

**AGENDA
FOR MEETING OF THE BOARD OF COMMISSIONERS
OF THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY**

NOVEMBER 12, 2019

1. Call to order.
2. Approval of the Minutes of the Meeting of October 8, 2019.
3. Introductions.
4. Public comments.
5. Executive Director's Report.

COMMITTEE REPORT

6. Report from Joint Finance & Audit and Development.

EXECUTIVE (HARBISON & THILTGEN)

7. Approval of Section 8 Management Assessment Program (SEMAP).

RECAPITALIZATION (HARBISON & WERGERSON)

8. Approval of Architectural Services for Boscobel IV.
9. Approval of Construction Manager at Risk Services for Boscobel IV.

URBAN DEVELOPMENT (HARBISON & CAIN)

10. Approval of the Construction Manager for the Trolley Barns Parking Garage Project.
11. Approval of PILOT Agreement – Skyliner.
12. Additional business.
13. Report from Resident representative.
14. Adjourn.
15. Executive Session.

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

NOVEMBER 12, 2019

EXECUTIVE (HARBISON & THILTGEN)

7. Approval of Section 8 Management Assessment Program (SEMAP)

The Section 8 program has developed a management assessment program somewhat similar to the PHAS program for public housing. The program includes 14 Indicators on which MDHA certifies performance. Indicators 1 through 7 are scored based on documentation and quality control samples maintained in our records. Most of the other Indicators will be scored based on data in HUD's Multi-Family Tenant Characteristics System (MTCS). The agency again expects to receive "High Performer" status with a 100% score. It is recommended that the Board of Commissioners approve the attached SEMAP Certification for the year ended September 30, 2019 and authorize the Executive Director and Chairperson of the Board to execute on behalf of the Agency.

RECAPITALIZATION (HARBISON & WEGERSON)

8. Approval of Architectural Services for Boscobel IV

In accordance with MDHA's procurement policy all contracts over \$1,000,000 in value require the approval of MDHA's Board of Commissioners. Boscobel IV will be located in the Cayce neighborhood East of S 6th Street and between Dew Street and the new Park Street (just south of the Gerald Nicely Building). The mixed-income residential building will include 164 units of one-, two-, and three-bedroom units (including 72 affordable units). The site will also feature on-site parking structure, leasing offices, and a community room. We are requesting Board approval to enter into an agreement with Smith Gee Studio for architectural services at Boscobel IV. We interviewed three (3) architectural firms from our 2019 Indefinite Delivery Indefinite Quantity list. A committee of MDHA staff chose Smith Gee Studios as best suited to perform these services. Basic Services include architectural and landscape services, civil, structural, mechanical, electrical, plumbing, and fire suppression engineering, environmental graphics services, accessibility consulting, geotechnical and surveyor engineering. Additional Services included in the agreement include Off-Site Improvements. The cost for these architectural services is \$1,928,027.

9. Approval of Construction Manager at Risk Services for Boscobel IV

Board approval to negotiate a fee and enter into a contract with Hardaway Construction to provide Construction Manager at Risk Services for the construction of Boscobel IV is requested. There are two phases to this contract: preconstruction and construction, with preconstruction services at a cost of \$40,000. A Guaranteed Maximum Price Amendment is required to continue to the construction phase; approval will be required once the GMP has been established. A total of two (2) proposals, were submitted, and staff from both responders were interviewed. Based on specific criteria, the evaluation committee selected Hardaway Construction to provide this service. Funding for the pre-construction services will be from MDHA unrestricted reserves. MDHA's estimated cost of work for the project is \$44 million.

URBAN DEVELOPMENT (HARBISON & CAIN)

10. Approval of the Construction Manager for the Trolley Barns Parking Garage Project

Board approval to negotiate a fee and enter into a contract with R. C. Mathews to provide Construction Manager at Risk Services for the construction of The Trolley Barns Parking Garage Project is requested. There are two phases to this contract, preconstruction and construction. The cost for the preconstruction services is \$30,000.00. The construction manager's fee is 3.25%. A GMP Amendment is required to continue the construction phase; approval will be requested once the final GMP has been established. A total of three (3) responses were submitted, based on specific criteria, the evaluation committee interviewed staff from the three (3) firms or companies and selected R. C. Mathews to provide this service. Funding for the pre-construction services will be a Bank Loan. MDHA's estimated cost of work for the project is \$12,577,302.35. Designer is re-evaluating the estimate.

11. Approval of PILOT Agreement - Skyliner

Urban Housing Solutions, through Skyliner, LP, has acquired property located at 2996 Dickerson Pike and plans to develop a 147-unit affordable housing complex. Skyliner, LP has received a firm commitment from THDA for a 4% LIHTC for the amount of \$10,402,290 to help finance the construction of this complex. In addition to the LIHTC, Skyliner, LP is also receiving a \$2,000,000 contribution from the Barnes Fund. The proposed development will consist of 16 efficiency units, 102 one-bedroom units, 22 two-bedroom units, and 7 three-bedroom units.

The property currently generates \$12,135 annually in property taxes. Staff is recommending approval of a PILOT having an initial payment of 98,765 in lieu of property taxes after the project is placed in service. The PILOT payment would increase 3% annually over the 10-year life of the agreement. This PILOT payment was based on the review of the site's projected base year taxes as well as the project's development budget, operating pro forma, and debt obligations. MDHA estimates this to be a tax abatement of approximately \$320,459 for the first year the project is placed in service. If approved, this would leave MDHA's annual abatement capacity at \$1,280,858.

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, October 8, 2019, at 10:30 a.m. in the Collaboration Room of the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

PRESENT: Charles Robert Bone, Chair
Emily Thaden, Vice Chair
Aole Ansari
Antoinette Batts
Kay Bowers
Marcus Campbell

ALSO PRESENT: James Harbison, Executive Director
Jim Thiltgen, Deputy Executive Director
Saul Solomon, Legal Counsel
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
Emel Alexander, Director of Community Development
Norman Deep, Director for Rental Assistance
Michael Wegerson, Director of Recapitalization
Jamie Berry, Director of Communications
Pat Thicklin, Assistant Director of Human Resources
Matt Wiltshire, Chief Strategy and Intergovernmental Affairs Officer
Zachary Blair, Deputy Chief Strategy and Intergovernmental Affairs Officer
Julia Moss, Assistant Director of Affordable Housing
Curtis Thomas, Executive Program Manager – Recapitalization
Charlotte Weatherington, Communications Manger
LaTonya Ellis, Administrative Assistant to the Board of Commissioners
Sandy Mazza, Tennessean
Maggie Cox, NOAH
Brenda Morrow, President of Edgehill Apartments Resident Association
Thomas Corritore, Property Manager of Edgehill Apartments

Chair Bone called the meeting to order and requested approval of the Minutes of the Meeting of September 12, 2019. Commissioner Batts moved adoption of the following resolution:

Resolution No. 38-19

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the Minutes of the Meeting of September 12, 2019, as submitted."

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

Chairman Bone called for the Executive Director's Report. Mr. James Harbison gave an update on the Agency's media presence. He told of News Channel 5's story on Envision Cayce and the Tennessee Tribune's upcoming article on the 90+ Club Celebration, which honored MDHA residents who are 90 and older. He disclosed the Yardi 7s upgrade have been put into production for the agency. In the past few weeks, the Agency hosted different Benefit Providers in anticipation of the 2020 open enrollment period. He announced the submission of the annual application for the COC funding competition. He announced the Agency would be exploring more public/private partnership opportunities for the 2020 -2021 fiscal year, as well as pursuing more federal, state and local collaborations. Mr. Harbison announced the 9% LIHTC application for Boscobel IV was not approved. He discussed the demolition of Randee Rogers and plans for a new maintenance facility as part of Cheatham Place. Lastly he mentioned a call today with HUD regarding the Envision Center

Commissioner Thaden, gave a report from the Housing and Community Services Committee meeting. The minutes from the April 2019 Committee meeting were approved. She reported on the Affordable Housing eviction rates. The evictions were reported between 2% and 2.5% (of 5,469 units). The committee moved that the Fair Market rents issue should go before the full board in November.

Commissioner Thaden then reported on the Finance & Audit and Development Joint Committee meeting. The committee approved the Construction Manager at Risk Services for Red Oak Townhomes, but elected to postpone the approval of the Oceanside Investor Vine Hill Lease.

As stated in Commissioner Thaden's Finance & Audit and Development Joint Committee report, Board item #7, Approval of Oceanside Investor Vine Hill Lease, was deferred to the November Board meeting. Commissioner Thaden moved to defer; and the motion was seconded by Commissioner Batts. Upon vote all voted "aye." None voted "no."

David Dellinger, Chief Operating Officer, requested Board approval to negotiate a fee and enter into a contract with R.G. Anderson Company, Inc. to provide Construction Manager at Risk Services for the Red Oak Townhomes. Request for proposals were solicited by advertising in the newspaper and electronically notifying firms on the MDHA vendor list. One proposal, R.G. Anderson was submitted. This item was reviewed and approved by the Finance & Audit Committee. Commissioner Bowers moved adoption of the following resolution:

Resolution No. 39-19

“RESOLUTION declaring the intent of the Metropolitan Development and Housing Agency to negotiate fees and enter contract with R.G. Anderson Company, Inc. to provide Construction Manager at Risk Services for the Red Oak Townhomes.

WHEREAS, the contract is broken into two phases: Pre-construction and construction, with the pre-construction cost being \$25,000.

WHEREAS, a Guaranteed Maximum Price (GMP) amendment is required to continue the construction phase. The GMP amendment will be brought to the Board of Commissioners for approval once the CM is on board and the construction costs established (anticipated date: March 2020).

WHEREAS, funding for pre-construction services and the planned construction is provided by Metro 2018 CSP authorizations

BE IT RESOLVED, MDHA will also pursue a 4% LIHTC award in January 2020.”

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

Chairman Bone asked if there was any additional business to be presented. Mr. Harbison announced the retirement of Mr. Thomas Corritore, Property Manager at Edgehill Apartments. Mr. Harbison thanked Mr. Corritore for his commitment and commended his work over the years. Mr. Corritore was recognized and thanked Mr. Harbison and the Board. Next Ms. Brenda Morrow, President of the Edgehill Apartments Residence Association, gave updates on Edgehill’s programs and community events.

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

Secretary

APPROVED:

This _____ day of _____, 2019.

Chair

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

November 8, 2019

TO: James Harbison, Executive Director
FROM: LaTonya Ellis, Administrative Assistant to the Executive Director
SUBJECT: Attendance for Board Meeting – November 12, 2019

Ms. Sylvia Douglas, President of Andrew Jackson Courts Resident Association and, Ms. Barbara Faulkner, Property Manager of Andrew Jackson Courts, will be present at the Board meeting.


LaTonya Ellis


**METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
INTEROFFICE MEMORANDUM**

November 6, 2019

TO: Board of Commissioners
FROM: James Harbison, Executive Director
SUBJECT: Section 8 Management Assessment Program (SEMAP)

The Section 8 program has developed a management assessment program somewhat similar to the Public Housing Assessment System (PHAS) program for public housing. The program includes 14 Indicators on which we certify our performance. Indicators 1 through 7 are scored based on documentation and quality control samples maintained in our records. Most of the other Indicators will be scored based on data in HUD's Multi-Family Tenant Characteristics System (MTCS). We anticipate that we will again score 135 of 135 possible points (100%), and will remain a High Performer as we have been since the inception of SEMAP.

It is recommended that the Board of Commissioners approve the attached SEMAP Certification for the year ended September 30, 2019 and authorize the Executive Director and Chairperson of the Board to execute it on behalf of the Agency.



James Harbison

Attachment

Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0215
(exp. 02/29/2020)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number. This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name Metropolitan Development and Housing Agency	For PHA FY Ending (mm/dd/yyyy) 09/30/2019	Submission Date (mm/dd/yyyy) 11/15/2019
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Check here if the PHA expends less than \$300,000 a year in Federal awards
Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

- 1. Selection from the Waiting List.** (24 CFR 982.54(d)(1) and 982.204(a))
(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes No

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes No
- 2. Reasonable Rent.** (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)
(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes No

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response **At least 98% of units sampled** **80 to 97% of units sampled** **Less than 80% of units sampled**
- 3. Determination of Adjusted Income.** (24 CFR part 5, subpart F and 24 CFR 982.516)
The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response **At least 90% of files sampled** **80 to 89% of files sampled** **Less than 80% of files sampled**
- 4. Utility Allowance Schedule.** (24 CFR 982.517)
The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes No
- 5. HQS Quality Control Inspections.** (24 CFR 982.405(b))
A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes No
- 6. HQS Enforcement.** (24 CFR 982.404)
The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response **At least 98% of cases sampled** **Less than 98% of cases sampled**

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).
Applies only to PHAs with jurisdiction in metropolitan FMR areas.

Check here if not applicable

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes No

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes No

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes No

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes No

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes No

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes No

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes No

Enter current FMRs and payment standards (PS)

0-BR FMR <u>830</u>	1-BR FMR <u>911</u>	2-BR FMR <u>1103</u>	3-BR FMR <u>1455</u>	4-BR FMR <u>1738</u>
PS <u>830</u>	PS <u>911</u>	PS <u>1103</u>	PS <u>1455</u>	PS <u>1738</u>

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response Yes No

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response Yes No

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes No

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response Yes No

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response Yes No

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

or, Number of mandatory FSS slots under HUD-approved exception

b. Number of FSS families currently enrolled

c. Portability: If you are the initial PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Percent of FSS slots filled (b + c divided by a)

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

Applies only to PHAs required to administer an FSS program .

Check here if not applicable

PHA Response Yes No

Portability: If you are the initial PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
 - (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;
- or
- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response Yes No If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) 11/12/2019

Date (mm/dd/yyyy) 11/12/2019

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

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**METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
INTEROFFICE MEMORANDUM**

November 12, 2019

TO: Board of Commissioners

FROM: Michael Wegerson, Director of Recapitalization

SUBJECT: Architectural Services for Boscobel IV

Boscobel IV is the next phase in redeveloping James Cayce Homes into a mixed income neighborhood. The site will be located East of S 6th Street between Dew Street and the new Park Street (just South of the Gerald Nicely Building). The project will include 164 units (72 affordable) of one-, two-, and three-bedroom units with structured parking, on-site leasing and maintenance offices, and a community room. These design services, that we are seeking approval for, are in anticipation of MDHA's submission for the 2020 9% Low Income Housing Tax Credits (LIHTC) application in March. Award of 2020 LIHTC is expected in July 2020 prior to our anticipated groundbreaking in October 2020.

We are requesting Board approval to enter into an agreement with Smith Gee Studio for architectural services at Boscobel IV for up to a cost of \$1,928,027 which includes construction administration. This total cost includes the Architect's Basic Services and Additional Services known at this time. Basic Services include architectural and landscape services, civil, structural, mechanical, electrical, plumbing, and fire suppression engineering, construction administration, environmental graphics services, accessibility consulting, geotechnical and surveyor engineering for a cost of \$1,802,627. Additional Services included in the agreement include Off-Site Improvements for a cost of \$125,400. Other additional services and reimbursable expenses may be added to the Architect's services via addendum. In accordance with MDHA's procurement policy all contracts over \$1,000,000 in value require the approval of MDHA's Board of Commissioners.

MDHA staff estimates the construction cost for this project to be \$44 million based on current costs per unit. Smith Gee Studios fees are 4.3% of the construction cost. Typically the architects' fees on other MDHA projects range from 4.2% to 6.5% of the construction cost. MDHA staff believes this fee to be reasonable.

MDHA entered into Indefinite Delivery, Indefinite Quantity (IDIQ) agreements with fourteen (14) design firms on May 1, 2019. These fourteen firms responded to, and were evaluated by a committee based upon the requirements of, a Request for Qualifications dated December 12, 2018. Based upon these evaluations a shortlist of three architects who specifically had experience with multifamily and structured garage experience was selected to interview on May 14, 2019, for the Boscobel IV project. Those architectural firms were:

- Moody Nolan
- Southeast Venture

- Smith Gee Studio

Architects interviewed were evaluated on the basis of the following criteria:

- Experience with similar projects
- Schedule
- Project team
- Typical cost per square foot

After the interviews were concluded, it was determined by the Boscobel IV evaluation committee that Smith Gee Studio was the most qualified firm to provide this service.

Funding for these services will be provided from MDHA Equity. Funding for the project program is expected to be sourced from 9% and 4% Low-Income Housing Tax Credits (LIHTC), Community Investment Tax Credits (CITC), MDHA Equity, and Traditional Financing. The total program cost for the project, including construction costs, design fees, financing costs, and administrative fees is \$55 million. The Project budget includes \$4,650,000 of contingency, or about 10.5% of construction cost.


Michael Wegerson

FIRM SHEET

FIRM: Smith Gee Studio
PRINCIPAL OWNER(s): R. Hunter Gee
LOCAL OFFICE: 209 10th Avenue South, Suite 425
Nashville, TN 37206

PRIOR WORK WITH AGENCY: Yes

EVALUATION COMMITTEE MEMBERS

Brent Grubb, Director of Construction
Michael Wegerson, Director of Recapitalization
David Dellinger, Chief Operating Officer

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**METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
INTEROFFICE MEMORANDUM**

November 12, 2019

TO: Board of Commissioners

FROM: Michael Wegerson, Director of Recapitalization

SUBJECT: Construction Manager at Risk Services for Boscobel IV

We are requesting Board approval to negotiate a fee and enter into a contract with Hardaway Construction to provide Construction Manager at Risk services for the Boscobel IV project. This Contract is broken into two Phases: 1. Pre-construction and; 2. Construction. The cost for Pre-construction services is \$40,000. A Guaranteed Maximum Price (GMP) Amendment is required to continue to the construction phase. This Amendment will be brought to the Board of Commissioners for approval once the final GMP has been established.

Boscobel IV is the next phase in redeveloping James Cayce Homes into a mixed income neighborhood. The site will be located East of S 6th Street between Dew Street and the new Park Street (just South of the Gerald Nicely Building). The project will include 164 units (72 Project Based Rental Assistance) of one-, two-, and three-bedroom units with structured parking, on-site leasing and maintenance offices, and a community room. These design services are in anticipation of MDHA's submission for the 2020 9% Low Income Housing Tax Credits (LIHTC) application in March. Award of 2020 LIHTC is expected in July 2020 prior to our anticipated groundbreaking in October 2020.

Request for Proposals were solicited by advertising in the newspaper and electronically notifying firms on the MDHA vendor list. A total of two (2) proposals were submitted to the MDHA on September 20, 2019.

Proposals were evaluated on the basis of the following criteria:

- Experience of the Company/Team (with references)
- Personnel Experience
- Construction Management Methodology
- Cost of CM @ Risk Services

After careful evaluation utilizing the scoring evaluation process of the Request for Proposals, Hardaway Construction and RG Anderson Contractors were interviewed. After the interviews were concluded, the evaluation committee determined that Hardaway Construction was the most qualified firm to provide this service.

Funding for these services will be provided from MDHA Equity. Funding for the project program is expected to be sourced from 9% and 4% Low-Income Housing Tax Credits (LIHTC), Community Investment Tax Credits (CITC), MDHA Equity, and Traditional Financing. The total program cost for the project, including construction costs, design fees, financing costs, and administrative fees is estimated to be \$55 million. The Project budget includes \$4,650,000 of contingency, or about 10.5% of construction cost.



Michael Wegerson

FIRM SHEET

FIRM: Hardaway Construction
PRINCIPAL OWNER(s): David Frazier
LOCAL OFFICE: 1001 Gallatin Avenue
Nashville, TN 37206

PRIOR WORK WITH AGENCY: Yes

REFERENCES: Eastside Heights Property, LLC
Eastside Heights Apartments and Retail Complex, Nashville, TN
\$34.7M

Southeast Venture, LLC.
Eastside Heights Apartments and Retail Complex, Nashville, TN
\$34.7M

Kline Swinney Associates, LLC.
Solo East Condominiums Nashville, TN
\$12.7m

Harpeth Development, LLC.
Solo East Condominiums Nashville, TN
\$12.7m

**Proposals Received for
Boscobel IV**

Hardaway Construction
RG Anderson Contractors

EVALUATION COMMITTEE MEMBERS

Brent Grubb, Director of Construction – Chair of Committee (non-voting)
Nancy Wilson, Project Manager
Scott Rey, Executive Program Manager
Joe Cain, Director of Urban Development

**METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
INTEROFFICE MEMORANDUM**

November 8, 2019

TO: Board of Commissioners

FROM: James Harbison, Executive Director

SUBJECT: Construction Manager @ Risk Services (CM@R) for:
The Trolley Barns Parking Garage

In 2016, the MDHA Board of Commissioners approved a multiphase development of two of the remaining parcels on Rolling Mill Hill. This 2016 parking and development plan, and its phases, will be presented as a refresher to the Board in December.

In order to accomplish this multiphase development and meet previous contractual parking requirements, MDHA entered into a Memorandum of Understanding with five parties. That agreement outlined a multi-phased process to relocate parking over time at a series of newly constructed parking sites. These sequential, multiple phases would allow us to meet our parking obligations and while accomplishing development and the sale of two parcels at Rolling Mill Hill. The proceeds from the sales of these parcels are to be used for Envision Cayce construction.

The first phase of the agreement, the construction of a surface parking lot at Hermitage Avenue and KVB, was completed in 2017. The second, new parking in a mixed use development under construction by the Eakin Partners Group, is anticipated to complete in April 2020. The next phase is construction of a new Trolley Barns Parking Garage. On August 19, 2019, the MDHA Board approved Kline – Sweeney as the architect of record for the Trolley Barns Garage.

Trolley Barns Parking Garage is a 400 parking space, 5 level open parking garage, located at 15 Lea Avenue Nashville TN 37210. When the Trolley Barn garage is completed, parking will move to the Trolley Barn Garage from Site K across from Pinewood Social. This move will clear Site K for sale to, and development by, the Hensler Development Group. When the Hensler development of Lot K is complete, there will be sufficient parking to meet all parking obligations at RMH without the use of the MDHA owned parking lot at the corner of KVB and Hermitage. This lot will then be available for future development.

MDHA's present estimated cost of work is \$12,577,302.35. The total project budget and financing method for this project will be presented to the December Finance and Development Committee. Sufficient cash funds exist for the project. We are researching the opportunity value of debt financing as an alternative to cash. Previously authorized tax increment financing in the 2016 MDHA-Hensler development agreement will reimburse MDHA for the cost of 322 parking spaces constructed in the parking garage.

Request for Qualifications to build the garage were solicited by advertising in the newspaper and electronically notifying firms registered on MDHA's Procurement Housing Agency Marketplace Site. J E Dunn, R C Mathews and Whiting-Turner, all reputable construction firms, submitted replies to the RFQ on October 11, 2019.


Qualifications were evaluated on the basis of the following criteria:

- Experience of the Company
- Personnel Experience
- Construction Management Methodology
- References
- Construction Site Management

After careful evaluation utilizing the scoring evaluation process of the Request for Qualifications, JE Dunn, R.C. Mathews, and Whiting-Turner were interviewed. As part of the interview process, firms were required to submit fee proposals. Based on the criteria listed within the RFQ, responses received, references, clarifying questions, fee proposals and interviews, the evaluation committee chose R. C. Mathews as the most qualified firm.

We request Board approval to enter into a contract with R. C. Mathews to provide Construction Manager at Risk Services. The Contract consists of two Phases: 1. Pre-Construction planning and estimation and; 2. Construction. The cost for Pre-Construction services is \$30,000.00. The construction manager's fee is 3.25% of the project's construction value as determined in a Guaranteed Maximum Price (GMP) to be provided by R C Mathews as the garage design reaches maturity. A GMP Amendment is required to continue to the construction phase. This Amendment will be brought to the Board of Commissioners for approval once the final GMP has been established.

We request Board approval of R C Mathews Contractor as the most qualified construction management firm to build this Trolley Barns Parking garage


James Harbison, Executive Director

FIRM SHEET

FIRM: R. C. Mathews
PRINCIPAL OWNER (s): Walker Mathews

LOCAL OFFICE: 615 3rd Avenue South Suite 500
Nashville TN 37210

PRIOR WORK WITH AGENCY: Yes

REFERENCES:
615 Third Ave South Office Building & Garage
Owner – 3rd and Lee LLC (Barge Partner), Bob Higgins CEO, 615-254-1500
Designer – Tuck Hinton Architects, Mary Roskilly Partner, 615-254-4100

River House Apartments & Garage
Owner – SWH Partners, John Tirrill Managing Partner, 404-596-5401
Designer – Smith Gee Studios, Dallas Caudle Principal, 615-739-5555

Nashville City Center Garage
Owner – 511 Group, Richard Fletcher, 615-256-1555
Designer – Gresham Smith, Anne Trent, 615-770-8501

PROPOSALS RECEIVED FOR TROLLEY BARN PARKING GARAGE PROJECT

JE Dunn Construction
R.C. Mathews Contractor
Whiting-Turner Contracting Company

MDHA EVALUATION COMMITTEE MEMBERS

James Harbison, Executive Director
Michael Wegerson, Director of Recapitalization
David Dellinger, Chief Operating Officer
Ron Cosentino, Assistant Project Manager

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METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

November 6, 2019

TO: Board of Commissioners

FROM: Joseph B. Cain, Director of Urban Development

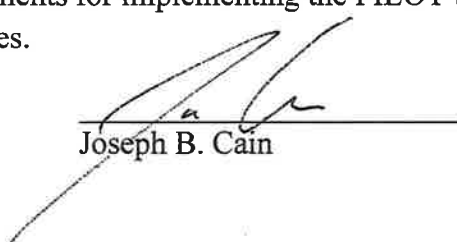
SUBJECT: PILOT Agreement –Skyliner

Urban Hosing Solutions established a limited partnership, Skyliner, LP, which acquired a parcel located at 2996 Dickerson Pike and develop a 147-unit affordable housing complex. Skyliner, LP. has received a firm commitment from the Tennessee Housing Development Agency (THDA) for a 4% Low Income Housing Tax Credit (LIHTC) for the amount of \$10,402,290 to help finance the construction of this complex. After syndication, this tax credit will result in an equity amount of \$9,339,444.

Once built, The Skyliner will consist of 16 efficiency units, 102 one-bedroom units, 22 two-bedroom units, and 7 three-bedroom units. This project will use the new Income Averaging option under THDA's LIHTC program so that 20% of the project will be affordable for people with incomes of 40% AMI, 60% of the project will be affordable for people with incomes of 60% AMI, and the remaining 20% of the unites will be affordable for people making 80% AMI. In addition to a LIHTC from THDA, this project is also receiving a \$2,000,000 contribution from the Barnes fund.

The PILOT request has been reviewed by staff and is being recommended for approval. It would require Skyliner, LP to make a total initial payment of \$98,765 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 a review of the site's projected base year taxes as well as the project's development budget, operating pro forma, and debt obligations. MDHA estimates this to be a tax abatement of approximately \$320,459 for the first year the property is placed in service. The current uses of the site generate \$12,135 in annual property tax. If approved, this would leave MDHA's annual abatement capacity at \$1,280,858.

It is requested the Board of Commissioners approve the PILOT agreement between MDHA and Skyliner, LP substantially in the forms attached, and authorize the Executive Director to take the necessary steps, including submission to the Metropolitan Council, and authorize the Executive Director to execute all necessary documents for implementing the PILOT that will include property transfer and execution of leases.



Joseph B. Cain

PILOT AGREEMENT

THIS PILOT AGREEMENT (the “**PILOT Agreement**”) is made and entered into as of the _____ day of November, 2019, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY (“**MDHA**”) and Skyliner, LP (the “**Owner**”).

WITNESSETH:

WHEREAS, MDHA is a public body and a body corporate and politic organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §13-20-101, et seq., (the “**Act**”);

WHEREAS, §13-20-104(f) of the Act provides that a metropolitan government may delegate to a housing authority the authority to negotiate and accept in lieu of ad valorem taxes (“**In Lieu of Tax Payments**”) from a party that operates a low income housing tax credit (“**LIHTC**”) property, as such term is defined in the Act (a “**LIHTC Property**”) on property leased by such party from a housing authority;

WHEREAS, MDHA is the housing authority, as defined in the Act, for the Metropolitan Government of Nashville and Davidson County, Tennessee (the “**Metropolitan Government**”);

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance No. BL2016-334 (collectively, the “**PILOT Ordinance**”), the Metropolitan Government (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from lessees of LIHTC Property owned by MDHA, and (ii) approved MDHA’s program for determining qualifications and eligibility for such In Lieu of Tax Payments (the “**PILOT Program**”);

WHEREAS, Owner plans to acquire land located at 2996 Dickerson Pike, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “**Project Site**”);

WHEREAS, Owner intends to construct a 147 unit apartment project, known as The Skyliner, on the Project Site and operate it as a LIHTC Property (the “**Project**”);

WHEREAS, MDHA is authorized by law and has deemed it necessary and desirable to acquire the Project Site for the purpose of facilitating the Project in accordance with the PILOT Program, the PILOT Ordinance and the Act;

WHEREAS, the Board of Commissioners of MDHA approved MDHA’s purchase of the Project Site and authorized the Executive Director of MDHA to take all actions on behalf of MDHA to undertake the following:

- (A) acquire the Project Site;
- (B) enter into a lease with Owner pursuant to which Owner will (i) lease the Project Site and the Project from MDHA with MDHA having the right to cause Owner to purchase the Project Site and the Project from MDHA upon expiration of the tenth (10th) Tax Year, (ii) construct the Project on the Project Site, and (iii) by recorded agreement, commit to operate the Project as a LIHTC Property in accordance with the requirements of the Internal Revenue Code and the Tennessee Housing Development Agency (“THDA”) for a minimum period of fifteen (15) years after the Project is complete (the “**Project Lease**”);
- (C) enter into this PILOT Agreement;
- (D) submit this PILOT Agreement to the Metropolitan Planning Commission to obtain a recommendation of approval or disapproval, as envisioned by the PILOT Ordinance;
- (E) submit this PILOT Agreement to the Metropolitan Council of the Metropolitan Government (the “**Metropolitan Council**”) for approval as required by the PILOT Ordinance; and
- (F) take such other action and execute such other documents as the Executive Director deems necessary or desirable to facilitate construction of the Project and the transactions described above consistent with this PILOT Agreement, the Act, the Project Lease, the Metropolitan Ordinance and the PILOT Program (including MDHA’s application and policies and procedures related thereto).

WHEREAS, MDHA intends to acquire the Project Site from Owner and will concurrently enter into the Project Lease; and

WHEREAS, Owner has agreed to make In Lieu of Tax Payments with respect to the Project as described herein.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, and as an inducement to Owner to construct the Project and operate the Project as LIHTC Property, MDHA and Owner agree as follows:

1. With respect to Project Site and the real property component of the Project, Owner shall make In Lieu of Tax payments to MDHA who will then remit the payment to the Metropolitan Government, as follows:

- (a) The In Lieu of Tax Payments shall be equal to the Applicable Ad Valorem Taxes, as defined below, through and including the calendar year in which the construction of the Project is completed.

(b) Commencing on January 1st of the calendar year following the year in which the Project is placed into service (“**Tax Year 1**”) and each tax year subsequent to the Tax Year 1 (Tax Year 1 and each subsequent tax year being referred to herein as a “**Tax Year**”) through the tenth (10th) Tax Year, in Lieu of Tax Payments shall be as follows:

Tax Year	In-Lieu of Tax Payment
1	\$98,785
2	\$101,749
3	\$104,801
4	\$107,945
5	\$111,183
6	\$114,519
7	\$117,954
8	\$121,493
9	\$125,138
10	\$128,892

Subject to Section 1(e) below, the In Lieu of Tax Payments shall be fixed and shall not fluctuate with the amount of the assessment for the Project Site or the Project or the tax rate in effect for any Tax Year. The amount of the In Lieu of Tax Payments is approximately equal to \$672 per unit within the Project, with a three percent (3%) annual increase. In Lieu of Tax Payments for each Tax Year shall be paid when due but in any event not later than the date on which the Applicable Ad Valorem Taxes would become delinquent.

(c) After the tenth Tax Year, this Agreement shall expire and Owner shall pay 100% of the Applicable Ad Valorem Taxes.

(d) The term “**Applicable Ad Valorem Taxes**” shall mean any real property ad valorem taxes that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project.

(e) Notwithstanding anything contained herein to the contrary, if THDA or the IRS determines that the Project is not in compliance with LIHTC requirements and is therefore not operated as a LIHTC Property at any time during a Tax Year, Owner shall pay 100% of the Applicable Ad Valorem Taxes with respect to such Tax Year.

(f) Notwithstanding anything contained herein to the contrary, Owner shall pay 100% of the Applicable Ad Valorem Taxes for the periods before Tax Year 1 and after Tax Year 10, if the Project Lease is in effect during such periods.

2. Commencing in Tax Year 1 and in each Tax Year subsequent through the (10th) Tax Year, Owner shall provide to MDHA an annual report not later than September 1st of each Tax Year containing the following information:

- (a) The value of the Project, as estimated by the Owner;
- (b) The date and remaining term of the Project Lease;
- (c) The amount of In Lieu of Tax Payments payable in such Tax Year;
- (d) The date in which the Project is scheduled to return to the regular tax rolls and be eligible to pay 100% of the Applicable Ad Valorem Taxes following the tenth (10th) Tax Year;
- (e) A calculation of the Applicable Ad Valorem Taxes for such Tax Year that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project;
- (f) A copy of the Owner's most recent Annual Certification as submitted to THDA, certifying compliance with LIHTC requirements; and
- (g) A copy of any monitoring or compliance reports provided by THDA to the Owner during such Tax Year.

3. Commencing with Tax Year 1 and each Tax Year thereafter, Owner shall pay to MDHA a monitoring and reporting fee to be set by MDHA but not to exceed five percent (5%) of the amount In Lieu of Tax Payment due with respect to such Tax Year (the "Annual MDHA Fee"). The Annual MDHA Fee shall be paid not later than fifteenth (15) day of such Tax Year. Unpaid amounts shall bear interest at the rate of four percent (4%) in excess of the average prime rate of interest published from time to time by the Federal Reserve or similar commonly accepted reporting organization if the Federal Reserve ceased to publish such information. Owner's failure to pay the Annual MDHA Fee within thirty (30) days after written notice from MDHA shall constitute a default under this PILOT Agreement in which event Owner shall pay 100% of the Applicable Tax Rate for such Tax Year instead of the In Lieu of Tax Payment set forth above.

4. Owner's payment of the In Lieu of Tax Payments shall satisfy the requirement in Tenn. Code Ann. § 67-5-206(a) that MDHA pay the Metropolitan Government for services, improvements or facilities furnished by the Metropolitan Government for the benefit of the Project.

5. This PILOT Agreement may not be assigned to any party other than the assignee of the lessee's interest under the PILOT Lease pursuant to an assignment that is made in accordance with the PILOT Lease, including MDHA consent requirements, if any, specified therein. Each permitted assignee shall assume Owner's obligations under this PILOT Agreement concurrent with the assignment of the PILOT Lease.

6. This PILOT Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this PILOT Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this PILOT Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein. This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

7. This PILOT Agreement is subject to and conditioned upon (i) approval of this PILOT Agreement by the Metropolitan Council as required by the PILOT Ordinance, (ii) Owner's satisfaction of all conditions and requirements imposed by MDHA in connection this PILOT Agreement or the transaction contemplated herein, (iii) MDHA taking title to the Property and entering into a mutually acceptable Project Lease, and (iv) THDA's approval of the Project and allocation of low income housing tax credits, to the extent such approval or allocation has not been received as of the date of this PILOT Agreement.

8. MDHA shall remit all In Lieu of Tax Payments received in connection with the Project and/or the Project Lease to the Metropolitan Government within fifteen (15) days of receipt.

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and date first above written.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

By: _____

Title: _____

Skyliner, LP

By: _____

Title: _____

FILED WITH THE METROPOLITAN CLERK

Elizabeth Waites

Date

EXHIBIT A