, instruments and agreements contemplated under such ground lease agreement;

FURTHER RESOLVED, MDHA is hereby authorized to contribute approximately $16,000,000 to the Project to be split between (i) a loan to the Partnership in the approximate amount of $9,000,000 (the “MDHA Loan”) and (ii) an equity contribution to the Partnership in the approximate principal amount of $6,769,861 (the “MDHA Equity Contribution”). The MDHA Loan and Equity Contribution may adjusted as an authorized officer may deem necessary to consummate the transactions contemplated by this Resolution, not to exceed an aggregate total of approximately $16,000,000.

FURTHER RESOLVED, that any and all acts heretofore taken by any officer of MDHA in connection with the matters authorized by the foregoing resolutions and the Primary Resolutions are hereby ratified, confirmed, adopted and approved by the Board of Commissioners of MDHA.”

 The motion was seconded by Commissioner Batts, and upon vote all voted “aye”. None voted “no”.

 Mr. Cain requested Board approval of a PILOT agreement requested by Urban Housing Solutions and its limited partnership, 2125 26th Ave N Holdings, L.P., to develop a 55 unit below market senior housing complex, 26th and Clarksville. UHS has been awarded 52 Project Based Vouchers for the project. Hiram Brown with UHS was in attendance and answered questions. After discussion, Commissioner Black moved adoption of the following resolution:

Resolution No. 82-18

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the PILOT Agreement between MDHA and 2125 26th Ave N Holdings, L.P. substantially in the form submitted for the development of 26th and Clarksville located at 2707 Clarksville Pike,; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute any and all necessary documents for implementing the PILOT, execution of leases, and any legislative requirements including submission to the Metropolitan Council for its approval.”

 The motion was seconded by Commissioner Thaden and upon vote all voted “aye”. None voted “no”.

 The Chair called on Ms. Oliver who said residents at Cheatham has participated in a Back to School Backpack event, Night Out Against Crime and would be having a Christmas event on the next day. She was grateful to be able to attend the meeting. She stated that Mr. Michael Green has been very helpful to her and that things were good at Cheatham Place. She also said that she was a student under Melvin Black.

 Chair Bone said that Commissioner Black’s term of office with MDHA has ended. He said it was an honor to serve with Commission Black, who received a standing ovation in honor of his service to MDHA. Commissioner Thaden moved adoption of the following resolution read by Mr. Harbison:

Resolution No. 83-18

WHEREAS, Melvin C. Black was appointed to the Board of Commissioners of the Metropolitan Development and Housing Agency on January 20, 2004; and

WHEREAS, Commissioner Black has served as Vice Chairman for Housing since December 10, 2010; and

WHEREAS, Commissioner Black has been a truly dedicated Commissioner to the mission and goals of the Metropolitan Development and Housing Agency for 15 years;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency that it hereby recognizes Melvin C. Black for his selfless service and support of the Agency during his term of office as a Commissioner on this the 11th day December 2018.

 The motion was seconded by Commissioner Mosley, and upon vote all voted “aye”. None voted “no”.

 There being no further business to come before the Board, the Chair declared the meeting adjourned.

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 Secretary

APPROVED:

This \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2019.

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 Chair