

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 14, 2016, at 11:30 a.m. in the Collaboration Room at the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

PRESENT: Melvin Black, Vice Chair
Jimmy Granbery, Vice Chair
Gif Thornton
Miniimah Basheer
Antoinette Batts

ABSENT: Ralph Mosley, Chair
Charles Robert Bone

ALSO PRESENT: James Harbison, Secretary-Treasurer and Executive Director
James Thiltgen, Deputy Executive Director
Margaret Behm, Legal Counsel
Tremecca Doss, General Counsel
Melinda Hatfield, Director of Finance
Will Biggs, Director of Affordable Housing
Angie Hubbard, Director of Community Development
Norman Deep, Director of Rental Assistance
Ed Shewmaker, Director of Construction
Joe Cain, Director of Urban Development
Steve Adams, Assistant Director for Human Resources
Connie Martin, Assistant Director for Affordable Housing
Pat Thicklin, Training/EEO Specialist
Vanessa Melius, Grant Writer Coordinator
Jamie Berry, Director of Communications
Steve Rutland, Senior Project Manager
Jean Merkle, Administrative Assistant to the Board of Commissioners
John Cooper, Metropolitan Council
Deborah Wilhoite, President, J. Henry Hale Apartments Resident Association
Lorna Richardson, Manager, J. Henry Hale Apartments
Councilman John Cooper
Brad Rayson, SEIU
Nat King Cole, SEIU
Eric Chatman, Maintenance Supervisor, Gernert Studio Apartments

Shaterial Starnes, MDHA Social Services Coordinator
Mick Nelson, Consultant
Andrea Hancock, TAHRA Scholarship Recipient
Gini Pupo-Walker, Conexion Americas
Tykeithan Phillips & Luketa Phillips, Cayce Place
Tempest Utley, Urban League of Mid-TN
Corey Gephart, St. Luke's Community House
Pearl Sims, PhD, Edgehill Neighborhood Coalition
Randall Gilberd, Cayce Place Revitalization Foundation
Bob Borzak, Cayce Place Revitalization Foundation
Monica Dion, Intern, Dodson, Parker, Behm & Capparella
Steve Reiter

Vice Chair Black called the meeting to order and requested approval of the Minutes of the Meeting of May 10, 2016. Commissioner Basheer moved adoption of the following resolution:

Resolution No. 36-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of May 10, 2016, as submitted.”

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

Vice Chair Black introduced Deborah Wilhoite, President, J. Henry Hale Apartments Resident Association, and Lorna Richardson, Manager, J. Henry Hale Apartments Resident Association. He said both will have an opportunity to speak later in the meeting.

Mr. Harbison stated that MDHA has eleven public housing residents who are participating in a Summer Youth Intern Program where they will earn \$8 per hour, working 24 hours per week. The students stood and introduced themselves: Dontario & Ontario Graham, Cayce Place; Terraka Holmes & RyaShawn Dolce, Cumberland View; Reginiqua Graham, Kiara Baker & Makayla Usher, Sudekum Apartments; and Sabria Al-Jiashy, William Taylor, Jaquan Newbern & Kametra Maddox, Edgehill Apartments.

Mr. Biggs introduced Luketa Phillips and her son, Tykeithan Phillips, Cayce residents. Mr. Phillips was the recipient of a full band scholarship to Alabama State University. Mr. Biggs presented Mr. Phillips a check for \$350.00 which will give him the opportunity to attend the University's band camp later in July. Mr. Phillips thanked the staff and talked about his goals for the future.

Public comments were presented by Steve Reiter who spoke about issues he believes exist in the tax increment financing program. Brad Rayson, SEIU 205, spoke regarding the agency's implementation of a Disciplinary Pilot Program. Mr. Rayson stated there had been no issues in the past year and felt it unnecessary for a change in disciplinary procedures.

Mr. Harbison stated MDHA and Nashville had received a Promise Zone designation by the U. S. Department of Housing and Urban Development. He said staff will be submitting an application to HUD by June 28 for a Choice Neighborhood Implementation Grant that would greatly assist in the revitalization of the Cayce neighborhood. Mr. Harbison said there were a number of partners who assisted in the preparation of the application and specifically thanked Mayor Barry and Councilman Withers for their support. Mr. Harbison introduced Mick Nelson, former Senior Advisor for Tennessee Housing Development Agency, who will be assisting with the agency's planning sessions scheduled for June 21st and 22nd.

Jim Thiltgen, Deputy Executive Director, presented the next three items representing six loan closings all of which were previously approved by the Board. It is required by the State Comptroller of the Treasury that upon closing the loans report of the debt is made public to the Board and reported to the Comptroller. Mr. Thiltgen stated the following:

Two tax increment loans for the 21c Museum Hotel were closed in May.

An acquisition/lease-back arrangement with The Paddock at Grandview to facilitate Payment In Lieu in Taxes for a ten-year term with an interest rate of 4.0%.

An acquisition/lease-back arrangement for Old Hickory Towers also with a 4.0% interest rate.

A loan in the amount of \$35,000 for 1712 Jefferson Street closed on March 31, with Avenue Bank at a 5% interest rate which will reset after five years.

A loan in the amount of \$140,000 for 1101 Dickerson Pike closed on April 15, 2016 with Avenue Bank at an interest rate of 5.5%.

Mr. Harbison stated the Metropolitan Council by Ordinance No. BL2016-157 had enacted a new Chapter 5.06 to the Metropolitan Code of Laws requiring MDHA to submit an annual report to the Mayor, Director of Finance and Metro Council regarding tax increment financing. The report was presented to the Commissioners and after questions and discussion, Commissioner Basheer moved adoption of the following resolution:

Resolution No. 37-2016

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the submission, as required by Ordinance BL2016-157 of the Metropolitan Council, of the annual report of all tax increment loans as of September 30, 2015, as presented in a memorandum to the Board of Commissioners from James E. Harbison, Executive Director, dated June 8, 2016 and herein made a part of these minutes by reference.”

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

Mr. Thiltgen requested Board approval of the agency's PHA Annual Plan for the year beginning October 1, 2016. He stated the required public hearing was held following the May 10th Board meeting with no comments received at that hearing. After questions and discussion of the contents of the Plan, Commissioner Batts moved adoption of the following resolution:

Resolution No. 38-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby adopts ‘PHA Certifications of Compliance with the PHA Plans and Related Regulations Board Resolution to Accompany the PHA Annual ’ 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 10, 2016, made a part of these minutes by reference and filed with other documents of this meeting.”

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

Angie Hubbard, Director of Community Development, presented the next item. Ms. Hubbard said that on June 6 President Obama announced that Nashville was one of five urban communities to receive the Promise Zone Designation in the programs third and final round. She stated that although no grant funds are provided, the PZ designation provides access to customized federal support that provides preference points in certain competitive federal funding opportunities, dedicated federal; staff assistance, and five full-time AmeriCorps VISTA members to strengthen the capacity of the Promise Zone partners. Ms. Hubbard said MDHA is the lead agency in collaboration with Mayor Barry's Office and six implementation partners. Ms. Hubbard requested the Board accept the designation of a Promise Zone and authorize the Executive Director to execute any and all documents as may be required. Commissioner Batts moved adoption of the following resolution:

Resolution No. 39-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby accepts the designation of Promise Zone by the U.S. Department of Housing and Urban Development as announced by President Obama on June 6, 2016; and authorizes the Executive Director to execute any and all documents as may be required..”

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

Ms. Hubbard next requested Board approval to award three lots in the Woods at Monticello to Habitat for Humanity of Greater Nashville as well as the transfer of one lot to the Monticello Homeowners Association. Ms. Hubbard explained the details of the requests and after discussion, Commissioner Granbery moved adoption of the following resolution:

Resolution No. 40-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the award of Lots 16,35 and 36 in the Woods at Monticello subdivision to Habitat for Humanity of Greater Nashville, and approves the transfer of Lot 324 to the Monticello Homeowners Association; and

BE IT FURTHER RESOLVED, That the Executive Director is hereby authorized to execute any and all documents necessary to complete the transactions.”

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

Joe Cain, Director of Urban Development, stated the Metropolitan Council is considering proposed Ordinance BL2016-258 which would approve a purchase and sale agreement with the Tennessee Education Association for the purchase and restoration of the former Ben West Library Building. The ordinance requires Metro Government convey its interest in the property to MDHA to facilitate the redevelopment of the building in accordance with the Capitol Mall Redevelopment Plan. Concurrently MDHA would transfer the property to the Tennessee Education Association by quitclaim deed. After discussion and questions, Commissioner Basheer moved adoption of the following resolution:

Resolution No. 41-16

WHEREAS, The former Ben West Library Building and related land (the “Property”) owned by the Metropolitan Government of Nashville and Davidson County (“Metro”) was designated as surplus property pursuant to BL2014-752, and on behalf of the Metropolitan Government, the Metropolitan Development and Housing Agency (“MDHA”) sought proposals from interested parties for redevelopment and reuse of the Property; and

WHEREAS, The Tennessee Education Association (“TEA”) submitted a proposal for preservation of the Property’s historical elements and restoration of the Property as its headquarters and for certain conference, public and school functions as a public/private facility with anticipated improvements to the Property of approximately \$8,500,000.00 (the “Redevelopment Project”). And, subject to approval of the proposed ordinance attached hereto as **Exhibit A** (the “Disposition Ordinance”), Metro intends to enter into a Purchase and Sale Agreement with TEA in the form attached hereto as **Exhibit B** (the “PSA”). Said PSA requires that Metro convey its interest in the Property to MDHA to facilitate the redevelopment project in accordance with the Capitol Mall Redevelopment Plan. PSA further provides that (i) TEA will purchase the Property for the sum of \$2,000,000 (\$750,000 payable to Metro at closing plus ten (10) subsequent annual payments to Metro of \$125,000), (ii) TEA will permit rent-free use of portion of the Property by the Metropolitan Government up to 12 times per year and by the Metropolitan Board of Public Education up to 50 times per year for meetings and events for a period of years, and (iii) Metro will have a right of first refusal to purchase the Property; and

WHEREAS, Metro has requested that MDHA take title to the Property by quitclaim deed in the form attached as Exhibit B-2 to the PSA on the condition that MDHA further concurrently convey MDHA's interest in the Property to TEA for its use value in accordance with the Tennessee Housing Authorities Law and the PSA; and

WHEREAS, Metro and TEA estimate the total benefit for the use of the Redevelopment Project to the Metropolitan Government and Metropolitan Board of Public Education over 10 years to be approximately \$5,000,000.00; and

WHEREAS, The proposed form of MDHA's quitclaim deed to TEA is attached as Exhibit B-3 to the PSA (the "MDHA Deed") and requires TEA to complete the Redevelopment Project within a reasonable period of time after TEA acquires the Property with an anticipated construction period of approximately 12 months. The Deed also requires that TEA comply with those provisions of the Capitol Mall Redevelopment Plan (the "Redevelopment Plan") that relate to MDHA's disposition of property pursuant to the Redevelopment Plan: now therefore be it

RESOLVED, By the Board of Commissioners of the Metropolitan Development and Housing Agency, that (i) MDHA's accepting title to the Property from Metro, and (ii) MDHA's concurrent transfer of the Property to TEA as set forth above for the purpose of completing the Redevelopment Project are consistent with the Redevelopment Plan; and

BE IT FURTHER RESOLVED, That subject to the Ordinance having been adopted by the Metro Council and becoming effective and on the condition that MDHA must be reimbursed for its out of pocket costs at closing of the transfer of the Property to TEA (including legal costs and other MDHA costs associated prior RFP's for redevelopment of the Property), the Executive Director of MDHA is authorized to accept the Metro Deed and deliver the MDHA Deed to TEA as envisioned by the PSA and to execute any and all other documents and to take such other actions as the Executive Director deems necessary or appropriate to implement and facilitate the Redevelopment Project and to complete the transfer of the Property to TEA.

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

The Vice Chair called on Ms. Wilhoite said it was a pleasure to serve as president and she was working on activities for both adults and youth at J. Henry Hale. Ms. Richardson thanked the Board for the invitation to attend.

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

Secretary

APPROVED:

This _____ day of _____, 2016.

Chair