



# Metropolitan Nashville and Davidson County, TN

## Legislation Details (With Text)

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<b>On agenda:</b>	7/6/2021	<b>Final action:</b>	7/6/2021
<b>Title:</b>	A resolution authorizing the Metropolitan Mayor to submit Substantial Amendment Four and the 2021-2022 Annual Update to the 2018-2023 Consolidated Plan for Housing and Community Development to the U.S. Department of Housing and Urban Development.		
<b>Sponsors:</b>	Zulfat Suara, Delishia Porterfield		
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Date	Ver.	Action By	Action	Result
7/7/2021	1	Mayor	approved	
7/6/2021	1	Metropolitan Council	adopted	
7/6/2021	1	Budget and Finance Committee	approved	
7/6/2021	1	Affordable Housing Committee	approved	

A resolution authorizing the Metropolitan Mayor to submit Substantial Amendment Four and the 2021-2022 Annual Update to the 2018-2023 Consolidated Plan for Housing and Community Development to the U.S. Department of Housing and Urban Development.

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") requires local governments seeking federal assistance through the Community Development Block Grant ("CDBG"), HOME Investment Partnerships ("HOME"), Emergency Solutions Grant ("ESG"), and Housing Opportunities for Persons with AIDS ("HOPWA") programs to develop a Five Year Consolidated Plan for Housing and Community Development; and

WHEREAS, by Resolution R94-1396, 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, the Metropolitan Council approved Ordinance BL2018-1246 authorizing the Mayor to submit the 2018-2023 Consolidated Plan for Housing and Community Development; and

WHEREAS, HUD requires annual updates to the Five Year Consolidated Plan provided that the public participation process as outlined in the Consolidated Plan is followed; and

WHEREAS, the Public Comment Period for Substantial Amendment Four and the 2021-2022 Annual Update began on April 9, 2021 and concluded on May 14, 2021, and a virtual public hearing was held on April 29th 2021 via Zoom; and

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF

NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council adopts Substantial Amendment Four and the 2021-2022 Annual Update to 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 and Annual Update to HUD; and

Section 2. Substantial Amendment Four allows: 1) A request for HUD to allow Metro Nashville-Davidson County to discontinue the Neighborhood Revitalization Strategy Area (NRSA) designation for the Napier-Sudekum Choice Neighborhood Investment (CNI) Planning area. This request is sought because there has been a significant delay in the development progress in the NRSA due to financial changes, including the fact that MDHA did not receive a CNI Implementation Grant in order to fund initial development work in the area. Projects and activities may still be completed under normal HUD project categories as they become viable in future years. Funds allocated to the Targeted Homeowner Rehab project for the Napier-Sudekum CNI will be incorporated in the regular CDBG Homeowner Rehab activities, as homeowners from the Napier-Sudekum CNI will still be eligible to apply. There is no change in the overall funding available as a result of this change. 2) Amend language to the description section of the Strategic Plan (SP) 25 Priority Need #3 - Retain Affordable Housing Stock, of the Consolidated Plan to state that the amount of CDBG funds to be allocated to this Priority Need will be determined annually based on anticipated demand, taking into account unobligated funds from prior year's Action Plans, and projected expenditure levels. The COVID-19 closures and protective measures limited MDHA's housing rehabilitation production rate. This change, once restrictions are lifted, will allow MDHA to spend down allocated funding designated for these activities in prior year Action Plans; and 3) Add language to Consolidated Plan Goal 1 New Affordable Housing Opportunities to clarify that these new opportunities include increased access to housing/shelter for persons having special needs.

Section 3. The Annual Update includes a description for the expenditure of Community Development Block Grant ("CDBG"), HOME Investment Partnerships Program ("HOME"), Emergency Solutions Grant ("ESG"), and Housing Opportunities for Persons with AIDS ("HOPWA") funds for the 2020-2021 Program Year (June 1, 2021-May 31, 2022); and

Section 4. 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 5. The local match required for the Emergency Solutions Grant will be provided by local non-profit organizations selected as sub-grantees. The twenty-five percent local match for the HOME Investment Partnerships Program will be provided by non-federal funds utilized for HOME projects as well as value of donated land or improvements associated with HOME-funded projects, or by other eligible methods as provided in the HOME regulations; and

Section 6. Funding amounts in the Annual Update are based upon the formula allocations released by HUD on February 25, 2021 and Revised on May 13, 2021. Any changes to project budgets; funding priorities; the addition of new activities or the deletion of activities shall be considered criteria for a substantial amendment and be subject to the Citizen Participation Plan described in the 2018-2023 Consolidated Plan; and

Section 7. The Metropolitan Council appropriates funds for projects described in the 2021-2022 Annual Update but expressly withholds any approval for the expenditure of CDBG funds for capital improvement projects. All requested expenditures for capital improvement projects shall be submitted to the Council for final approval by Resolution. And further, detailed project plans for capital improvements shall be on file in the Community Development Department of MDHA at the time of the filing of the Resolution; and

Section 8. The expenditure of CDBG, HOME, ESG, and HOPWA funds shall be in accordance with applicable federal regulations and reporting standards pertaining to the procurement of goods and services from women-owned, minority-owned, and small businesses and low-income individuals; and

Section 9. CDBG, HOME, ESG, and HOPWA funds shall not be used for any property acquisition for which

the power of eminent domain is utilized by MDHA, which is restricted by federal law; and

Section 10. This Resolution shall take effect from and after its passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

#### Analysis

The five year consolidated plan is prepared by the Metropolitan Development and Housing Agency (MDHA) and is to be administered by MDHA as authorized per Resolution No. R94-1396.

The public comment period for this annual update was held between April 9 and May 14, 2021, and a virtual public hearing was held on April 29. HUD requires these plans from local governments seeking federal assistance through the community development block grants (CDBG), the HOME investment partnerships program (HOME), the emergency solutions grant program (ESG), and the housing opportunities for persons with AIDS (HOPWA).

The resolution under consideration would adopt the 2021-2022 Annual Update to the 2018-2023 Consolidated Plan for Housing and Community Development, as well as Substantial Amendment Four to the plan. A copy of Substantial Amendment Four and the annual plan update are attached to the resolution.

Substantial Amendment Four makes the following changes to the plan:

- Requests HUD to allow Metro to discontinue the Neighborhood Revitalization Strategy Area designation for the Napier-Sudekum Choice Neighborhood Investment Planning Area as a result of a significant delay in the development process due to financing issues, including a lack of grant funding.
- States that the amount of CDBG funds to be allocated to the retention of affordable housing stock will be determined annually based on anticipated demand, taking into account unobligated funds from the action plan for the prior years and the projected expenditure levels since the pandemic limited MDHA's housing rehabilitation production rate. This change will allow MDHA to spend down prior allocations.
- Clarifies that new affordable housing opportunities will include increased access to housing for persons with special needs.

The allocations for the 2021 Program Year (June 1, 2021 through May 31, 2022) are as follows:

<b>Grant</b>	<b>2021 Annual Allocation</b>	<b>Estimated Income</b>	<b>Total</b>
CDBG	\$5,421,549	\$173,804	\$5,595,353
ESG	\$453,167	\$0.00	\$453,167
HOME	\$2,570,146	\$269,297	\$2,839,443
HOPWA	\$1,737,427	\$0.00	\$1,737,427
<b>TOTAL</b>	<b>\$10,182,289</b>	<b>\$443,101</b>	<b>\$ 10,625,390</b>

The action plan priorities include the following:

- Increase the number of decent, safe affordable units and help low and moderate income households access affordable housing.
- Preserve existing affordable housing units and help low and moderate income households retain housing.
- Support facilities and services for the homeless and persons with HIV/AIDS.

- Create pathways to self-sufficiency for low and moderate income persons and families.
- Revitalize distressed neighborhoods and underserved areas.
- Undertake grant management, planning, and other eligible administrative tasks under CDBG, HOME, ESG, and HOPWA.

The resolution expressly withholds any approval for the expenditure of CDBG funds for capital improvement projects. All requested expenditures for capital improvement projects are subject to future approval of the council by resolution. Also, detailed project plans for capital improvements must be on file in the Community Development Department of MDHA at the time of the filing of such resolution.

CDBG, HOME, ESG, and HOPWA funds cannot be used for any property acquisition for which the power of eminent domain is utilized by MDHA, which is restricted by federal law.