

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

JULY 9, 2019

EXECUTIVE (HARBISON & THILTGEN)

8. Approval of FHA Loan for Madison Towers.

The Agency has applied for a FHA-insured Section 223(f) loan to be taken against the Net Operating Income of Madison Towers. With the interest now rate-locked at 3.44%, the net loan proceeds of \$6,757,300 will be used to provide the cash equity for projects being undertaken as part of the Envision Cayce initiative. The FHA loan program requires that the property owner/loan borrower be a single asset entity; for that purpose, we have incorporated the MDHA Madison Towers, LLC. It is requested that the Board authorize the transfer of the ownership and the PBRA HAP contract of Madison Towers to the LLC and authorize the Executive Director to execute the financing documents on behalf of both MDHA and the MDHA Madison Towers, LLC.

EXECUTIVE (HARBISON, THILTGEN & CHOPPIN)

9. Approval of Resolution for Boscobel III/Red Oak Flats Financing.

Pinnacle Bank will provide approximately \$11.3 million in LIHTC equity and approximately \$7.4 million in proceeds from a CITC construction and/or permanent loan. The balance of the financing, approximately \$16.1 million, would be loaned by MDHA. MDHA will convey the property via a 99-year ground lease to Boscobel III, L.P., and will provide development services for the construction of the development. MDHA and Boscobel III, L.P. will also need to enter into an agreement with HUD to bifurcate the Cayce Housing Assistance Payments (HAP) Contract and transfer PBRA assistance from Cayce to the project.

RECAPITALIZATON (HARBISON, DELLINGER & WEGERSON)

10. Approval of Boscobel III Construction Manager GMP.

At its meeting on November 13, 2018, the Board approved R.G. Anderson Company, Inc., as the Construction Manager at Risk for Boscobel III, L.P. This project will construct 102 units (45 PBRA). R.G. Anderson has proposed a GMP of \$27,401,632 based on 50% Construction Documents provided by EOA Architects. This cost includes \$2,301,162 for the offsite construction of Dew Street and 7th Street improvements, both directed by Metropolitan Plans Department and in accordance with the Cayce Master Plan. The actual construction cost for the 102 units is \$24,211,048 (\$237,363/unit). With all soft costs included, to include a 5% Owner's Contingency (\$1,360,000) and Architect's fees of \$1,607,281, the Total Project Budget is \$34,519,017. The Board is requested to approve R.G. Anderson's GMP, the Architect's fees, and the Owner Contingency for Boscobel III, L.P., and to provide the Executive Director the authority to execute the associated documents.

EXECUTIVE (HARBISON & CHOPPIN)

11. Approval of Bifurcation of Cayce Housing Assistance Payments Contracts – Kirkpatrick Park, Boscobel I, and Boscobel II.

As coordinated with HUD, MDHA will need to enter into one or more agreements with HUD to split the Cayce Housing Assistance Payments (HAP) Contract and transfer PBRA assistance from Cayce to Kirkpatrick Park (36 units), Boscobel I (50 units), and Boscobel II (45 units). The result of such split is four HAP contracts-one for Cayce and one for each of the new properties-all of which adopt the existing terms of the original Cayce HAP Contract, except for an amendment to the subsection on Owner's Warranties.

URBAN DEVELOPMENT (HARBISON & CAIN)

12. Approval of Amendments to Capitol Mall and Phillips Jackson Loan Agreements.

MDHA and lender Regions Bank identified approximately \$7.5 million in funds in debt service accounts for Capitol Mall and Phillips-Jackson Loan Agreements that were in excess of the required debt service for 2019 ("excess cash flow"). Per the terms of the loan agreements, these funds would be used to pay down additional principal on July 1. The attached resolution and loan amendments would allow the excess cash flow to be transferred to MDHA, which would then fund a transfer of the excess cash flow to the Metropolitan Government.

AFFORDABLE HOUSING (HARBISON & BIGGS)

13. Approval of Peaches Manning Scholarship Matching Funds.

MDHA Board of Commissioners is requested to approve use of Agency funds annually to match funds provided by the MDHA resident associations for resident scholarships. The funds are awarded based upon merit, and the following students were awarded the Peaches Manning Resident Association Scholarship (PMRAS) for 2019: Mr. Salmaan Ahmed (Cumberland View), Mr. Aiden Dhies (Cumberland View), Ms. Jada Reed (Vine Hill Apartments), Ms. Tinaya Williams (J. Henry Hale), Ms. Kayla Whitelow (Levy Place) . The PMRAS awarded five residents with \$1,000 each for college, and if MDHA matches the award, each scholar will receive \$2,000 each (\$5,000 Agency commitment for 2019). The PMRAS commitment from the Agency will be an annual obligation not to exceed \$10,000 annually.