



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

**File #:** RS2021-1172, **Version:** 1

A resolution authorizing the Metropolitan Mayor to submit the Nashville-Davidson CARES Act Substantial Amendment 3 to the 2019-2020 Annual Action Plan to the 2018-2023 Consolidated Plan for Housing and Community Development to the U.S. Department of Housing and Urban Development (HUD).

WHEREAS, The Coronavirus Aid, Relief and Economic Security (CARES) Act Public Law 116-136 signed on March 27, 2020, authorized a special allocation of funding for the Community Development Block Grant (CDBG-CV) and other programs to be used to respond to the Coronavirus outbreak; and

WHEREAS, by Resolution R94-1326, the Metropolitan Council designated the Metropolitan Development and Housing Agency (“MDHA”) as the lead agency responsible for the preparation of the Five Year Consolidated Plan for Housing and Community Development for The Metropolitan Government of Nashville and Davidson County; and

WHEREAS, to expedite access to the initial and subsequent CARES funding allocations, HUD directed Grantees to prepare substantial amendments to their latest, approved action plan, which was the 2019-2020, Program Year (PY), Action Plan (AP) for Metro Nashville-Davidson County, to allocate the funds to eligible activities/projects; and

WHEREAS, all CARES Act funding was initially allocated to eligible projects by Metro Council via amendments 1 and 2 to the 2019-2020 PY, AP via resolution #s 2020-406 on July 7, 2020 and 2021-733 on February 2, 2021.

WHEREAS, substantial amendment 3 to the 2019-2020, PY, AP is being made to add a new public service activity allowing CDBG-CV funds to be used to pay for support services for the homeless population, further described in the amendment 3, and makes adjustments to previously approved budget categories to fund the activity as follows:

<b>Activities</b>	<b>Initial Budget Allocation</b>	<b>Adjustment</b>	<b>Adjusted Total Allocation</b>
Shelter Operations	\$ 700,000.00	\$ 217,920.00	\$ 917,920.00
Acquisition/Rehabilitation for Permanent Supportive Housing for the Homeless	\$ 4,646,875.00	\$ (1,512,659.00)	\$ 3,134,216.00
Support Services for the Formerly Homeless Population	\$ -0-	\$ 1,294,739.00	\$ 1,294,739.00
<b>Total All Activities</b>	<b>\$ 5,346,875.00</b>	<b>\$ 1,512,659.00</b>	<b>\$ 5,346,875.00</b>

The \$1,294,739 to fund this new activity is from dollars remaining, after a Request for Applications seeking projects to acquire/rehab properties for use as permanent supportive housing for the homeless, only resulted in one project; and

WHEREAS, HUD guidance for Citizen Participation involving CARES funds allow for a five (5) day, expedited public comment period; and

WHEREAS, in accordance with the guidance, this substantial amendment 3 was made available for public comment from August 27, 2021 through September 3, 2021 and a virtual public hearing was held during the public comment period on September 1, 2021; and

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council adopts the Nashville-Davidson CARES Act Substantial Amendment 3 to the 2019-2020 Annual Action Plan of the 2018-2023 Consolidated Plan for Housing and Community Development, attached hereto and made part of this Resolution, and that the Metropolitan Mayor is authorized to submit the Substantial Amendment 3 to HUD; and

Section 2. That the Nashville-Davidson CARES Act Substantial Amendment 3 to the 2019-2020 Annual Action Plan of the 2018-2023 Consolidated Plan for Housing and Community Development, which describes the use of CDBG-CV CARES Act funds to be used prevent, prepare for and respond to the Coronavirus (COVID-19), is attached hereto and made a part of this Resolution.

Section 3. That the Metropolitan Development and Housing Agency is authorized to administer the Consolidated Plan on behalf of the Metropolitan Government of Nashville and Davidson County; and.

Section 4. That this Resolution shall take effect from and after its passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

#### Analysis

This resolution approves the Coronavirus Act, Relief and Economic Security Act ("CARES Act") Substantial Amendment 3 to the 2019-2020 Annual Action Plan of the 2018-2023 Consolidated Plan for Housing and Community Development, and authorizes the Mayor submit the Substantial Amendment 3 and Annual Update to HUD.

The Metropolitan Development and Housing Agency ("MDHA") is designated as the lead agency for creating and administering the Consolidated Plan, including funds allocated through the CARES Act. On September 11, 2020, Metro received notification that Metro would receive \$5,940,972 in Community Development Block Grant ("CDBG-CV") dollars from round three of CARES Act funds to prevent, prepare for, and respond to the Coronavirus outbreak in Nashville.

Pursuant to the 2020 Consolidated Plan amendment, these additional funds were to be used as follows:

- \$700,000 to reimburse Metro for allowable cost associated with opening and operating a shelter at the Fairgrounds for the homeless, and opening a second shelter for homeless women at the Municipal Auditorium
- \$4,646,875 to make grants and/or loans to acquire and/or rehabilitate properties to be used as permanent supportive housing for the homeless population
- \$594,097 for program oversight and administration thru June 2026

This Amendment 3 reduces the funds available for the acquisition/rehabilitation properties by \$1,512,659, from \$4,646,875 to \$3,134,216. This \$1,512,659 is from funds remaining after a request for applications seeking projects to acquire/rehab properties for use as permanent supportive housing for the homeless only resulted in one project. \$1,294,739 of this reduction would be reallocated to support services for homeless individuals. An additional \$217,920 would be reallocated as additional funding to reimburse Metro for allowable cost associated with opening and operating a shelter at the Fairgrounds and Municipal Auditorium, increasing the total allocation from \$700,000 to \$917,920.

The HUD guidance for Citizen Participation involving CARES Act funding allows for a five day expedited public comment period. This Substantial Amendment 3 was made available for public comment from August 27, 2021 through September 3, 2021. A virtual public hearing was held on September 1, 2021.