

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

October 8, 2019

1. Call to order.
2. Approval of the Minutes of the Meeting of September 12, 2019.
3. Introductions.
4. Public comments.
5. Executive Director's Report.

COMMITTEE REPORT

6. Report from Committees
 - A. Housing and Community Services.
 - B. Joint Finance & Audit and Development.

EXECUTIVE (HARBISON & CHOPPIN)

7. Approval of Oceanside Investor Vine Hill Lease.

RECAPITALIZATION (HARBISON & DELLINGER)

8. Approval of Construction Manager at Risk Services for Red Oak Townhomes.
9. Additional business.
10. Report from Resident representative.
11. Adjourn.
12. Executive Session.

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

October 8, 2019

EXECUTIVE (HARBISON & CHOPPIN)

7. Approval of Oceanside Investor Vine Hill Lease

Oceanside Investors is a joint venture that is interested in leasing 1.65 acres of Vine Hill from MDHA to expand its parking availability for its commercial lessees. The lease is under HUD review as per the applicable RAD Use Agreement, but approval is anticipated. The rental income of approximately \$76,000 per year would benefit the residents at Vine Hill Homes and Vine Hill Towers. The initial lease term is five years, with two five-year renewal options. The lease is cancelable by MDHA. MDHA currently does not have redevelopment plans for the proposed lease premises.

RECAPITALIZATION (HARBISON & DELLINGER)

8. Approval of Construction Manager at Risk Services for Red Oak Townhomes

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 construction of Red Oak Townhomes is requested. There are two phases to this contract, preconstruction and construction, with preconstruction services at a cost of \$25,000. A guaranteed maximum price (GMP) amendment is required to continue the construction phase; approval will be requested once the GMP has been established. Based on specific criteria, the evaluation committee reviewed and discussed the only proposal received, being from R.G. Anderson, and concluded R.G. Anderson is qualified and responsible to perform this service. Funding for the preconstruction services will be from Metro 2018 CSP authorizations. The Architect estimated GMP for the project is \$13.5 million.

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 Thursday, September 12, 2019, at 11:30 a.m. in the Collaboration Room of the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

PRESENT: Charles Robert Bone, Chair
Emily Thaden, Vice Chair
Ralph Mosley
Aole Ansari

ABSENT: Antoinette Batts
Kay Bowers
Marcus Campbell

ALSO PRESENT: James Harbison, Executive Director
Kevin Klein, 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
Shukiesha Thompson, Assistant Director for Rental Assistance
Michael Wegerson, Director of Recapitalization
Jamie Berry, Director of Communications
Brent Grubb, Assistant Director for Construction
Tamara Burnett, MDHA Human Resources Specialist
Curtis Thomas, Executive Program Manager – Recapitalization
Matt Loftis, Urban Development Analyst
Zachary Blair, Deputy Chief Strategy and Intergovernmental Affairs Officer
Charlotte Weatherington, Communications Manger
LaTonya Ellis, Administrative Assistant to the Board of Commissioners
Zach Hunt, Strategy Group
John Zirker, Sr., Resident Association President, Cayce Place
Maxine Chandler Augusto, Meharry Community Wellness Center
Grace Evans, Elmington Capital Group
Hunter Nelson, Elmington Capital Group
Kelli Huff-Jones, Senior Property Manager – Central Office Affordable Housing

Michael Evans, Property Manager – Cayce Place
Maria Aboubaker, Street Works
Anita Crawley, Street Works
Traci Patton Woodberry, Urban Housing Solutions
Shanley Deignan, Nashville Cares
Joe Klich, Hardaway Construction
Ed Branding, Real Estate Researcher
Sharon Hurt, Street Works
Ashley King
Steve Reiter

Chair Bone called the meeting to order and requested approval of the Minutes of the Meeting of August 13, 2019. Commissioner Ansari moved adoption of the following resolution:

Resolution No. 30-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the Minutes of the Meeting of August 13, 2019, as submitted.”

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

Chair Bone introduced Mr. John Zirker, Sr., Cayce Resident Association President. Mr. Zirker thanked MDHA and the Board for increased police presence on the property. He commended the efforts of all involved with the Night Out on Crime and the Community Family Day. He mentioned the Cayce United meetings, where they addressed issues such as addictions, safety, back to school and pregnancies. Mr. Zirker also recommended the return of the Cayce Breakfast event. Next, Mr. Bone introduced Michael Evans, Cayce Property Manager, who invited the Board out to the September 21st Kirkpatrick Park Community Mixer.

Chairman Bone opened the floor for public comments. Mr. Steve Reiter once again expressed concern with the Continuum of Care (COC) Homeless Assistance Program. He stated the Nashville area COC scores well below National average. He raised issues with the Governance Charter and Program oversight. Although Mr. Reiter was aware MDHA does not govern the COC, he stated the MDHA Board meeting is his only avenue to speak out for better management and order. Mr. Reiter feels the COC is not being accountable and therefore requested the Governance Charter be reviewed and updated annually instead of every three years. Mr. Ashley King spoke next. He requested MDHA and the Board put more effort and time into Section 8 Homeownership. He also stated he would like to see increased usage of Section 8 vouchers, stating we currently only use about half of what is approved.

Mr. James Harbison gave the Board an update on Commissioner Kay Bowers. He stated her Board appointment was approved by HUD. Ms. Bowers is required to reprieve herself from voting on issues relative to community planning & development and section 8 funding.

Chairman Bone called for the Executive Director's Report. Mr. James Harbison started with updates from his recent trip to Washington D.C. He discussed the Affordable Housing Credit Improvement Act (AHCIA) which will increase LIHTC allocation, raise Bond Caps, and makes 4% LIHTC permanent. He reported that Congress plans to fully fund HCV and PBRA before any other HUD programs. There will be an increase in Community Development funds, which would roughly equate to MDHA's last year's allocations. He stated President Trump didn't earmark any funds in the National budget for CPD programs. Mr. Harbison announced the loan closings on Madison Tower and Curb Victory Hall. He gave updates on Kirkpatrick Park; Forest Bend development is 90% complete; Bordeaux Townhomes is 77% complete; and Victory Hall is 20% complete; Boscobel I and II are ahead of schedule and Boscobel III will be breaking ground soon. He gave updates on the New Market Tax Credits Community Development projects, which include: the YMCA collaboration, the library, the Hope Center and the Belmont Grocery for Edgehill. Mr. Harbison went over the scores from recent HUD inspections on CWA I (67 score); Edgefield REAC (98 score); and Andrew Jackson REAC (98 score). He announced that the CAPER report was delivered to HUD on August 27th. Rental Assistance had 23 responses to RFP and awarded 878 PBVs; and allocated 377 out of 485 tenant based VASH. He announced the Rental Assistance staff would be assisting the Memphis Housing Authority with their RFP review for an HCV program contractor. The Urban Development staff began working on the TIF committee recommendations.

Mr. Harbison announced that MDHA is applying for the Developer role for the Tulsa Housing Authority, at the request of HUD. Further information will be provided to the Board in October, as the submission date is September 25th. He stated the Board would hear more on the Jefferson Street redevelopment district, and the Vanguard Investment Plan, later in the meeting. Mr. Harbison explained that the award of HOPWA funds is being submitted today for Board approval. Mr. Harbison informed the Board that MDHA sought an exception from HUD in accordance with its conflict of interest provisions with respect to Council woman Sharon Hurt who also serves as Executive Director of Street Works. While on the Council, Ms. Hurt voted for the Five Year Consolidated Plan for Housing and Community Development (June 1, 2018 – May 31, 2023) and the Program Year Two Action Plan for 2019 which allocated the funds for this award. Mr. Harbison addressed the question posed by Mr. Reiter during public comment, stating MDHA has no authority over COC. We are a non-voting member; MDHA acts in an advisory role only. Mr. Harbison introduced Charlotte Weatherington, Communications Manager and Zachary Blair, the new Deputy Chief Strategy and Intergovernmental Affairs Officer. Lastly, Mr. Harbison announced the resignation of Mr. Ralph Mosley, effective September 13, 2019. He stated how vital Mr. Mosley had been to the Board over the years and how he will be missed. Mr. Harbison deferred to Mr. Mosley who gave brief remarks and thanked everyone.

Commissioner Thaden, reported on the joint meeting of the Finance & Audit and Development Committees. She reported the operating budget for the fiscal year 2019 - 2020 was reviewed and unanimously approved. She stated the committee discussed and approved the Boscobel II change order, the HOPWA funds for housing assistance & supportive services and the Explore! School change order. The PILOT agreement for Hillside Flats was also discussed and approved. The Management Review Committee discussed James Harbison's Executive Director Contract terms and renewal of said contract.

As a follow-up to a recommendation made at the August meeting of the Finance & Audit committee, Mr. Harbison presented an investment policy statement for the Agency's retirement plan for Board approval.

The investment policy statement was reviewed and approved during the September Finance & Audit Committee meeting. Commissioner Ansari moved adoption of the following resolution:

Resolution No. 31-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the drafting and implementation of the MDHA retirement plan investment policy statement.

WHEREAS, the MDHA investment policy statement explains the overall intent of investments in the plan, the selection of investment options, the selection of a default investment option and the periodic review of performance of the selected investment options. The MDHA retirement plan statement is made a part of these minutes by reference and filed with other documents for this meeting.”

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

David Dellinger, Chief Operating Officer, requested Board approval for MDHA to compete for the “Driver Safety” matching grant program through Public Entity Partners and authorize the Executive Director to undertake all steps necessary to execute all pertinent documents. This item was reviewed and approved by the Finance & Audit Committee. Commissioner Mosley moved adoption of the following resolution:

Resolution No. 32-19

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves and authorizes the Agency’s application for a “Driver Safety” Matching Grant Program through Public Entity Partners.

WHEREAS, MDHA is committed to the safety and well-being of its employees and all efforts shall be made to provide a safe and hazard-free workplace.

WHEREAS, MDHA contracted with the Tennessee Regional Safety Council, Inc. to offer 21 driver safety courses of 4 hours each to a total of 197 employees (61% of 319 total) and a total cost of \$8600.

WHEREAS, MDHA plans to apply for a “Driver Safety” Matching Grant Program. The grant program provides up to \$4000 to offset the annual MDHA Drive Safety training program.

BE IT FURTHER RESOLVED, This resolution authorizes the Executive Director to undertake all steps necessary to execute all documents related to application and implementation of the “Driver Safety” program through the Public Entity Partners grant opportunity.”

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

Next, Mr. Dellinger requested Board approval of Change Order No. Three (3) for the contract with Hardaway Construction for Boscobel II (CPII, L.P.). The item was reviewed and approved by the Finance & Audit Committee. Commissioner Ansari moved adoption of the following resolution:

Resolution No. 33-19

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves Change Order No. Three (3) for the new construction of Boscobel II (CPII, L.P.) in the amount of \$377,624.00 to the contract with Hardaway Construction Corp.

WHEREAS, Change Orders to contracts that exceed \$1,000,000 and no more than 10,000,000 require the approval of the Board of Commissioners of MDHA, when the cumulative change order(s) exceed \$200,000.

WHEREAS, Change Orders to contracts that exceed \$10,000,000 will require board approval when the cumulative change order exceeds 2% of the original contract amount.

WHEREAS,, Change Order No. Three (3) in the amount of \$377,624.00 to Hardaway Construction Corp. will increase the Contract amount to \$28,696,985.00. Funding for this Change order is available from Owner's contingency. The remaining Owner's contingency balance of \$592,747.00 is 4.4% of the remaining cost, \$13,371,579, to complete the Project.

BE IT RESOLVED Subsequent change orders will not require board approval unless the accumulative amounts of those changes total \$200,000 or more and exceeds 2% of the original contract amount".

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

Mr. Harbison, discussed the Housing Opportunities for Persons with AIDS (HOPWA) funds for housing assistance and supportive services. These funds benefit low income persons medically diagnosed with HIV/AIDS. Mr. Harbison mentioned the possibility of needing a HUD waiver regarding Councilwoman Sharon Hurt's involvement with Street Works. After which, he asked for Board approval to award the HOPWA funds. The item was reviewed and approved by the Finance & Audit Committee. Commissioner Ansari moved adoption of the following resolution:

Resolution No. 34-19

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the awarding of HOPWA funds to designated area nonprofit and public agencies.

WHEREAS, The Metropolitan Development and Housing Agency is responsible for administering the U.S. Department of Housing and Urban Development's Housing Opportunities for Persons with AIDS (HOPWA) program for the Metropolitan Government of Nashville and Davidson County; and

WHEREAS, the 2019 Action Plan of the 2018-2023 Consolidated Plan allocated funding under the HOPWA program to increase housing stability for persons living with HIV/AIDS and their families through the provision of financial assistance and related housing services; and

WHEREAS, MDHA received applications from qualified agencies for the purpose of operating HOPWA programs during the 2019 program year; and

WHEREAS, the Evaluation Committee reviewed all proposals in accordance with the criteria set forth in the Request for Applications; and

BE IT FURTHER RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency that HOPWA funds be allocated to the following agencies: Nashville CARES ((\$872k), Urban Housing Solutions (\$363K) and Street Works (\$90k), in accordance with the funding levels, for a total amount of \$1,332,531; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Executive Director is authorized to execute written agreements with each agency to ensure that HOPWA funds are used in accordance with all programs requirements."

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

Mr. Harbison, requested Board approval of the Agency's operation budgets for fiscal year 2019-2020. The budget was reviewed and approved by the Finance & Audit Committee. Commissioner Thaden moved adoption of the following resolution:

Resolution No. 35-19

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the MDHA operating budget for fiscal year 2019-2020 (support documents made a part of these minutes by reference and filed with other documents for this

meeting), and also authorizes the Executive Director and Board Chairman to sign all documents required by HUD for the operating budget.

WHEREAS, the Metropolitan Development and Housing Agency has committed to the proper management of funds it receives, and
WHEREAS, the agency has prepared a realistic revision of the estimate of operating receipts and expenditures for the fiscal year beginning October 1, 2019; now therefore, be it

RESOLVED, that the operating budget for the Central Office Cost Center, MDHA Service Crews, the Project Based Rental Assistance properties, the Freeman Webb managed properties, the Community Development Department, the Urban Development Department, and the Rental Assistance Department for fiscal year beginning October 1, 2019 are hereby adopted and approved."

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

Chairman Bone commended the Finance department for preparing and disseminating the report ahead of time and he applauded the inclusion of a 3.5% raise for all agency employees. Melinda Hatfield answered a question that was posed by Commissioner Ansari during the Finance and Audit Committee meeting, she stated there was a \$6 million dollar positive cash flow. Vice Chair Thaden asked if the seven identified maintenance positions received both the 3.5% raise plus the \$1 increase. Mr. Harbison stated yes they would receive both in an attempt to bring their salary up closer to the National average in pay.

Michael Wegerson, Director of Recapitalization, requested Board approval of Change order No. 8 for the contract with RG Anderson Company for Explore! Community School. Per the MDHA Procurement Policy, Change orders must receive Board approval if they exceed \$10,000,000 and the cumulative change order exceeds 2% of the original contract amount. The item was reviewed and approved by the Finance & Audit Committee. Commissioner Ansari moved adoption of the following resolution:

Resolution No. 36-19

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves Change Order No. Eight (8) for the Explore! School in the amount of \$43,638.32 to the contract with RG Anderson Company, Inc.

WHEREAS, Change Orders to contracts that exceed \$1,000,000 and no more than 10,000,000 require the approval of the Board of Commissioners of MDHA, when the cumulative change order(s) exceed \$200,000.

WHEREAS, Change Orders to contracts that exceed \$10,000,000 will require board approval when the cumulative change order exceeds 2% of the original contract amount.

WHEREAS, Change Order No. Eight (8) will increase the Contract amount to \$20,646,589.03. Funding for this Change order is available from Owner's contingency. The remaining Owner's contingency balance of \$575,638.00 is 10.6% of the remaining cost, \$5,430,457.00, to complete the Project.

BE IT RESOLVED Subsequent change orders will not require board approval unless the accumulative amounts of those changes total \$200,000 or more and exceeds 2% of the original contract amount".

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

Joe Cain, Director of Urban Development, requested Board approval of the Hillside Flats PILOT agreement. Elmington Capital Group (ECG) through ECG Hillside, LP plans to acquire property located at 1501 Hillside Avenue and develop a 290-unit affordable housing complex. ECG has received a conditional commitment from THDA for a 4% LIHTC for the amount of \$28,434,300 to help finance the construction of the complex which would consist of 181 one bedroom, 85 two bedroom and 24 three bedroom units. ECG has already received a conditional approval letter from MDHA for 138 PBVs. Mr. Cain recommended approval of a PILOT having an initial payment of \$45k and increase on an annual basis in lieu of property taxes after the project is placed in service. The item was reviewed and approved by the Finance & Audit Committee. Charles Robert Bone recused himself from the vote. Vice-Chair Thaden then moved adoption of the following resolution:

Resolution No. 37-19

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the PILOT agreement between MDHA and ECG Hillside, LP (the agreement is provided in detailed language and is made a part of these minutes by reference and filed with other documents for this meeting). The agreement also authorizes 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."

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

Commissioner Thaden posed a question; would ECG be able to accept more than 138 PBVs with time? Hunter Nelson of ECG said yes, that was the plan. 138 PBVs were the amount available at the time the agreement was drafted.

Chairman Bone asked if there was any additional business to be presented. Mr. Harbison informed the Board that MDHA would also be seeking an exception from HUD in accordance with its conflict of interest provisions with respect to the potential hire of Mr. Jason Potts. Mr. Potts has been the Council Member for

District 30 and is a candidate for employment with MDHA's Community Development Department as a Rehab Advisor. Mr. Harbison explained the allocation of Community Development Block Grant funds supporting this position were submitted to and approved by Metro Council in connection with the Consolidated Plan and Action Plan. Mr. Potts voted in favor of the Action Plan, which allocated the funds, part of which were ultimately programmed for the Rehab Advisor position. Mr. Harbison also explained that the hiring of Mr. Potts is subject to the disclosure to HUD and its granting of an exception.

Chairman Bone recognized, Councilwoman Sharon Hurt, who greeted the committee and guests and thanked MDHA for the HOPWA funding for Street Works. The Chair recognized Maxine Chandler Augusto of Meharry, Anita Crawley of Street Works, Shanley Deignan of Nashville CARES and Tracy Woodberry of Urban Housing Solutions who also thanked the Board and MDHA for HOPWA funding.

There being no further business to come before the Board, the Chair deferred to Commissioner Ralph Mosley, who declared the meeting adjourned.

Secretary

APPROVED:

This _____ day of _____, 2019.

Chair

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METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

October 4, 2019

TO: James Harbison, Executive Director
FROM: LaTonya Ellis, Administrative Assistant to the Executive Director
SUBJECT: Attendance for Board Meeting – October 8, 2019

Ms. Brenda Morrow, President of Edgehill Apartments Resident Association and Mr. Thomas Corritore, Property Manager of Edgehill Apartments, will be present at the Board meeting.


LaTonya Ellis

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METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

October 8, 2019

TO: MDHA Board of Commissioners

FROM: Will Choppin, MDHA General Counsel

SUBJECT: Approval of Lease with Oceanside Investors

Board approval is sought for the form of the enclosed lease between MDHA and Oceanside Investors. Oceanside Investors is a joint venture that is seeking to build additional parking for the new Advance Financial headquarters, located just south of Vine Hill Apartments at 100 Oceanside Drive. The attached lease contains an overhead visual depiction of the proposed leasehold area. It is approximately 1.65 acres within Vine Hill, on a downward slope from Vine Hills Apartments going toward the interstate.

The lease provides for an initial lease term of five years, with two options to renew for five additional years each. On average, the rent payments would generate an average of approximately \$76,000 in income each year, which would go directly to the operating accounts for Vine Hill Homes and Vine Hill Towers. Use of these funds could include any number of resident-focused benefits.

MDHA does not have plans for redevelopment of the parcel proposed to be leased; indeed, when Vine Hill was redeveloped under Hope VI several years back, the parcel was intentionally excluded from any construction or redevelopment plans. Should this change and more pressing or affordable-housing needs arise, MDHA has preserved a cancelation right within the lease.

It is recommended that the Board of Commissioners approve the form of the attached lease, while noting that MDHA's execution of the lease is subject to HUD approval under the applicable RAD Use Agreement. HUD has indicated its approval is likely, but no action will be taken without its or this Board's approval.



Will Choppin

Attachments

LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into as of the last date signed below, by and between Metropolitan Development and Housing Agency ("Landlord") and Oceanside Investors ("Tenant"):

WHEREAS, Landlord is the owner of that real property depicted on Exhibit A, consisting of 1.65+/- acres ("Premises");

WHEREAS, Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord, subject to and on the terms described herein;

NOW, THEREFORE, in consideration of the agreements set forth below, the parties agree as follows:

1. PREMISES. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises during the Lease Term. Tenant shall use the Premises as a parking lot during the Lease Term.

2. TERM. The term of this Lease shall run from 12:00 a.m. on _____, 2019 and shall conclude at 11:59 p.m. on November 15, 2026 ("Lease Term").

3. RENEWAL OPTIONS. Tenant is granted options for two (2) consecutive five (5) year option terms (each a "Renewal Option") at the conclusion of the Lease Term (each an "Option Term"). Tenant shall exercise a Renewal Option by providing written notice to Landlord exercising the Renewal Option no later than sixty (60) days prior to the conclusion of the then-current term. Each Renewal Option shall be on the same terms as this Lease, with the exception that monthly Rent for each year during each Option Term shall be increased by two percent (2%) over the amount charged for a full month in the immediately-preceding lease year.

4. RENT. As consideration for the Lease Term granted herein, Tenant agrees to pay Landlord rent in accordance with the schedule outlined in Exhibit B ("Rent"). Rent shall be paid by Tenant to Landlord on or before the fifth day of each month during the Term. However, if the fifth day of the month is a Saturday, Sunday or federal holiday, then rent shall be due on the next day thereafter that is not a Saturday, Sunday or federal holiday. Rent shall be paid to Landlord at Metropolitan Development and Housing Agency, 701 South Sixth Street, Nashville, TN 37206, ATTN: James E. Harbison, Executive Director, or at such other address as Landlord may instruct in writing. Rent for any partial month shall be prorated.

5. UTILITIES. Tenant shall pay all charges for utilities, including but not limited to sewer, water, gas, and electricity for the Premises.

6. IMPROVEMENTS TO THE PREMISES. Tenant shall have the right to construct a parking lot on the Premises at its own expense, including any necessary sitework, storm infrastructure, paving, sidewalks, lighting, utilities and underground conduit, fencing and related improvements ("Tenant Improvements"). Plans shall be subject to the approval of the

Landlord and shall meet all required Codes and Permits. Tenant is further granted the right, as part of the Tenant Improvements, to create a roadway, path, walkway and sidewalk area running from the Premises to the adjacent property owned by Oceanside Investors. At any time during construction of the Tenant Improvements, and upon completion of the Tenant Improvements, any damage to Landlord's property outside of the Premises resulting from the construction of Tenant's maintenance of the Premises shall be the responsibility of Tenant. Tenant shall reasonably promptly return any damage to Landlord's property to its original or better condition. Throughout the Lease Term, Tenant shall continue to have the right and obligation to keep and maintain the Premises and Tenant Improvements in good condition and repair, at its own expense, ordinary wear and tear excepted. Tenant shall not allow contractors or subcontractors to place materialman liens or other liens on the property. Any notice of nonpayment, lien, or lawsuit filed in connection with Tenant's or Tenant's contractors' failure to pay for work performed in connection with the construction of the Tenant Improvements shall be a breach of this Lease. It is expressly understood and agreed by Tenant that the Tenant Improvements are to be used for their intended purpose as a parking lot and a roadway, path, walkway, and sidewalk area running from the parking lot to the adjacent property owned by Oceanside Investors.

7. TAXES. Tenant agrees that it shall pay as and when due all assessments, excises, levies, fees, ad valorem and other taxes or charges imposed upon or as a result of (i) the Tenant Improvements, (ii) the use of the Premises as a parking lot, (iii) any personal property which is incorporated into, used in connection with, or located at the Premises, (iv), any Rent, Additional Rent or other sums paid hereunder, and/or (v) this Lease or the leasehold estate created hereunder.

8. REZONING; PLANNING. Landlord hereby grants to Tenant the right seek, petition, make application for and obtain any rezoning, planning commission approvals and other approvals and permitting necessary to construct, maintain, use and implement the Tenant Improvements. Landlord agrees to execute such documents as may be reasonably necessary to accomplish the foregoing and agrees to provide such reasonable participation and cooperation as may be necessary to assist Tenant in accomplishing the foregoing.

9. SURRENDER OF PREMISES. Tenant shall, upon the expiration or earlier termination of the Lease Term, surrender the Premises to Landlord. All alterations, additions, and improvements on the Premises shall, at the conclusion of the Lease Term, become the sole property of Landlord. Tenant shall have no obligation to remove the Tenant Improvements, or otherwise restore the Premises to the condition in which it existed at the commencement of the Lease Term, at the conclusion of the Lease Term.

10. SUBLETTING. Tenant shall have the right, subject to Landlord's approval, to sublet the Premises to bona-fide occupants of the adjacent property owned by Oceanside Investors in Tenant's discretion. Tenant shall also have the right to license and/or sublet the Premises, in its discretion, for temporary and/or short-term parking for sporting events, concerts and similar activities subject to sixty percent (60%) net revenue sharing to the Landlord.

11. INSURANCE. During the Lease Term, Tenant shall maintain general liability insurance on the Premises with limits of at least \$1,000,000.00 per occurrence and \$2,000,000.00

in the aggregate.

12. INDEMNIFICATION. Tenant agrees to indemnify, defend, and hold harmless Landlord, its Board of Commissioners, employees, or affiliated entities, from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands, and liabilities, including reasonable attorney's fees, to the extent caused by or arising out of: (i) any negligent acts or omissions or willful misconduct in the construction of Tenant Improvements or the use of the Premises as a parking lot during the Term of this Lease, any Option Terms, or any periods of Holdover Tenancy, by Tenant or Tenant representatives, or (ii) any breach of any obligation of Tenant under this Lease. Tenant's obligations under this Paragraph 12 are contingent upon its receiving prompt written notice of any event giving rise to an obligation to indemnify MDHA and MDHA's granting it the right to control the defense and settlement of the same.

13. EMINENT DOMAIN. Tenant shall have the right to terminate this Lease in the event all or any part of the Premises is taken through eminent domain. In such event, Tenant shall be entitled to all proceeds / payments from the eminent domain award related to the taking or destruction of its Tenant Improvements.

14. DEFAULT. No party shall be in default of this Lease unless and until it has been given written notice of default and a thirty (30) day period in which to cure the same. In the event the defaulting party fails to cure the default within said thirty (30) day period, then the non-defaulting party may exercise any right or remedy allowed by Tennessee law.

15. RIGHT TO TERMINATE BY TENANT. Tenant shall have the right to terminate this Lease on thirty (30) days' prior written notice in the event of either of the following: (a) if Tenant is unable to secure the necessary zoning, permitting or other necessary governmental approvals to commence, construct, complete and use the Tenant Improvements for Tenant's intended purposes; or (b) in the event any sublessee that has subleased the Premises from Tenant terminates or repudiates its sublease for reasons other than a first-breach / default by Tenant of the sublease. In the event of a termination under this paragraph, the Lease Term shall conclude and no party shall have any further rights, obligations, liabilities or duties hereunder.

16. RIGHT TO TERMINATE BY LANDLORD. Landlord may terminate this Lease on ninety (90) days prior written notice. In the event Landlord elects to terminate this Lease pursuant to the preceding sentence, Landlord agrees to pay Tenant the Early Termination Fee. The "Early Termination Fee" shall be calculated as follows: (a) take the total cost expended by Tenant and any of its sublessees to construct the Tenant Improvements ("Total TI Cost," which shall not exceed \$750,000.00); (b) divide the Total TI Cost by 2,664 ("Daily TI Cost"); and (c) multiply the Daily TI Cost by the number of days remaining in the initial Lease Term after the early termination (i.e., the period of the Lease Term between the date of the early termination and November 15, 2026), which shall constitute the Early Termination Fee. Notwithstanding anything contained in this Paragraph 15 to the contrary, Landlord may terminate this Lease on ninety (90) days prior written notice, and without the payment of any Termination Fee, during any Option Term.

17. QUIET ENJOYMENT. Landlord warrants that Tenant shall have quiet enjoyment of the Premises free from any unlawful eviction or interference by Landlord if Tenant fully and punctually performs the terms and conditions imposed on Tenant under this Lease. Landlord represents and warrants to Tenant that it is the true and lawful holder and owner of the Premises.

18. HOLDING OVER. In the event Tenant, or any party claiming under Tenant, retains possession of the Premises after the expiration or earlier termination of this Lease, such possession shall be on a month-to-month basis at one-hundred twenty-five percent (125%) of the Rent paid during the last full month of the Lease Term. Said tenancy shall be terminable by either party on thirty (30) days' prior written notice, without the payment of any Termination Fee.

19. NOTICES. Notices shall be in writing and shall be sent via overnight commercial courier (such as Federal Express or UPS) to the following addresses, or such other address as a party may direct in writing in accordance with this notice section:

Oceanside Investors
c/o Lewis Agnew
Chas. Hawkins Co., Inc./CORFAC International
760 Melrose Avenue
Nashville, TN 37211

Metropolitan Development and Housing Agency
Executive Director
701 S 6th Street
Nashville, TN 37206
ATTN: James E. Harbison, Executive Director

20. SEVERABILITY. The provisions of this Lease are severable in that should any provision be held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforceability of the other provisions herein shall not be affected, but they shall remain in full force and effect.

21. GENERAL PROVISIONS. (i) The waiver by Landlord or Tenant of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein; (ii) Subject to the provisions as to assignment, the covenants and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder; (iii) Time is of the essence of this Lease; (iv) The captions of paragraphs of this Lease are for convenience only, and do not in any way limit or amplify the terms and provisions of this Lease; (v) If any term, covenant, condition or provision of this Lease is held by a court competent of jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated; (vi) Landlord and Tenant represent and warrant to each other that the officer of person signing this Lease on its behalf is an

authorized signatory and is authorized to legally bind such property to this Lease; (vii) The Lease, and performance under the Lease, is governed by Tennessee law; and (viii) This Lease may be amended only by a written instrument duly executed by each Party to this Lease Agreement pursuant to the terms of the RAD Use Agreement, to which the Premises are subject, Instrument No. 20180518-0047914.

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THE PARTIES HERETO have executed this Lease effective as of the Effective Date.

Oceanside Investors, a Tennessee joint venture

By: _____

Its: _____

Date: _____

Metropolitan Development and Housing Agency

By: _____

Its: _____

Date: _____

Exhibit A



Land in Davidson County, Tennessee, being a part of Lot 3 as shown on the map entitled Subdivision of the Vine Hill Homes, of record in Book 9700, Page 870, Register's Office for Davidson County, Tennessee, to which plan reference is hereby made for a more complete and accurate legal description.

Exhibit B

(schedule for Rent)

Timeframe	Monthly Rent
_____, 2019 - November 30, 2019	\$0.00
December 1, 2019 - November 30, 2020	\$6,000.00
December 1, 2020 - November 30, 2021	\$6,120.00
December 1, 2021 - November 30, 2022	\$6,242.40
December 1, 2022 - November 30, 2023	\$6,367.25
December 1, 2023 - November 30, 2024	\$6,494.59
December 1, 2024 - November 30, 2025	\$6,624.48
December 1, 2025 - October 31, 2026	\$6,756.97
November 1, 2026 - November 15, 2026	\$3,378.49

**METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
INTEROFFICE MEMORANDUM**

October 8, 2019

TO: Board of Commissioners

FROM: David Dellinger, Chief of Development/ Operations

SUBJECT: Construction Manager at Risk Services for Red Oak Townhomes

We are requesting 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. This Contract is broken into two phases: 1. pre-construction; 2. construction. The cost for pre-construction services is \$25,000. 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 GMP has been established, expected in March 2020.


Request for Proposals were solicited by advertising in the newspaper and electronically notifying firms on the MDHA vendor list. Only one (1) proposal, R.G. Anderson, was submitted to the MDHA on September 20, 2019.

The proposal was 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, and further discussion by the selection committee, the evaluation committee determined that R.G. Anderson Company was qualified and responsible to provide this service. This project is separate, but will coexist well with Red Oak Flats apartments, also under construction with R.G. Anderson.

Funding for pre-construction services and the planned construction is provided by Metro 2018 CSP authorizations. MDHA will also pursue a 4% LIHTC award in January 2020. The Architect's estimate is \$13.5 million. Once the CM is on board and the project design gains greater detail, we will receive a refined estimate and ultimately a GMP.


David Dellinger

FIRM SHEET

FIRM: R.G. Anderson Company, Inc.
PRINCIPAL OWNER(s): W. Craig Johnson, President
LOCAL OFFICE: 1801 West End Ave, Suite 1800
Nashville, TN 37203

PRIOR WORK WITH AGENCY: Yes

REFERENCES: Giarratana Development, LLC.
Pearl Street Apartments
Nashville, TN
40,000 sf / 50 units

LaSalle Investment Management
Edge Midtown
Nashville, TN
121,000 sf / 146 units

Rutledge Hill Development
City Lights
Nashville, TN
286,224 sf / 71 units

**Proposals Received for
Red Oak Townhomes**

R.G. Anderson Company, Inc.

MDHA EVALUATION COMMITTEE MEMBERS

Michael Wegerson, Director of Recapitalization – Chair of Committee (non-voting)
Scott Rey, Executive Program Manager Recapitalization
Sanford Patterson, Assistant Project Manager Recapitalization
Matthew Wiltshire, Chief Strategy and Intergovernmental Affairs Officer