

Metropolitan Development and Housing Agency

701 SOUTH SIXTH STREET * NASHVILLE, TENNESSEE 37206 * TELEPHONE (615) 252-8400
TELEPHONE DEVICE FOR DEAF (615) 252-8599

James E. Harbison
Executive Director

Mailing Address: P. O. Box 846
Nashville, TN 37202

August 11, 2016

Dear Mr. Rau,

Thank you for your inquiries. Since February 2013, MDHA has held over 40 public meetings and worked with its many community partners and the public to develop a revitalization plan for Cayce Place in East Nashville. While the primary focus is the MDHA-owned Cayce public housing site, the resulting master plan seeks to transform the broader community by replacing all Federally subsidized housing on a one for one basis, while introducing additional affordable and market rate housing in a mixed-income neighborhood with new amenities, greenspace, retail opportunities and a park. This conceptual plan will take time to complete, in multiple phases driven by MDHA's commitment to the present residents at Cayce to minimize disruption in their lives. The community has embraced this Envision Cayce concept and MDHA continues its diligent efforts to present Envision Cayce to the public, and to respond to public input as we make this concept a reality.

MDHA has been intentional in its organization outreach to the community. Formed in February 2013, the Cayce Community Advisory Group (CAG) of stakeholders has grown to over 30 members, including key community representatives, Cayce residents, non-profits, other local residents, key Metropolitan government representatives, MDHA staff, affordable housing advocates, and subject matter experts in mixed income and affordable housing. Public, resident and CAG meetings are held monthly to ensure full vetting of Envision Cayce. Since the CAG's beginning, the Martha O'Bryan Center, a Cayce Place tenant, has been a key stakeholder.

Early in the planning process, community input focused efforts for Envision Cayce on high quality education services. Nearly simultaneously in 2013, Metropolitan Nashville Public Schools approved Martha O'Bryan for a charter school at Cayce Place where it has been a tenant for many years. No other school was approved for Cayce Place. Martha O'Bryan presently provides early learning, Pre-K, K-8th grade youth development, K-8th grade education, high school tutoring, ACT prep, college prep, adult education, and digital/computer education to Cayce resident families and children.

The Martha O'Bryan Center leases its portion of Cayce Place from MDHA and pays for all its maintenance and capital needs. MDHA pays no money to Martha O'Bryan for improvements or maintenance. The U.S. Department of Housing and Urban Development (HUD) currently holds

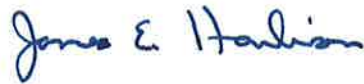
the Cayce Place title under a Declaration of Trust in conjunction with MDHA. Under HUD's Rental Assistance Program (RAD), HUD will release its Declaration of Trust in 2017 and MDHA will be the sole owner.

While the Envision Cayce transformation has begun, it is a multiphase process where each phase is developed and financed separately. Until detail design and financing, phases are conceptual and any finite description is difficult. For the conceptual school of the Envision Cayce master plan, the rough order of magnitude financial planning estimate is presently \$22,000,000. We anticipate the use of HUD insured loans as the major source of funding. Specific financing has not been determined and MDHA has not started the loan application process. Should the school concept be realized over time, Martha O'Bryan will continue as a tenant of MDHA and lease the school building from MDHA. As a tenant, Martha O'Bryan will continue responsibilities for facility maintenance and capital needs.

While MDHA shares optimism with our local partners for the Choice Neighborhood Implementation (CNI) grant application, we are in competition with many other Cities and an award is far from certain. HUD CNI funds cannot be used for school construction and the funds dedicated to the people portion of the grant can only be used for services. MDHA has received Fiscal Year 2016 – 2017 capital funds from the Metropolitan Government of Nashville and Davidson County and will only use those capital funds kindly provided for Envision Cayce planning and infrastructure. None will be used for school construction.

The Martha O'Bryan Center remains a valued tenant at Cayce Place, an important colleague in Envision Cayce and a key CAG stakeholder. Thanks again for your interest in Envision Cayce.

Sincerely,



James E. Harbison
Executive Director

cc: Mayor Megan Barry
Council Member Brett Withers
MDHA Board of Commissioners