



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

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**File #:** RS2021-842, **Version:** 1

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A resolution determining a plan for expenditure of a direct appropriation grant from the State of Tennessee in the amount of \$10,000,000 and amend Contract # L-4626 with Pathway Lending to administer a portion of the grant funding.

WHEREAS, the State of Tennessee General Assembly adopted Public Chapter 760 wherein a direct appropriation grant in the amount of \$10,000,000 (the "Grant") was made to The Metropolitan Government of Nashville and Davidson County to provide funds offsetting the loss of local revenues or supplementing local revenue; and,

WHEREAS, by Resolution RS2020-440, adopted on July 21, 2020, the Metropolitan Council approved the acceptance of the Grant and appropriated the funds to the Department of Finance; and,

WHEREAS, the State of Tennessee requires that all grant funds be expended or contractually obligated by June 30, 2021; and,

WHEREAS, by Resolution RS2020-440, adopted on July 21, 2020, the Metropolitan Council determined that no portion of the Grant was to be expended until a plan for the disbursement of funds (the "Plan") is approved by resolution; and,

WHEREAS, the Plan is now presented to the Metropolitan Council for approval in this resolution; and,

WHEREAS, for purposes of administering the Small Business Relief portion of the Plan, the Metropolitan Government desires to amend its existing contract with Pathway Lending, the entity that assisted with administration of CARES Act relief funds, (the "Amendment") attached hereto as Exhibit 1; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that the Plan and the Amendment be approved.

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

Section 1. That the plan for disbursement of the grant funds is as follows:

\$5,000,000 will be transferred from the Department of Finance (Fund #30096) to the Barnes Fund (Fund #30114).

\$500,000 will be utilized for Second Avenue public infrastructure recovery (street, sidewalk, streetscape, etc.) (Fund #40300).

\$1,000,000 will be utilized for Small Business Relief grants to be administered by Pathway Lending.

\$2,000,000 will be utilized for a Public Safety Violence Reduction Pilot Grant Fund to be administered by the Mayor's Office.

\$1,000,000 will be transferred from the Department of Finance (Fund #30096) to the Department of Health to be utilized for Behavioral Health and Substance Abuse Epidemic Response Services (Fund #32200).

\$500,000 will be transferred from the Department of Finance (Fund #30096) to the Event and Marketing Fund, for the purposes of recruiting diverse and inclusive events that highlight Nashville's cultural history, administered by the Nashville Convention and Visitors Corporation (Fund #30041).

Section 2. The grant funds shall be expended in accordance with the Plan.

Section 3. That the Amendment to contract # L-4626 with Pathway Lending is hereby approved, and the Mayor is hereby authorized to execute said Amendment, attached hereto as Exhibit 1.

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

### Analysis

This resolution approves the plan for spending \$10,000,000 in COVID-19 relief funds from the state. The Council accepted this grant in July 2020 pursuant to RS2020-440 to offset the loss of local revenue or to supplement local revenue to provide funds for one-time expenses. These expenses can include information technology hardware upgrades, capital maintenance, utility system upgrades, road projects, public safety, and COVID-19 response. RS2020-440 was amended to add a requirement that the \$10,000,000 grant funds not be spent until a plan for disbursement of the funds is approved by a resolution adopted by the Council. Pursuant to the plan, the grant funds will be spent as follows:

- \$5,000,000 for the Barnes Fund
- \$500,000 for Second Avenue public infrastructure recovery (street, sidewalk, streetscape, etc.)
- \$1,000,000 for Small Business Relief grants to be administered by Pathway Lending
- \$2,000,000 for a Public Safety Violence Reduction Pilot Grant Fund to be administered by the Mayor's Office
- \$1,000,000 for the Metro Department of Health to be utilized for behavioral health and substance abuse epidemic response services
- \$500,000 for the Event and Marketing Fund to be administered by the Nashville Convention and Visitors Corporation for the purposes of recruiting diverse and inclusive events that highlight Nashville's cultural history

This resolution also approves an amendment to the contract with Pathway Lending, who is the firm that was selected to administer a portion of the COVID-19-related grant funds pertaining to small business assistance. The original contract was for an amount of \$1,000,000. The amendment increases the contract amount to \$2,000,000 to provide more funding to assist eligible small businesses. Pathway continues to have small business applicants and they have fully exhausted all previous rounds of funding. This amendment also

increases the administrative fee paid to Pathway from 5% to 10% to reflect that actual costs Pathway will incur to continue providing the services.

These grant funds must be spent or contractually obligated by June 30, 2021.