

## INTRODUCTION

In July 2010, Congress passed the Supplemental Appropriations Act, 2010 (Public Law 111-212), which provided Community Development Block Grant (CDBG) funding for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by severe storms and flooding that occurred from March 2010 through May 2010, for which the President declared a Disaster Area. The U.S. Department of Housing and Urban Development (HUD) published a Notice of allocations, waivers, and alternative requirements for the CDBG disaster recovery funds in the *Federal Register*, Volume 75, Number 217, Docket Number FR-5452-N-01, effective November 15, 2010.

The Metropolitan Government of Nashville-Davidson County received an initial allocation of \$10,731,831 of CDBG disaster recovery (CDBG-DR) funds. As required by HUD, the City submitted an Action Plan describing the proposed use of funds for the initial allocation. HUD approved the Action Plan for Disaster Recovery in February 2011.

HUD issued Notice of a second allocation for CDBG-DR grant funds in the amount of \$22,357,982 for Nashville-Davidson County, as published in the *Federal Register*, Volume 76, Number 72, Docket Number FR-5452-N-02, on April 14, 2011. This Notice required the City to submit an Amendment to Nashville-Davidson County's initial Action Plan for Disaster Recovery to provide details for the distribution of funds and the eligible program activities for the second allocation. Amendment One described the proposed use of funds for addressing unmet housing, infrastructure, recovery, and economic revitalization needs in Metro Nashville as a result of the May flood. HUD approved substantial Amendment One in August 2011.

In November 2011, MDHA submitted Amendment Two to provide further clarification of the proposed activities described in Amendment One, include minor budget revisions for activities, and change the name of the "Code Enforcement" activity to "Neighborhood Cleanup." Amendment Two, which was not a substantial amendment, was approved by HUD in December 2011.

In July 2013, MDHA prepared Amendment Three, which reallocated funds in the amount of \$8,377,321.73 from certain housing, planning, and recovery activities to new construction (replacement housing) – multi-family homes, riverfront development, and administrative activities. The Amendment also canceled the following activities: downpayment assistance, rebuild/new construction assistance, lead hazard evaluation and reduction, and emergency rehab. The purpose of the Amendment was to fully utilize CDBG-DR funds to address long-term disaster recovery efforts for viable projects. HUD approved substantial Amendment Three in October 2013.

With activities undertaken with CDBG-DR funds completed or nearing completion, some below budget estimates, and other activities needing to be expanded to further Metro Nashville's long-term recovery efforts, MDHA issued Amendment Four in August 2014 to reallocate funds in the amount of \$2,823,696.52 from housing and infrastructure activities that were below budget to other activities within the same project

categories that were still underway. In addition, Amendment Four expanded the geographic scope of certain planning and housing activities. It was approved by HUD in October 2014.

In December, 2017, MDHA prepared Amendment Five and Technical Corrections, reallocating CDBG-DR funds in the amount of \$703,464.13 from planning, infrastructure, and recovery projects to housing activities. In addition, Technical Corrections in the amount of \$89,341.49 reconciled final activity budgets at project completion, and redistributed funds to activities within the same project category. It was approved by HUD in July 2018.

As activities described in prior CDBG-DR Action Plans, as amended, are completed, remaining funds need to be reprogrammed to create a new activity under the existing Housing project to fully utilize these funds. MDHA has prepared for submittal to the U.S. Department of Housing and Urban Development (HUD) Amendment Six to the Nashville-Davidson County CDBG-DR Action Plan. Because this is considered a substantial amendment, the citizen participation requirements of the Notice apply.

The Metropolitan Development and Housing Agency (MDHA) has been designated to act as the lead agency responsible for the development and administration of Metro Nashville’s Consolidated Plan and its related grant programs (CDBG, HOME, HOPWA, and ESG) serves as the lead agency with respect to the Disaster Recovery Action Plan and related Amendments.

**PROJECTED USE OF FUNDS**

Amendment Six proposes to relocate funds totaling \$1,043,148.50 from Homeowner and Rental Rehab Loan and Grant programs in the original housing project to be used for new construction of single family housing. Table 1 reflects reallocated and redistributed funds.

**Table 1: Current and Proposed Allocations**

<b>Project Title</b>	<b>Activity Title</b>	<b>Current Grant Budget</b>	<b>Proposed Amended/ Corrected Grant Budget</b>	<b>Proposed Changes</b>
Housing	Homeowner Rehab Loan & Grant Program	\$5,831,590.00	\$4,803,544.06	Decrease grant budget by \$1,028,045.94
Housing	Rental Rehab Loan & Grant Program	\$22,000.00	\$6,897.44	Decrease grant budget by \$15,102.56
Housing	New Construction- Single Family	\$0	\$1,043,148.50	Create new activity by moving grants funds from completed housing activities

Only those activities affected by this Amendment Six are discussed herein. However, a list of all CDBG-DR activities is provided in Appendix A, along with a summary of proposed changes through this Amendment. For narrative descriptions of activities not discussed in this Amendment, see Amendment Three, which is available at [http://www.nashville-mdha.org/wp-content/uploads/2015/02/Amendment-Three\\_CDBG-DR-Action-Plan.pdf](http://www.nashville-mdha.org/wp-content/uploads/2015/02/Amendment-Three_CDBG-DR-Action-Plan.pdf).

To date, 97% of grant funds have been expended. In addition, \$1,745,738.51 in program income has been generated from loans made by The Housing Fund (THF) related to CDBG-DR housing activities and reused for additional CDBG-DR administrative and housing activities undertaken by THF.

## **I. Housing Activities**

### **Repair/rehabilitation of owner-occupied homes**

Financial assistance in the form of a loan or grant was made available to owner/occupants for the repair of flood-damaged homes. Initial demand for this program was high, and over 500 households have been assisted through CDBG-DR funds (nearly half of the funding benefitting low/moderate-income households (LMI) at  $\leq 80\%$  AMI) as well as reprogrammed CDBG and HOME entitlement funds, which were limited to LMI households. This project is now complete, thus the budget is decreased by \$1,028,045.94 and reallocated to a new housing activity.

- *National Objective(s)*: LMI Benefit (LMI); Urgent Need (UN)
- *Previous Allocation*: \$5,831,590.00
- *Revised Allocation*: \$4,803,544.06
- *Responsible Entity*: The Housing Fund (THF)
- *Program Income*: Program income generated from this activity will be retained by THF and applied to other CDBG-DR activities for which THF is the responsible entity, including Administration (up to the applicable cap), until grant close-out.

### **Rental Rehab Property Assistance**

Financial assistance in the form of a loan or grant was made available to landlords for repair of flood damaged homes used as rental properties. This project is now complete, thus the budget is decreased by \$15,102.56 and reallocated to a new housing activity.

- *National Objective(s)*: LMI Benefit; Urgent Need
- *Previous Allocation*: \$22,000.00
- *Revised Allocation*: \$6,897.44
- *Responsible Entity(s)*: MDHA, sub recipient

## **New Construction (Replacement Housing) – Single-family Homes**

A significant portion of Nashville's workforce housing stock was impacted by the flood, and many homes were not replaced or residents chose to relocate outside of areas prone to flooding. To replenish the housing stock, offer more housing choices, and encourage revitalization of a targeted corridor as contemplated in the Long Term Recovery Plan, CDBG Disaster Recovery Funds will provide assistance for the development of for-sale and/or rental single-family homes.

Grant funds totaling \$1,043,148.50 are being reallocated via this amendment from the completed projects outlined above to this activity to be used to construct new single-family for-sale and/or rental housing in Nashville-Davidson County.

- *National Objective(s):* Urgent Need
- *Current Allocation:* \$0
- *Revised Allocation:* \$1,043,148.50
- *Eligible Activities:* Acquisition, site development, design and new construction of for-sale and/or rental single-family homes
- *Responsible Entity:* The Housing Fund
- *Geographic Area:* Nashville-Davidson County

### **REQUIREMENTS NOT WAIVED**

The Supplemental Appropriations Act authorizes the Secretary of HUD to waive, or specify alternate requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of the funds and guarantees, except for the requirements discussed below. A complete list of the waivers approved to date can be found in the *Federal Register*, Volume 75, Number 217, Docket Number FR-5452-N-01, November 10, 2010, beginning on page 69103, and are summarized in Appendix B of the Action Plan for Disaster Recovery, updated February 2011, which is available at <http://www.nashville-mdha.org/wp-content/uploads/2015/02/CDBG-DR-Action-Plan-updated-Feb-2011.pdf>.

Activities funded under the Supplemental Appropriations Act must comply with the requirements related to fair housing, nondiscrimination, labor standards, and environment (including requirements concerning lead-based paint) cannot be waived. Further, HUD's regulations at 24 CFR 135, which implement section 3 apply.

### **CITIZEN PARTICIPATION PROCESS**

The Metropolitan Government and MDHA supported and encouraged citizen participation in the development of the Disaster Recovery Action Plan and related amendments. Many of the concerns expressed by citizens participating in the long-term recovery planning process were incorporated into the Plan, as amended. The Citizen Participation Process complies with the requirements published in the Notice of allocations, waivers, and alternative requirements [*Federal Register*, Volume 75, Number 217, Docket Number FR-5452-N-01, effective November 15, 2010].

The Public Notice provided in Appendix B was posted on MDHA’s website, and emailed to stakeholders. The public comment period began on March 10, 2020 and ended on March 20, 2020. A public hearing was held on March 23, 2020, at 5:00 p.m., at J. Henry Hale. Comments received and MDHA’s responses are included in Appendix C. Following the conclusion of the public comment period, Amendment Six will be submitted to the MDHA Board of Commissioners and the Metropolitan Council for approval. Upon authorization of the Metro Council, the Amendment will be submitted to HUD.

### **AMENDING THE ACTION PLAN**

The following events will be considered substantial amendments to the Action Plan for Disaster Recovery:

- The addition or deletion of any activity described in the Plan;
- A change in the planned beneficiaries of an activity;
- The implementation of an additional HUD-authorized “waiver” of any major programmatic rules or regulations; and
- Any action that HUD deems to be a significant amendment that needs public input prior to enacting.

Substantial amendments must be authorized by the Metropolitan Mayor and approved by resolution by the Metropolitan Council. For substantial amendments, MDHA will follow the Citizen Participation requirements provided in the Notice. Following the public notice period, proposed amendments will then be submitted to the HUD Knoxville Field Office for review. For minor amendments, MDHA will notify the HUD Knoxville Field Office and post the amendment on its website.

### **APPENDICES:**

Appendix A: Current and Revised Allocations by Activity

Appendix B: Public Notice

Appendix C: Public Comments and Responses

**APPENDIX A**  
**SUMMARY OF PROGRAMS**

Activity Title	Responsible Agency	Current Grant Budget - Amendment 5	Proposed Grant Budget - Amendment 6	Change in Budget	Status
<b>ADMINISTRATION</b>					
Program Administration-THF	THF	\$295,000.00	\$295,000.00	\$0.00	Completed
Program Administration-MDHA	MDHA	<u>\$1,359,490.00</u>	<u>\$1,359,490.00</u>	<u>\$0.00</u>	Completed
	<b>Project Total</b>	<b>\$1,654,490.00</b>	<b>\$1,654,490.00</b>	<b>\$0.00</b>	
<b>PLANNING</b>					
Long Term Recovery Plan	Metro	\$809,660.00	\$809,660.00	\$0.00	Completed
OEM Strategic Plan	Metro	\$30,831.27	\$30,831.27	\$0.00	Completed
Housing Research	THF	\$250,000.00	\$250,000.00	\$0.00	Completed
Downtown Riverfront Plan	MDHA	<u>\$317,875.95</u>	<u>\$317,875.92</u>	<u>\$(0.00)</u>	Completed
	<b>Project Total</b>	<b>\$1,408,367.22</b>	<b>\$1,408,367.19</b>	<b>\$0.00</b>	
<b>HOUSING</b>					
Homeowner Rehab Loan & Grant Program	THF	\$5,698,903.30	\$5,698,903.30	\$0.00	Completed
Homeowner Rehab Loan/Grant Program - Delivery Costs	MDHA	\$212,884.74	\$212,884.74	\$0.00	Completed
Rental Rehab Loan/Grant Program-Urgent Need	THF	\$22,000.00	\$6,897.44	(\$15,102.56)	Completed; Reallocating
Purchase/Repair Program-LMI	THF	\$5,831,590.00	\$4,803,544.06	(\$1,028,045.94)	Completed; Reallocating
New Construction-Multi-family	MDHA	\$4,054,408.21	\$4,054,408.21	\$0.00	Underway
Buyout Local Match	Metro	\$1,499,427.88	\$1,499,427.88	\$0.00	Complete
New Construction - Single Family	THF	\$0.00	\$1,043,148.50	\$1,043,148.50	New
	<b>Project Total</b>	<b>\$17,319,214.13</b>	<b>\$17,319,214.13</b>	<b>\$0.00</b>	
<b>INFRASTRUCTURE</b>					
Greenways - Mill Creek	MDHA	\$900,508.38	\$900,508.38	\$0.00	Completed
Greenways - Richland Creek	MDHA	\$905,261.50	\$905,261.50	\$0.00	Completed
Greenways Projects - Program Delivery	MDHA	\$56,259.66	\$56,259.66	\$0.00	Completed
Haynes Park (Stormwater Project)	MDHA	\$70,000.00	\$70,000.00	\$0.00	Completed
Manor Place (Stormwater Project)	MDHA	\$67,500.00	\$67,500.00	\$0.00	Completed

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Riverfront Development - East Bank	MDHA		\$2,695,769.73	\$2,695,769.73	\$0.00	Completed
Riverfront Development - West Bank	Metro		<u>\$7,433,312.00</u>	<u>\$7,433,312.00</u>	<u>\$0.00</u>	Completed
		<b>Project Total</b>	<b>\$12,128,611.27</b>	<b>\$12,128,611.27</b>	<b>\$0.00</b>	
<b>RECOVERY</b>						
Voluntary Acquisition	Metro		\$460,617.04	\$460,617.04	\$0.00	Completed
Stream Cleanup	MDHA		<u>\$118,513.37</u>	<u>\$118,513.37</u>	<u>\$0.00</u>	Completed
		<b>Project Total</b>	<b>\$579,130.41</b>	<b>\$579,130.41</b>	<b>\$0.00</b>	
		<b>TOTAL</b>	<b>\$33,089,813.03</b>	<b>\$33,089,813.00</b>		

**APPENDIX B  
PUBLIC NOTICE**

**Notice of Public Hearing and Request for Public Comment  
Amendment Six to the Nashville-Davidson County  
Community Development Block Grant Disaster Recovery Action Plan**

**Public Hearing:** The Metropolitan Development and Housing Agency (MDHA) will host a public hearing on draft Amendment Six to the Nashville-Davidson County Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan on:

**Monday, March 23, 2020  
5:30 p.m.  
J. Henry Hale  
1433 Jo Johnston  
Nashville, TN 37203**

**Public Comment Period:** Beginning Tuesday, March 10, 2020, the draft Amendment will be available for public examination and comment. Members of the public may download copies from MDHA’s website at <http://www.nashville-mdha.org/pdfs/CDBG-DRAmendment6March2020-FINAL.pdf> or may request copies by contacting the MDHA Community Development Department at 615-252-8505 or TDD at 615-252-8599. Also, copies will be available at MDHA’s Community Development Department, located at 712 South Sixth Street, Nashville, TN 37206, between the hours of 7:30 a.m. and 4:00 p.m., Monday-Friday. MDHA will receive written comments until 4:00 p.m., central time, on Friday, March 20, 2020. Comments may be submitted by hand delivery to MDHA’s Community Development Department at the address listed above; electronically at [consolidatedplan@nashville-mdha.org](mailto:consolidatedplan@nashville-mdha.org) (Subject: Disaster Recovery Plan); faxed to 615-252-8533 (Attention: Disaster Recovery Plan); or mailed to MDHA Community Development Department, Attention: Disaster Recovery Plan, P.O. Box 846, Nashville, TN 37202.

**Purpose and Summary:** MDHA has prepared for submittal to the U.S. Department of Housing and Urban Development (HUD) Amendment Six to the Nashville-Davidson County CDBG-DR Action Plan. As activities described in prior CDBG-DR Action Plans, as amended, are completed, remaining funds need to be reprogrammed to existing activities still underway to fully utilize these funds. Amendment Six proposes to redistribute funds in the amount of \$1,043,148.50 from the now complete Homeowner Purchase/Repair Program and the Rental Rehab Loan/Grant Program to a new activity, New Construction – Single Family, as specified below. This activity is within the same project category.

<b>Project Title</b>	<b>Activity Title</b>	<b>Current Grant Budget</b>	<b>Proposed Amended/ Corrected Grant Budget</b>	<b>Proposed Changes</b>
Housing	Homeowner Rehab Loan & Grant Program	\$5,831,590.00	\$4,803,544.06	Decrease grant budget by \$1,028,045.94
Housing	Rental Rehab Loan & Grant Program	\$22,000.00	\$6,897.44	Decrease grant budget by \$15,102.56
Housing	New Construction- Single Family	\$0	\$1,043,148.50	Create new activity by moving grants funds from completed housing activities

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**Request for Accommodations:** MDHA makes every effort to provide reasonable accommodations to assist persons with disabilities. Any person needing assistance in accessing this information or who has other needs that require special accommodations may contact 615-252-8555 or TDD at 615-252-8599.

**Statement of Non-Discrimination:** MDHA does not discriminate on the basis of age, race, sex, sexual orientation, gender identity, genetic information, color, national origin, religion, disability or any other legally protected status in admission to, access to, or operations of its programs, services, or activities.



**APPENDIX C**  
**PUBLIC COMMENTS**