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, June 11, 2019, at 11:30 a.m. in the in the Collaboration Room of the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

 PRESENT: Emily Thaden, Vice Chair

 Ralph Mosley

 Antoinette Batts

 Aole Ansari

 ABSENT: Charles Robert Bone

ALSO PRESENT: James Harbison, Executive Director

 Saul Solomon, Legal Counsel

 James Thiltgen, Deputy Executive Director

 David Dellinger, Chief Operating Officer

 Will Choppin, General Counsel

 Matt Wiltshire, Chief Strategy

 Melinda Hatfield, Director of Finance

 Will Biggs, Director of Affordable Housing

 Emel Alexander, Director of Community Development

 Norman Deep, Director of Rental Assistance

 Mike Wegerson, Director of Recapitalization

 Jamie Berry, Director of Communications

 Pat Thicklin, Assistant Director for Human Resources

 Brent Grubb, Assistant Director for Construction

 Curtis Thomas, Urban Planning Manager

 Matt Loftis, Urban Development Analyst

 Shukiesha Thompson, Assistant Director for Rental Assistance

 Jean Merkle, Administrative Assistant to the Board of Commissioners

 Santa Mathis, President, Preston Taylor Homes Resident Association

 Markus Brody, Resident, Preston Taylor Homes

 Jamilla Grimes, Property Manager, Preston Taylor Homes

 Zach Hunt, TSG

 Thom Meek, GHP

 Harold Brewer, American Constructors

 Derek Martin, American Constructors

 Steve Reiter

 Ed Branding

 Maggie Cox, NOAH

 Betty Waters, NOAH

 Vice Chair Thaden called the meeting to order and requested approval of the Minutes of the Meeting of May 14, 2019. Commissioner Batts moved adoption of the following resolution:

Resolution No. 13-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of May 14, 2019, as submitted.”

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

 Vice Chair Thaden introduced, Santa Mathis, President, Preston Taylor Homes Resident Association, and Jamilla Grimes, Property Manager, Preston Taylor Homes. She said they will have an opportunity to speak later in the meeting. Also in attendance were the agency’s 12 Summer Youth Workers who would be shadowing employees in various departments. The youth are A’Shonti Butler, Brianna Little, Derrick Seay, Erille Majors, Hakeem Pryor, Jacoby Rippy, Kelekus Johnson, Otis Lewis, Shavon Usher, Julian Love, Premiere Clay and Anyaa Caruthers.

 Vice Chair Thaden call on Steve Reiter who requested to present public comments. Mr. Reiter expressed his concern for the resident at Riverchase Apartments who could soon lose their housing. He questioned who will manage Curb Victory Hall due to his belief that MDHA does not have the right structure for this veteran’s housing development.

 Mr. Harbison stated that MDHA has no direct involvement with Riverchase Apartments. He said MDHA is understanding of the situation when an entity makes a decision to opt out of their contract to provide project based rental assistance to its residents. He said the Metro Council has approved a resolution by Council Lady Burkley Allen requesting MDHA’s assistance in creating an inventory of the city’s Project Based Rental Assistance properties. Council Lady Allen’s intent is to encourage continued participation in the program as contracts reach the renewal stage. Mr. Harbison presented updates on several projects including the groundbreaking event for Curb Victory Hall on May 22. He also reported on the recent Pubic Housing Authorities Directors Association (PHADA) annual meeting.

 Vice Chair Thaden reported on the joint Finance & Audit and Development Committee meeting held prior to the Board meeting. She said Melinda Hatfield, Director of Finance, presented the mid-year budget report showing the agency’s finances continue to be on track. Vice Chair Thaden also reported the committee approved a one year extension for the agency’s fiscal year audit with MCM, CPA. She said the committee reviewed and approved the items being presented to the Board.

 Jim Thiltgen, Deputy Executive Director, requested Board approval of the agency’s PHA Annual Plan for the year beginning October 1, 2019. He stated the required public hearing was held following the May 14th Board meeting and comments from the Resident Advisory Council and public hearing are included in the Plan. After questions and discussion of the contents of the Plan, Commissioner Batts moved adoption of the following resolution:

Resolution No. 14-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby adopts ‘PHA Certifications of Compliance with the PHA Plan and Related Regulations Resolution to Accompany the PHA Annual Plan’ and the ‘Annual Civil Rights Certification and Board Resolution’ as outlined in a memorandum to the Board of Commissioners from James E. Harbison, Executive Director, dated June 11, 2019, made a part of these minutes by reference and filed with other documents of this meeting.”

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

 Mr. Thiltgen presented the next item requesting approval of the financing for Curb Victory Hall. He generally outlined the various funding sources and said this item was discussed and approved in the Finance & Development joint committee meeting prior to the Board meeting. Commissioner Ansari moved adoption of the following resolution:

Resolution No. 15-19

“RESOLUTION BY THE BOARD OF COMMISSIONERS OF

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

Effective Date: June 11, 2019

The undersigned, being a quorum of the Board of Commissioners of Metropolitan Development and Housing Agency (“MDHA”), at a duly called meeting on June 11, 2019, 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, Victory Hall, L.P., a Tennessee limited partnership (“Partnership”) and affiliate entity of MDHA, holds a leasehold interest in certain property located at 1117 12th Avenue South Street, in Nashville, Davidson County Tennessee (the “Property”), pursuant to the terms of that certain Assignment and First Amendment to Lease Agreement (“Lease Agreement”) by and among Operation Stand Down Tennessee (OSD), a Tennessee non-profit corporation, Giarratana Veteran Ventures, LLC (“GVV”) and the Partnership, dated as September 27, 2018, as amended by the Second Amendment to Lease Agreement by and between OSD and the Partnership, dated as of January 21, 2019 (the “Lease Assignment”);

WHEREAS, the Partnership was created to construct improvements on the Property known as Curb Victory Hall, consisting of 37 low-income housing units and 2 market-rate units (the “Project”);

WHEREAS, MDHA is the developer of the Project;

WHEREAS, MDHA and Giarratana, LLC, an entity related to GVV (the “Consultant”), entered into that certain Consultant Services Agreement dated as of April 10, 2019 (the “Consulting Agreement”), pursuant to which the Consultant will provide a number of development services from predevelopment through marketing of the Project;

WHEREAS, pursuant to the terms of the Consulting Agreement, the Partnership will accept an assignment of all Project-related agreements, including but not limited to architectural, engineering and construction agreements, executed by the Consultant or a related entity, in conjunction with the Project (the “Assignments”);

 WHEREAS, MDHA Victory Hall, Inc. (the “General Partner”) is the General Partner of the Partnership, created for the purposes of implementing the Project; the MDHA Housing Trust Corporation, a Tennessee nonprofit corporation and an instrumentality of MDHA (“MDHA HTC”), is the sole shareholder of the General Partner; and MDHA has designated the MDHA HTC as its agent for owning and controlling the Project pursuant to Tennessee Code Annotated Section 13-20-104(b);

WHEREAS, the Project qualifies for the Payment Lieu of Taxes (“PILOT”) program pursuant to the Cooperation Agreement between MDHA and the Metropolitan Government of Nashville and Davidson County dated as of July 10, 2017 (the “Cooperation Agreement”);

 WHEREAS, Pinnacle Bank (the “Bank”) is making a construction and or permanent loan to the Partnership in the approximate principal amount of One Million Two Hundred Thirty Thousand Two Hundred Twenty One dollars ($1,230,221.00), or such amount as an authorized officer may deem necessary to consummate the transactions contemplated in this Resolution, utilizing the Community Investment Tax Credit (“CITC”) program (the “CITC Loan”), evidenced by a note and all instruments and documents securing the CITC Loan (the “CITC Loan Documents”);

WHEREAS, the Bank is making a market-rate loan to the Partnership in the approximate principal amount of Eighty Thousand dollars ($80,000.00), or such amount as an authorized officer may deem necessary to consummate the transactions contemplated in this Resolution (the “Market-Rate Loan”, together with the CITC Loan the “Pinnacle Loans”), evidenced by a note and all instruments and documents securing the Market Rate Loan (the “Market-Rate Loan Documents”), together with the CITC Loan Documents, the “Pinnacle Loan Documents”);

WHEREAS, Tennessee Housing Development Agency (“THDA”) will make a grant to MDHA in the amount of Five Hundred Thousand dollars ($500,000.00), funded by The Tennessee Housing Trust Fund in accordance with a Grant Contract executed by MDHA and THDA in January, 2019 (the “THTF Grant”). MDHA will loan the THTF Grant proceeds to the Partnership (the “THTF Loan”) and the Partnership’s performance obligations with respect to the HTF Loan will be evidenced by a note and such instruments and documents that may be required in connection with the HTF Loan (the “THTF Loan Documents”);

WHEREAS, Curb Records, Inc., a Tennessee corporation, has made a grant for the Project

 to the MDHA HTC in the amount of Five Hundred Thousand dollars ($500,000.00) (the “Curb Grant”). MDHA, by and through the MDHA HTC, has transferred the Curb Grant to OSD, toward MDHA’s long-term rent payment obligation. MDHA’s transfer of the Curb Grant proceeds shall be treated as a loan to the Partnership (the “Curb Loan”) and the Partnership’s performance obligations with respect to the Curb Loan will evidenced by a note and such instruments and documents that may be required in connection with the Curb Loan (the “Curb Loan Documents”);

WHEREAS, MDHA has made a contribution to OSD in the amount of Two Hundred Fifty Thousand Dollars ($250,000.00) (the “MDHA Contribution”), which, along with the Curb Loan, satisfies the long-term rent payment obligation in the Lease Agreement. The MDHA Contribution shall be treated as a loan to the Partnership (the “MDHA Loan”, together with the Curb Loan, the “Rent Payment Loan”) and the Partnership’s performance obligations with respect to the Rent Payment Loan will be evidenced by a note and such instruments and documents that may be required in connection with the Rent Payment Loan (the “Rent Payment Loan Documents”);

WHEREAS, the MDHA HTC may also receive a grant from the Home Depot Foundation in the amount of $500,000.00 (the “Home Depot Grant”). The MDHA HTC shall transfer to MDHA, and MDHA shall accept, the proceeds of the Home Depot Grant. MDHA will loan the Home Depot Grant proceeds to the Partnership (the “Home Depot Loan”, together with the HTF Loan and the Rent Payment Loan, the “Subordinate Loans”), and the Partnership’s performance obligations with respect to the Home Depot Loan will evidenced by a note and such instruments and documents that may be required in connection with the Home Depot Loan (the “Home Depot Loan Documents”, together with the HTF Loan Documents and the Rent Payment Loan Documents, the “Subordinate Loan Documents”);

WHEREAS, the General Partner intends to enter into an Amended and Restated Agreement of Limited Partnership with Pinnacle Bank (the “Investor”), and Pinnacle Community Development SLP, Inc. (the “SLP”) (together, the Investor and SLP are referred to herein as the “Investors”), and the Partnership (the “Partnership Agreement”); and

WHEREAS, pursuant to the anticipated terms of the Partnership Agreement, the Partnership intends to enter into (1) a Purchase Option Agreement (the “Option”) and (2) a Development Agreement (the “Development Agreement”) (collectively, the Partnership Agreement, the Option, and Development Agreement are referred to herein as the “Equity Documents”).

NOW BE IT THEREFORE RESOLVED, that MDHA, on its own behalf, is hereby authorized and directed to negotiate, execute, deliver and perform any documents, instruments and agreements required for the purpose of effectuating a PILOT as may be required by the Cooperation Agreement (collectively, the “PILOT Documents”);

FURTHER RESOLVED, that MDHA is hereby authorized and directed to serve as the developer of the Project and to authorized and directed to negotiate, execute, deliver and perform any documents, instruments and agreements required for the purpose of fulfilling its role as developer of the Project (the “Developer Agreement”);

FURTHER RESOLVED, that MDHA, on its own behalf, is hereby authorized and directed to negotiate, execute, deliver and perform the Debt Guaranty, as well as any and all documents, instruments and agreements contemplated thereunder or required for purposes of the Partnership entering into the Pinnacle Loan Documents or for the purposes of entering into any equity guaranty or funding any reserve agreements as may be required by Lender to consummate the transactions contemplated in this Resolution;

FURTHER RESOLVED, that MDHA is hereby authorized and directed to loan the Subordinate Loans to the Partnership and to execute, deliver and perform any and all other documents, agreements, instruments and agreements required for purpose of making the Subordinate Loans to the Partnership;

FURTHER RESOLVED, that MDHA, on its own behalf, is hereby authorized and directed to negotiate, execute, deliver and perform the Equity Documents, as well as any and all documents, instruments and agreements contemplated thereunder or required for purposes of entering into the Equity Documents or for the purposes of entering into any equity guaranty or funding any reserve agreements as may be required by Lender to consummate the transactions contemplated in this Resolution;

FURTHER RESOLVED, that the form, terms and provisions of the PILOT Documents, the Developer Agreement, the Debt Guaranty, the Subordinate Loan Documents and the Equity Documents, are hereby in each and every respect approved, ratified and confirmed, and each and every transaction effected or to be effected pursuant to, and in substantial accordance with, the terms of the PILOT Loan Documents, the Developer Agreement, the Debt Guaranty, the Subordinate Loans and the Equity Documents and each and every document contemplated therein, are hereby in each and every respect authorized, approved, ratified and confirmed;

FURTHER RESOLVED, that Charles Robert Bone, the Chairman, Emily Thaden, the Vice Chairman for Housing, Aole Ansari, the Vice Chairman for Development, James E. Harbison, acting as either the Secretary-Treasurer or Executive Director, and James L. Thiltgen, acting as Deputy Executive Director in the absence of the Executive Director, respectively, of MDHA (each, an “Authorized Officer”), be, and they hereby are, or any one of them, acting alone, be, and he hereby is, authorized and empowered, on behalf of MDHA, to execute and deliver the PILOT Documents, the Developer Agreement, the Debt Guaranty, the Subordinate Documents and the Equity Documents, and all documents contemplated therein, and that any and all documents previously executed and delivered by the Chairman, Vice Chairman for Housing, Vice Chairman for Development, Secretary-Treasurer, Executive Director and/or Deputy Executive Director of MDHA with respect to the Project are hereby ratified and approved; and

FURTHER RESOLVED, that any and all acts heretofore taken by any officer of MDHA in connection with the matters authorized by the foregoing 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.”

 Emel Alexander, Director of Community Development, requested Board approval to award HOME funds for new affordable housing. Mr. Alexander said a Request for Applications was issued for nonprofit and for-profit developers to provide financing for new affordable housing development. An Application Review Committee evaluated the applications in accordance with the criteria set forth and made recommendations for funding. Mr. Alexander said this item was discussed and approved in the joint Finance and Development Committee meeting prior to this meeting. Commissioner Batts moved adoption of the following resolution:

Resolution No.16-19

“WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) requires local governments seeking federal assistance through the Community Development Block Grant (“CDBG”), HOME Investment Partnerships (“HOME”), Emergency Solutions Grant (“ESG”), and Housing Opportunities for Persons with AIDS (“HOPWA”) programs to develop a Consolidated Plan for Housing and Community Development every five years and an Annual Action Plan each year; and

WHEREAS, the Metropolitan Council designated the Metropolitan Development and Housing Agency (“MDHA”) as the lead agency responsible for the preparation of the Consolidated Plan and Annual Action Plans for Housing and Community Development programs for The Metropolitan Government of Nashville and Davidson County; and

WHEREAS, the 2019-2020 Annual Action Plan was prepared by MDHA in accordance with federal regulations regarding citizen participation and in consultation with a variety of public and private agencies and concerned individuals; and

WHEREAS, concurrent with the preparation of the 2019-2020 Annual Action Plan, MDHA has prepared for submittal to HUD Substantial Amendment 1 to the 2018-2023 Consolidated Plan for Housing and Community Development to provide the following:

* Allow 2019 HOPWA funds to be used for tenant based rental assistance (TBRA) and emergency hotel/motel assistance; and
* Add language to the description section of the Strategic Plan (SP) 25 Priority Need #3 – Retain Affordable Housing Stock, of the Consolidated Plan to clarify that the amount of CDBG funds to be allocated to this Priority Need will be at least 50% of the annual allocations after deductions for the 20% allocation for Administrative Activities and 15% for Public Service Activities; and

WHEREAS, the public comment period for Substantial Amendment 1 and the draft of the 2019-2020 Annual Action Plan began on April 11 and concluded on May 15, 2019, and a public hearing was held during the public comment period on April 23, 2019; and

BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency that it hereby approves Substantial Amendment 1 to the 2018-2023 Consolidated Plan and the 2019-2020 Annual Action Plan for Housing and Community Development and authorizes its submission to the Metropolitan Council and the U.S. Department of Housing and Urban Development; and

BE IT FURTHER RESOLVED that the local match required for the Emergency Solutions Grant will be provided by local non-profit organizations selected as sub-grantees. The twenty-five percent local match for the HOME Investment Partnerships Program will be provided by non-federal funds utilized for HOME projects as well as the value of donated land or improvements associated with HOME-funded projects, or by other eligible methods as provided in the HOME regulations.”

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

 Michael Wegerson, Director of Recapitalization, requested Board approval to negotiate a fee and enter into a contract with American Constructors for the Construction Manager at Risk for the Cayce Community Campus project. Mr. Wegerson said there are two phases, preconstruction and construction. The cost for pre-construction services is $30,000. Once the Guaranteed Maximum Price (GMP) is negotiated, the Board will be asked to approve. After questions and discussion, Commissioner Mosley moved adoption of the following resolution:

Resolution No. 17-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby awards a contract to American Constructors for the Construction Manager at Risk for the Cayce Community Campus Project, and approves pre-construction services in the amount of $30,000; and

BE IT FURTHER RESOLVED, That when the Guaranteed Maximum Price (GMP) has been negotiated, staff will request Board approval.”

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

 Mr. Wegerson presented a second item requesting Board approval of Early Release Packages 1, 2 and 3 for the construction of Boscobel III in the amount of $3,811,667.17 with RG Anderson Company, Inc. He said a GMP is expected to be presented to the Board in July. After discussion, Commissioner Mosley moved adoption of the following resolution:

Resolution No. 18-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves Early Release Packages 1, 2, and 3 for the construction of Boscobel III in the amount of $3,811,667.17 to RG Anderson Company, Inc.; and

BE IT FURTHER RESOLVED, That the above amount will be incorporated into the Guaranteed Maximum Price (GMP) when submitted to the Board for its approval in the coming months.”

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

 The Vice Chair recognized Santa Mathis for the recent award received at the Tennessee Community Assistance Corporation meeting in May. The Preston Taylor Resident Association was awarded the Ritchie Resident Leadership Award for the Youth Fine Arts Camp. Ms. Mathis said the camp not only introduced fine arts to the youth but also how to build a strong work ethic. Ms. Grimes said she was very proud of the work of Ms. Mathis and the Resident Association. She said Preston Taylor would celebrate its Strong Family Day on June 12.

 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.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Chair