

COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING



Board of City of Memphis and Shelby County Redevelopment Agency

City Hall
125 N. Main Street
Memphis, TN 38103
Thursday, November 1, 2018
8:30 a.m.

Board Present:

McKinley Martin Jr. - Chairman
R. Miles Mason Sr. - Vice Chairman
Dynisha Brown Woods – Treasurer
Sam Cantor – Member
Kevin Spragling - Member

Also Present:

Rosalyn Willis – President, CRA
Andrew Murray – Director of Planning and Community Development,
CRA
Monice Hagler – Counsel, CRA
Tanja Mitchell – Director of Neighborhood Sustainability and Chief
Impact Officer, CRA
Lisa Ivy - Office Manager, CRA
Michael Ross – Director of Finance, CRA

Visitors:

Andre D. Jones – Jones Urban
Cornelius Sanders – Promise Development

A meeting of the Board of Directors (“Board”) of the City of Memphis and Shelby County Community Redevelopment Agency was held on Thursday, November 1, 2018. All Board members were present with the exception of Board Member Ann Langston who joined the meeting via teleconference.

I. CALL TO ORDER

Chairman McKinley Martin called the meeting to order at 8:40 a.m. and a quorum was present.

II. MINUTES – October 11, 2018 (Board Action)

Chairman Martin called for approval of Board minutes from October 11, 2018. Upon motion made by Board Member Sam Cantor and seconded by Board Member Dynisha Brown Woods. Chairman Martin stated there were some grammatical changes that needed to be made. Board Member Cantor motioned to approve with grammatical changes which was seconded by Dynisha Brown Woods. The minutes were unanimously approved, as amended, by the Board.

III. PUBLIC COMMENTS

There were no Public Comments.

IV. RESOLUTION AMENDING THE AUTHORIZATION OF SALE OF PROPERTY TO JONES URBAN DEVELOPMENT (Board Action)

Chairman Martin called for a motion to approve the Resolution Amending the Authorization of Sale of Property to Jones Urban Development. Ms. Monice Hagler stated that Mr. Andre Jones needed to give a report concerning why a request was being made for an extension.

Mr. Jones stated that he had made significant progress and selected a property manager. Further he has a lender that was anxious to work with them on financing, and recently received approval from the Board of Adjustment. Mr. Jones stated the project represents the intent of the Uptown Community Plan. They are requesting the extension because they are now going to request a PILOT from the Downtown Memphis Commission - scheduled for November 13. After this they have to go before their design review board and also have to have MLGW engineer design services. This is about a two (2) to three (3) month process for completion.

Board Member Cantor stated when the Board visited Binghampton he had a discussion with Noah Gray and Andy Kitsinger about how PILOTs and TIFs are treated and what the impact on the increment is when someone gets a PILOT. President Willis stated Mr. Jones is not requesting any CRA TIF funding.

Ms. Hagler stated the request for the extension was because of the rental property portion of this project and it was anticipated that the homeownership portion will be closed by December. The resolution for the entire project is through June 1 to ensure there is enough time to complete the project. Mr. Jones has indicated that he will close the homeownership by the end of the year and has agreed to keep the staff updated on a monthly basis.

Chairman Martin led a discussion concerning whether the CRA owned the property as the "Second Whereas" provides that the property was acquired by the CRA. Mrs. Hagler stated it

is being held by MLB for CRA, they are just the holding entity. It is held for the benefit of CRA based on CRA authorization and funding to acquire.

Chairman Martin would like to re-word the second recital in the resolution to note the properties are deeded to MLB, just to make it clear that this property is not deeded to CRA. The purchase option agreement is with Mr. Jones and MLB under the direction of CRA. Board Member Kevin Spragling motioned to approve the Resolution Amending the Authorization of Sale of Property to Jones Development with the noted correction, which was seconded by Board Member Cantor. The Board unanimously approved to amend the Authorization of Sale of Property to Jones Development with the noted correction.

V. PROMISE DEVELOPMENT CORPORATION: APPROVING APPLICATION FOR FUNDING - PRESENTATION BY ANDREW MURRAY (Board Action)

Andrew Murray commented that the CRA has worked with Promise Development in the past and they have done both single-family and multi-family affordable units particularly north of Chelsea in Uptown. Promise approached the CRA about doing this project in January. HCD approved \$500,000 in funding for the project. We worked with their lender to get them up to \$450,000 for private participation. Promise is now asking for \$325,000 from CRA to fill the financing gap to do seven (7) new units and two (2) rehab units.

Mr. Sanders with Promise stated that they have been in the community since 2000 and he joined them in 2004. They started as the North Memphis CDC and expanded the boundaries (hence the name changed). They still have a location at 262 Chelsea. They have staff in the community and are working on a north of Uptown plan. They are submitting an application and hope to get it approved to further getting more housing into that community.

Chairman Martin asked the staff if they have reviewed everything to make sure things are in line. Mr. Murray responded the staff has been working with Promise over the last ten (10) months on the application to refined it and also closing out the houses previously built with CRA funding. Ms. Hagler has been working with them to finalize those properties and subject to this approval we will work with them on a redevelopment agreement to outline the requirements for this project going forward. They do not have a builder right now; the builder they have used previously, HCD will not use this time. This will be subject to a bidding process that will happen once they have their financing in line. We will work closely with HCD to figure out who that is and what the MWBE requirements are.

Board Member Cantor asked about certain verbiage regarding certain federal funding that carries restrictive covenants.

Mr. Sanders explained, depending on the funding structure and who provides funding there are restrictive covenants. CRA in the past has allowed us to go up 120% AMI to be able to provide a mix of income levels in the community instead of just serving low income residents. CHDO funding through the City of Memphis requires 80% AMI, and three (3) of the homes have to be 50% AMI. All of those whether they are rental, home ownership, or lease purchase, have a fifteen (15) year restriction on them. The beauty with the City is that it can be either of those three (3) (rental, home ownership, or lease purchase). What they are trying to do (and the other two organizations in the community) is to build capacity because people are not just buying

one house they are buying the entire community. We have to do more in a consolidated concentrated area in order for people to be able to purchase. With some of those restrictions, they are serving a very low-income population and some of those have credit issues. Not having a vacant house while renting to them will give them an opportunity to work on credit issues and be able to purchase a home.

Upon motion made by Board Member Kevin Spragling and seconded by Board Member Sam Cantor to approve Promise Development Corporation's application for TIF funding, the Board unanimously approved the funding application for Promise Development Corporation.

VI. STATUS REPORT: NEIGHBORHOOD SUSTAINABILITY – TANJA MITCHELL

Staff member Tanja Mitchell invited Dwan Gilliom of Allworld to give a status report on the Neighborhood Sustainability projects.

Mr. Gilliom stated they are hoping to start construction on the six (6) homes in the Single Family Rehab Program next week. Unfortunately, they are having some difficulties getting a least one general contractor comfortable with the language in the contract, but are looking to having that solved today. The other contractors will be given a notice to proceed. They also have one homeowner with some concerns about the language in the agreement, but will have that issue resolved by the end of the day. They should have all the construction contracts and grant agreements signed by the end of the week. They will have a pre-construction meeting next week with the general contractors and homeowners to schedule what day and where they are going to start construction. The other 24 homeowners in the regular program, will be contacted to narrow down the repair requests and then get the contractors started on those repairs.

The Alley Improvement Program – the eight (8) alleys bids are due back in by 2:00 p.m. tomorrow. They posted a pre-bid meeting last week and had a good response based on the tracking from the site traffic. They are hoping to get construction started on those eight (8) alleys in the next couple of weeks.

For the green alley and the five (5) additional alleys in the Klondike and Smokey City area, we are hosting a meeting today with the sub-contractors to get an update. Ms. Mitchell did not think much had changed since last month - they have done a lot of work but we have given them a notice of receipt for which the Amendment was approved by the Board. Ms. Mitchell stated there will be more information and images on the green alley next month to get a better understanding of what will be going on.

Ms. Mitchell stated the Bickford Clean-Up will be postponed to a later date. We have had one community meeting about "Light, Camera, Activate" for obtaining public input from the residents about where to install lights and real-time cameras. Our next meeting is tonight at Humes School.

Chairman Martin asked how long it would take after deciding where the lights and cameras should go. Ms. Mitchell responded that they are gathering the data now and looking to have them placed as soon as possible.

The CRA has scheduled two (2) more big events for the year; 100 Plates for Thanksgiving with Mrs. Gurlee's catering on November 15th at 5:30 p.m. We are asking the Board to attend. We are hosting our last Uptown Joint Agency meeting on November 20th; Cynthia Ham, the President of Bridges, is retiring so we are having a catered luncheon thanking her for allowing us to hold our meetings there. A notice will be sent out inviting people to the event.

VII. STATUS REPORT: COMMUNITY DEVELOPMENT – ANDREW MURRAY

Mr. Murray gave an update on the disposition of MLB unbuildable lots. Monice Hagler is running a title check for the nineteen (19) unbuildable lots. We are looking to the community for recommendations on what to do with the lots - whether a community garden, dog park, or any good idea. There were some good suggestions at the last Uptown Advisory Committee meeting on what to do with those lots. We should be to review those ideas as a staff to decide what lots will go in the RFP.

Mr. Murray discussed an Ava Marie Nursing Home proposal. President Willis and Mr. Murray responded back to Marty Regan yesterday to clarify what they are asking for the land and/or TIF funding at the site at Second and Chelsea. The CRA also informed him of needing to submit a proposal and to go before the Uptown Advisory Committee. The CRA staff wanted to inform the CRA Board of the project.

Mr. Murray also discussed the Collins Chapel Connectional Hospital project. A discussion has been going for a year regarding the former hospital at Ayers and J.W. Williams. The CME Church has been working to restore the hospital building. They have been looking for a potential user, but have been unsuccessful in finding a tenant. The CRA has given them a letter to show to potential funders that they are in the TIF area and can be eligible for potential TIF funding. The CRA does not have a formal proposal from them, and until they have a potential operator for that site we would not entertain a proposal.

VIII. UNFINISHED BUSINESS:

Chairman Martin called for unfinished business. Chairman Martin stated that he had forwarded all the Board Members and to Mike Ross the financial documents to review. Mr. Ross was asked to review for his expert opinion to see if any changes should be made.

Mr. Ross stated he started the process with primary focus on the balance sheet to see where our cash positions are and to see how that process works. We have a large amount in a line of investments and he wants to have a better understanding of what drives that number. We need to have a stronger understanding of our balance sheet so if we need to use it in any capacity we

will know what it consists of. Mr. Ross stated he had a meeting with Mary Seale to get a better understanding of our overall assets. An overall report will be provided during the next Board meeting on December 6th.

Chairman Martin mentioned holding a Board Retreat and that he had been speaking with Board Member Ann Langston regarding such a Board Retreat / CRA Staff Team Building. He stated he would discuss further with President Willis on starting the process to prepare for this to be held after the holidays.

Ms. Hagler gave an update on the condemnation proceeding that is pending. It was rescheduled for January, but has now been moved to February 5, 2019 due to being set on the wrong calendar. MHA is anticipating a lawsuit for relocation expenses, those matters have been consolidated and they are moving forward.

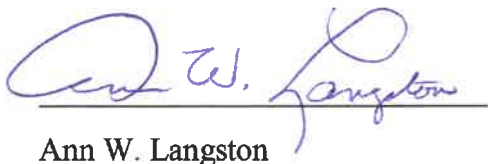
IX. NEW BUSINESS AND OTHER ANNOUNCEMENTS

Board Member Spragling congratulated Tanja Mitchell for receiving the Downtown Vision Award.

X. ADJOURNMENT

With no additional business to be discussed; the meeting was adjourned at 9:40 a.m.

Respectfully submitted,



Ann W. Langston