

METROPOLITAN NASHVILLE-DAVIDSON COUNTY, TENNESSEE

**HOME ARP ACTION PLAN  
AND  
SUBSTANTIAL AMENDMENT 1  
TO THE  
2021-2022 ANNUAL UPDATE  
FOR  
PROGRAM YEAR FOUR  
For the period June 1, 2021 – May 31, 2022  
TO THE  
2018-2023 CONSOLIDATED PLAN  
FOR  
HOUSING AND COMMUNITY DEVELOPMENT**

**Prepared by:**

Metropolitan Development and Housing Agency  
701 South Sixth Street  
Nashville, Tennessee 37206



**On Behalf of:**

The Metropolitan Government of  
Nashville and Davidson County  
Draft released for public comment March 11, 2022



**HOME ARP Action Plan**  
**and**  
**Substantial Amendment 1 To The**  
**The 2021-2022 Annual Update to the 2018-2023 Consolidated Plan**  
**(2021 Action Plan) Program Year Four**  
**To The**  
**2018-2023 Consolidated Plan**  
**For**  
**Housing And Community Development**

**HOME APR Action Plan**

**Attachment 1 – Additional Consultation Table**

**Attachment 2 – Public Notice**

**Attachment 3 – Notice of HOME ARP Allocation**

# HOME-ARP Allocation Plan Template

## Guidance

- To receive its HOME-ARP allocation, a PJ must:
  - Engage in consultation with at least the required organizations;
  - Provide for public participation including a 15-day public comment period and one public hearing, at a minimum; and,
  - Develop a plan that meets the requirements in the HOME-ARP Notice.
- To submit: a PJ must upload a Microsoft Word or PDF version of the plan in IDIS as an attachment next to the “HOME-ARP allocation plan” option on either the AD-26 screen (for PJs whose FY 2021 annual action plan is a Year 2-5 annual action plan) or the AD-25 screen (for PJs whose FY 2021 annual action plan is a Year 1 annual action plan that is part of the 2021 consolidated plan).
- PJs must also submit an SF-424, SF-424B, and SF-424D, and the following certifications as an attachment on either the AD-26 or AD-25 screen, as applicable:
  - Affirmatively Further Fair Housing;
  - Uniform Relocation Assistance and Real Property Acquisition Policies Act and Anti-displacement and Relocation Assistance Plan;
  - Anti-Lobbying;
  - Authority of Jurisdiction;
  - Section 3; and,
  - HOME-ARP specific certification.

**Participating Jurisdiction:** Nashville-Davidson County, TN  
3/11/2022

**Date:**

## Consultation

Before developing its plan, a PJ must consult with the CoC(s) serving the jurisdiction’s geographic area, homeless and domestic violence service providers, veterans’ groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum. State PJs are not required to consult with every PHA or CoC within the state’s boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

### *Summarize the consultation process:*

The Metropolitan Development and Housing Agency (MDHA) of Nashville and Davidson County held 17 consultation sessions with key stakeholders during the month of January 2022. Two focus groups of people experiencing or recently experiencing homelessness were conducted

in early February. Additionally, MDHA staff presented an overview of the HOME-ARP program to the Continuum of Care Planning Council and the General Membership and full Continuum of Care listserv, a membership of 600+ individuals and organizations, and offered opportunities to submit ideas and recommendations.

*List the organizations consulted, and summarize the feedback received from these entities.*

<b>Agency/Org Consulted</b>	<b>Type of Agency/Org</b>	<b>Method of Consultation</b>	<b>Feedback</b>
<b>Veterans Administration</b>	Veterans service organization	Remote meeting	Supportive and affordable rental housing unit creation is the most pressing need in the Nashville region. Veterans are struggling to access units that are low-barrier and affordable. Many are being displaced as rents escalate rapidly in the region. Supportive housing with onsite services in different parts of Nashville, to meet vet preferences on geography would be ideal.
<b>Park Center</b>	Behavioral health and homeless services	Remote meeting	Supportive housing unit creation is a top priority. Capacity building to support non-profits and developers creating units is also important. Incentives in the state’s Qualified Allocation Plan must be considered to leverage tax credits and other resources needed to scale. Supportive services should be considered, including street outreach and higher levels of intensive case management to meet fidelity to best practice. Medicaid pays for little if any housing-related behavioral health services.
<b>Urban Housing Solutions</b>	Affordable Housing Developer, housing owner/operator	Remote meeting	Creating additional units of affordable and supportive housing with long-term operating support is the highest priority. In the short-term, rental assistance is a desperate need, and could help very low-income renters. Adaptive reuse of commercial buildings (hotels, motels, etc.) or land acquisition may also be worth pursuing. Youth specific

			shelter would also be a need for consideration.
<b>Neighborhood Health</b>	Healthcare for the homeless and federally qualified health center	Remote meeting	Affordable and available housing is the most important and pressing need. We need to build units quickly. While there are challenges with recruiting and paying for supportive services, unit creation (land and building acquisition specifically) should be the focus for HOME-ARP.
<b>Nashville Rescue Mission</b>	Homeless service provider	Remote meeting	Training for people experiencing homelessness around budgeting and employment counseling is an important need. Affordable rental housing and permanent supportive housing for people with serious mental illness is an ongoing and huge need. Housing and shelter for men with children is also a challenge in the community. Transportation is also a big issue. Also recommend a safe haven and permanent supportive housing solution for individuals who are hard to serve and require the highest level of services, which could include “superpowered” case managers.
<b>Metropolitan Homeless Impact Division</b>	Local government, Homeless and social services	Remote meeting	Creating supportive and affordable housing that is accessible to people with barriers is the most important need. Leasing up with current rental assistance programs is a big problem, highlighting the need for dedicated units to the population. Housing navigators are needed to help people who experience homelessness to access available rental assistance. There are 870 households on the coordinated entry list that score in the permanent supportive housing range and haven’t been placed. Eviction prevention would also be helpful.
<b>Metropolitan Human Relations Commission</b>	Local government, fair housing and civil rights	Remote meeting	Supportive services to fund legal services to ensure representation in eviction and housing court actions, especially for those ineligible for

			publicly funded legal aid programs is an important need. Microgrants for grassroots outreach and engagement efforts to help households access resources and sustain housing. (e.g. Partnership effort that provides small grants for door-to-door education and advocacy.) Lastly, low barrier shelter that does not require religious service participation, and housing first high fidelity programs. <sup>12</sup>
<b>Metropolitan Action Commission</b>	Local government, workforce, education and social services	Remote meeting	Development of affordable and supportive rental housing should be the priority use of funds due to the extraordinary need for affordable housing for people at extremely low incomes. All people in this income group are housing cost burdened and at high risk of homelessness. Even with rental assistance, landlords are increasing rents and not renewing leases.

If additional space is needed, insert image of table here:  
See Attachment 1

## Public Participation

PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of **no less than 15 calendar days**. The PJ must follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan. In addition, PJs must hold **at least one public hearing** during the development of the HOME-ARP allocation plan and prior to submission.

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

- The amount of HOME-ARP the PJ will receive,
- The range of activities the PJ may undertake.

*Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:*

- **Public comment period: start date - 3/11/2022 end date - 4/13/2022**
- **Public hearing: 3/24/2022**

To ensure the HOME ARP Action Plan truly addresses the needs in Metro Nashville, the citizen participation and consultation processes were designed to garner considerable public input on the development of the Action Plan, as well as on the Draft. The Metropolitan Development and Housing Agency (MDHA) of Nashville and Davidson County held 17 consultation sessions with key stakeholders during the month of January 2022. Two focus groups of people experiencing or recently experiencing homelessness were conducted in early February. Additionally, MDHA staff presented an overview of the HOME-ARP program to the Continuum of Care Planning Council and the General Membership and full Continuum of Care listserv, a membership of 600+ individuals and organizations, and offered opportunities for all these groups to submit ideas and recommendations. Throughout the 2020 PY, MDHA staff consulted with stakeholders, non-profits, project sponsors, and the Mayor's office for suggestions to improve or expand programs for PY 2021. The draft Action Plan was made available for public comment on March 11, 2022. An in-person public hearing and a Zoom public hearing was held on March 24, 2022. Comments on the draft were obtained during the 30-day public comment period that opened on March 11, 2022 and closed on April 13, 2022 and at the in-person and virtual public hearing that was held on March 24, 2022. Details about the public hearing and how the public can submit comments are provided in the Public Notice (Attachment 2).

Information on how persons with disabilities or sensory impairments or those in need of translation services can request accommodation is provided in all Public Notices, in emails advertising community meetings/public input sessions, and posted on the Consolidated Plan webpage in Spanish, Chinese, Vietnamese, Arabic, and Somali. MDHA will make every effort to accommodate reasonable requests if they are made not later than five (5) business days prior to any meeting. Public Notices are translated to Spanish.

Following the conclusion of the Public Comment Period, the HOME ARP Action Plan will be presented to the Metropolitan Nashville-Davidson County Council for approval, prior to its submittal to HUD.

***Describe any efforts to broaden public participation:***

To be completed after the public participation process.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

***Summarize the comments and recommendations received through the public participation process:***

To be completed after the public participation process.

***Summarize any comments or recommendations not accepted and state the reasons why:***

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## **Needs Assessment and Gaps Analysis**

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. The PJ may use the optional tables provided below and/or attach additional data tables to this template.



**OPTIONAL Homeless Needs Inventory and Gap Analysis Table**

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	197	35	959	959	9								
Transitional Housing	61	19	265	265	94								
Permanent Supportive Housing	244	104	789	789	532								
Other Permanent Housing						0	101	71	0				
Sheltered Homeless						54	1250	178	50				
Unsheltered Homeless						1	583	72	N/A				
<b>Current Gap</b>										78	26	1,239	1,239

**Suggested Data Sources:** 1. Point in Time Count (PIT); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation

**OPTIONAL Housing Needs Inventory and Gap Analysis Table**

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	127,505		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	7,350		
Rental Units Affordable to HH at 50% AMI (Other Populations)	3,300		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		19,650	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		16,665	
<b>Current Gaps</b>			36,315

**Suggested Data Sources:** 1. American Community Survey (ACS); 2. Comprehensive Housing Affordability Strategy (CHAS)

***Describe the size and demographic composition of qualifying populations within the PJ's boundaries:***

People experiencing homelessness in Nashville and Davidson County, like most of the United States are disproportionately Black and male. Among those who reside in shelter or are reported as unsheltered, 45% identify as Black or African-American as compared to 24% of Davidson County residents who identify as Black (Source 2020 Census). As for gender, 73% of people experiencing homelessness identify as male (as compared to 48% of the total population), and 26% as female with less than 1% identifying as transgender or gender nonconforming.

Hispanics are underrepresented with 4% of the homeless population and 14% of the County's population. Almost half (45%) of White and Hispanic homeless people are unsheltered, while individuals who identify as Black are more likely to access shelter programs.

Looking at the annual point in time count from 2020, most people experiencing homelessness were individuals, not families – just 61 of the 1,879 households were family households on the day of the count. There was a small percentage (3%) of individuals identified in the youth category- ages 18-24.

***Describe the unmet housing and service needs of qualifying populations, including but not limited to:***

- ***Sheltered and unsheltered homeless populations;***
- ***Those currently housed populations at risk of homelessness;***
- ***Other families requiring services or housing assistance or to prevent homelessness;***  
***and,***
- ***Those at greatest risk of housing instability or in unstable housing situations:***

There have been two recent efforts in Nashville-Davidson County to analyze affordable and supportive housing needs – a Continuum of Care (CoC) driven needs assessment completed in April 2021, and Mayor Cooper's Affordable Housing Task Force's report released in June 2021.

The CoC analysis was developed by the Corporation for Supportive Housing, with input and coordination from the CoC's Data Committee and found the following:

- Annually, the CoC has a gap of 1,239 Permanent Supportive Housing (PSH) units for individuals and 26 units for families. This includes people who are chronically homeless, sheltered and unsheltered individuals with disabling conditions who are unlikely to exit homelessness without a supportive housing intervention.
- The annual Rapid Rehousing need for literally homeless populations is 752 households.
- Affordable housing units needed for literally homeless populations are 2,221 units.
- Annual estimates of unsheltered individuals is 1,276 and chronically homeless is 838.

Because Tennessee has not expanded Medicaid, providers reported that 70+% of people experiencing homelessness are uninsured. Supportive services are financed by community behavioral health funding which includes federal, state, and local sources, as well as the limited

funding provided through the Continuum of Care. Funding is insufficient to deliver services to fidelity to evidence-based practices of housing first/harm reduction for those living in supportive housing or rapid rehousing programs with high service needs.

During the consultation process, staff managing the Coordinated Entry System for the County reported there are currently 870 households that score in the supportive housing need range, the vast majority of whom will not be served given capacity limitations, and that number will grow as households are identified throughout the year.

From Mayor Cooper's Affordable Housing Task Force, the following needs and relevant data points were noted:

- Rents have increased 50% in a ten year period. Rents in the highest demand areas have more than doubled since 2011.
- Redlining and other discriminatory practices have exacerbated housing inequality that continues today.
- The Renter Gap for people with Extremely Low Incomes is 13,754 and there's another gap of 2,226 units to serve households between 30% -50% of the Area Median Income.

Throughout the consultation process, stakeholders that manage homeless and public benefit programs emphasized that nearly all people with extremely low-incomes are at high risk of experiencing homelessness. The rapid escalation of rents, wages that aren't keeping up, lack of Medicaid coverage, and transportation challenges have placed unprecedented strain on low-income County residents.

The population at greatest risk of homelessness includes those who experienced homelessness and exited without intervention, households that receive time-limited Rapid Rehousing assistance but face subsequent homeless episodes, and extremely low and low-income households with any of the seven listed characteristics described in HUD's HOME-ARP Implementation Notice. While this specific data beyond those described in the homeless needs data does not exist, as the chart indicates, Nashville-Davidson County estimates an affordable housing gap of 36,315 units and a gap of 1,239 Supportive Housing units.

***Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:***

The Homeless Needs Inventory and Gaps table includes the Housing Inventory Chart (HIC) data from 2021, excluding the temporary city-run COVID shelter programs. There are 1,156 year-round emergency shelter beds and 893 Permanent Supportive Housing (PSH) units. Nearly 60% of the Permanent Supportive Housing units are VASH vouchers and can only serve veterans and veteran families. Of the 8,700 people who experience homelessness in Nashville/Davidson County in a given year, only 2% will access a PSH unit and they are more likely to be veterans. Supportive services are primarily provided by community behavioral health agencies through Shelter Plus Care programs and the Veterans Administration. Currently, there are no HOME-

TBRA programs operating, but there are a variety of Rapid Rehousing and eviction prevention programs funded through ESG-CV and Treasury Emergency Rental Assistance, as well as 243 ongoing CoC and ESG funded Rapid Rehousing slots.

According to THDA, there are 12,978 active units that were subsidized through the Low Income Housing Tax Credit program, and are thus affordable to households at or below 80% of the Area Median Income. As the vacancy rate is roughly 8% as of March 2021 across the range of rental units, and is even tighter for lower income units, 90+% of these units are already occupied, and not available. MDHA has 25 low-rent units under management and administers 7,388 Housing Choice Vouchers. There are waiting lists for all of MDHA's housing programs.

***Identify any gaps within the current shelter and housing inventory as well as the service delivery system:***

The single individual shelter system operates at or near capacity throughout the year, with many individuals residing unsheltered. Individuals who are currently homeless who participated in the focus groups identified the need for non-congregate shelter options including hotels and tiny homes that could be used as extended stay options while people reenter the workforce and/or recover from health problems. Specific shelter improvements, namely shower and storage facilities at the Salvation Army shelter, were recommended by people currently experiencing homelessness.

Many stakeholders identified the need for supportive services that are high fidelity to evidence-based practices of housing first and harm reduction. Given limited state and federal funding (in large part due to Tennessee's decision not to expand Medicaid) for supportive services, there are clear gaps in the service delivery system for intensive services as well as lighter touch housing navigation and employment services.

***Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of "other populations" as established in the HOME-ARP Notice:***

As previously noted, the high and rising cost of housing in the county places all the eligible populations described in HUD's Implementation Notice for HOME-ARP at increased risk of homelessness. The County's Consolidated Plan does not have a separate category of at-risk, but rather points to renter households at Very Low Income and below that are cost-burdened.

***Identify priority needs for qualifying populations:***

Supportive housing and affordable housing for qualifying populations clearly emerged as priority and urgent needs among all participants in the consultation process. The County is under-resourced for supportive housing in particular, with the exception of the VASH program, which results in unsheltered and high numbers of chronically homeless individuals. Affordable housing is a huge need across the county, but given the emphasis of the HOME-ARP program on people experiencing homelessness and the limited amount of funds available, creation of new supportive

housing units that leverage financing tools including 9% Low Income Housing Tax Credits, 4% bond programs, and project-based rental assistance emerged as the most impactful option among the various eligible activities. This also aligns well with the Mayor's Task Force, which is leveraging private investment in addition to public sources to add affordable units at an accelerated pace across the county.

In addition to supportive and affordable rental housing unit creation, supportive services are also vitally important to ensure individuals experiencing homelessness can remain housed and avoid becoming homeless again. These services include intensive case management for high need individuals, as well as housing navigation and care coordination services that could be paired with rapid rehousing or other rental assistance programs operating in the County. Given the high rate of uninsured individuals who experience homelessness, supportive services must be funded through other sources outside the Medicaid program.

***Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:***

The gaps analysis was driven by the 2021 CoC data committee and CSH's housing needs assessment. The affordable housing needs data came from the CHAS data for 2014-2018 and 2019 American Community Survey, as well as Mayor Cooper's Affordable Housing Task Force report released in June 2021. The needs information was also informed by the feedback received during 17 consultation sessions and two focus groups with people currently experiencing homelessness.

## **HOME-ARP Activities**

***Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:***

MDHA anticipates initiating an open application or Request For Proposal (RFP) process for the rental housing activities after HUD approves the proposed allocation plan. MDHA will seek to time applications for rental housing to enable leverage of other available capital sources. As is routine practice, all RFPs or open application cycles will be publicly advertised. MDHA will also coordinate the availability of capacity building funding to mesh with the RFP process for the Rental Housing Development and with the RFP process for the supportive services funding.

MDHA reserves the right to administer the housing development activities directly if there is a lack of interested, qualified development entities.

***If any portion of the PJ's HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP***

***grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ’s HOME-ARP program:***

MDHA is responsible for administration of its HOME-ARP grant. A consultant, the Corporation for Supportive Housing, was selected through a competitive process, to facilitate the consultation process and make recommendations for the allocation plan, however, MDHA retains responsibility for administration of the HOME-ARP program.

PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits. The following table may be used to meet this requirement.

**Use of HOME-ARP Funding**

	<b>Funding Amount</b>	<b>Percent of the Grant</b>	<b>Statutory Limit</b>
Supportive Services	\$ 1,500,000		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 6,733,525		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 150,000	2 %	5%
Administration and Planning	\$ 931,503	10 %	15%
<b>Total HOME ARP Allocation</b>	<b>\$ 9,315,028</b>		

***Additional narrative, if applicable:***

MDHA proposes to allocate the bulk, (72%) of its HOME-ARP allocation to development of affordable and supportive housing. A smaller percentage is proposed to provide bridge financing of supportive services to ensure quality services are available in new supportive housing programs created under HOME-ARP. A small, but important set-aside is recommended to build non-profit capacity building, which may include development consultation and technical assistance, supportive housing best practices, and consultation with providers on health insurance billing for tenancy supports. Lastly, 10% of the allocation is reserved to conduct compliance and monitoring activities during the budget period.

***Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:***

During the consultation process and analysis of the Continuum of Care’s housing needs, supportive and affordable rental housing emerged as the community’s most-pressing and urgent need. Nearly all the other eligible activities were also noted as needs. MDHA has opted to prioritize funding for creation of new units given the significant challenges with finding landlords and the limited amount of funds allocated to the County. Construction and land acquisition costs are high, therefore it is MDHA’s intent to leverage its funds for unit creation

with other available sources and private sector partners, and to seek project-based operating subsidy outside of HOME-ARP whenever possible. Supportive services are also included as they are essential to the success of new units. However, MDHA acknowledges that HOME-ARP funds will be insufficient to deliver high fidelity supportive services to all the units created, therefore the HOME-ARP allocation for services will be gap-filler or bridge financing while non-profits secure other sources for sustainable service provision.

## **HOME-ARP Production Housing Goals**

***Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:***

With estimated total development costs of \$235,000 per 1BR unit, MDHA estimates its allocation can create between 15 and 65 units, depending on available leverage sources. Since the types of viable development projects aren't known at this time, the estimated range of units produced can vary widely depending on the types of projects funded, i.e., if land cost is involved, new construction, acquisition, rehab, etc. The Supportive Services allocation will partially fund 5-years of support for 45 units of housing. Given the relatively small number of units to be created, MDHA intends to serve only individuals that are in the qualifying population.

***Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:***

The specific goal is to produce between 15 and 65 units of supportive housing, which will house individuals prioritized and referred through the community's Coordinated Entry System. These units may be in a single site, integrated units in a larger development, or in scattered site duplexes or quads, depending on the quality of applications received through the RFP process MDHA will initiate.

MDHA intends to ensure that its funds create high quality supportive housing units, with no debt, with project-based subsidy sufficient to cover annual operating expenses, and with a non-profit service provider that will deliver high fidelity home-based services.

## **Preferences**

***Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:***

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).
- PJs are not required to describe specific projects to which the preferences will apply.

Preference will be given to individuals who are prioritized through the local coordinated entry process. No qualifying populations will be excluded from eligibility for any housing activities undertaken through the County's HOME-ARP program.

***If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or category of qualifying population, consistent with the PJ's needs assessment and gap analysis:***

The preference for individuals prioritized by the local Coordinated Entry process reflects the high unmet need among people who are chronically and literally homeless. Their hardship and medical vulnerability was clearly articulated by individuals living in these circumstances, and by the organizations and local agencies that serve them on a daily basis.

***If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:***

There were many needs identified beyond what can be financed with the limited funding available through HOME-ARP funds. The metro government continues to seek all possible funding sources – public and private – to address the unmet affordable housing and services needs in the community.

## **HOME-ARP Refinancing Guidelines**

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME-ARP refinancing guidelines in accordance with [24 CFR 92.206\(b\)](#). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:

- ***Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity***

MDHA will establish a minimum of \$50,000 per unit for rehabilitation or renovation to demonstrate that units are sufficiently capitalized to operate for the full 15-year use period and serve an extremely low-income population.

- ***Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.***

MDHA will directly or under a collaborative agreement with other partners to underwrite and conduct a subsidy layering review for all units financed with the PJ's HOME-ARP funding. This will ensure the feasibility of new developments for the full compliance period.



- ***State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.***

MDHA anticipates developing new units with its HOME-ARP allocation, but will not rule out preservation if operating subsidies are in place to ensure affordability to an extremely low-income target population.

- ***Specify the required compliance period, whether it is the minimum 15 years or longer.***

MDHA will require a compliance period of 15 years.

- ***State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.***

MDHA understands that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

- ***Other requirements in the PJ's guidelines, if applicable:***

Not applicable.

## Attachment 1

**HOME-ARP Consultation, Additional Table**  
**Metropolitan Development and Housing Agency, Nashville-Davidson County, TN**

Agency/Org Consulted	Type of Agency/Org.	Method of Consultation	Feedback
People experiencing homelessness	N/A, participants were identified through Park Center	Focus Group (remote)	Participants expressed their struggles accessing short-term housing and affordable housing. Several participants recommended investment in existing structures like hotels, or creation of low-cost housing options such as tiny homes or housing created through shipping containers that is quicker to bring to operation. Many felt that short-term housing and access to jobs including in construction and homeless services were extremely important. Others described the need for longer-term housing with case management supports. One participant discussed the need for someone to open doors to employers and careers. All expressed the challenges of homelessness and the need for shelters to have shower and storage facilities, and recommended the Salvation Army could benefit from these specific facility enhancements.
Metro Housing Division	Local government	Remote meeting	Creation of supportive and affordable housing are priorities for the City. Leverage of other capital sources (especially through THDA’s HOME allocations, and 9% or 4% tax credits/bond programs), operating subsidies, supportive services from public and private sources will be critically important to maximize the impact of the HOME-ARP allocation. Capacity building among non-profits is also an important task for the community. Supportive housing development must be adequately financed so as not to require debt, and operating subsidies and supportive services must also be available and adequately funded.
Empower TN	Disability advocacy	Remote meeting	Case management, rental assistance, help with moving costs, affordable <b>and accessible</b> units are all critical needs in the County. Empower TN also believes any housing created should be inclusionary and integrated – not putting people with disabilities all in

**HOME-ARP Consultation, Additional Table**  
**Metropolitan Development and Housing Agency, Nashville-Davidson County, TN**

Agency/Org Consulted	Type of Agency/Org.	Method of Consultation	Feedback
			<p>one place. Affordable, accessible housing, with universal design should be created close to community amenities, like grocery stores and healthcare services, accessible to public transportation. Property owners and managers should also be expected to work with people with criminal backgrounds. Security deposit assistance is also very important as disability income can be impacted by accrued savings.</p>
<p>MDHA Housing Choice Voucher program</p>	<p>Public Housing Authority</p>	<p>Remote meeting</p>	<p>Unit creation – affordable and supportive housing, is the primary need in the County. Geographic dispersion and choice of location is also needed. The voucher program has been challenged to secure units in the current housing market as landlords have little incentives to participate in public subsidy programs, and Fair Market Rents aren't keeping up with rapidly rising rents.</p>
<p>Mental Health Cooperative</p>	<p>Community behavioral health organization, homeless service provider</p>	<p>Remote meeting</p>	<p>Rental assistance so that individuals can choose their housing and their household composition (and pets). Willing landlords are an issue – the market is very competitive. Supportive services are also very important and are insufficiently funded in Nashville. People need tenancy supports to integrate into the community as well as care coordination. Non-congregate, shared housing with individual rooms is also a model that could be pursued.</p>
<p>Room In the Inn</p>	<p>Homeless service provider, supportive housing owner/operator</p>	<p>Remote meeting</p>	<p>Supportive housing has been a consistent and urgent need in the County. New units are needed, especially considering how difficult it can be to utilize rental assistance due to the market conditions. Supportive services must be accessible and available to those in any housing created. Room In the Inn has a potential site that could be developed to create new housing units. Navigation centers with affordable housing on top, housing for aging individuals at extremely low</p>

**HOME-ARP Consultation, Additional Table**  
**Metropolitan Development and Housing Agency, Nashville-Davidson County, TN**

Agency/Org Consulted	Type of Agency/Org.	Method of Consultation	Feedback
			incomes, and other supportive housing models are needed.
Urban League of Middle Tennessee	Affordable housing capacity building, minority workforce training programs	Remote meeting	Building affordable and supportive housing, especially land acquisition is the most important priority in the County. Rental assistance is also an important need for people in the County.
The Mary Parrish Center	Domestic violence, homeless service provider	Remote meeting	Development of affordable and supportive housing is the most pressing need in the County. Some families and individuals who are experiencing domestic violence need those intensive levels of support. Documentation of homelessness and disabling conditions can sometimes be a challenge, so the utilization of the Qualifying Population categories for housing is important.
Office of Mayor Cooper	Local government	Remote meeting	Development of high-quality supportive housing with high fidelity supportive services is the most pressing need. Capacity building to support non-profits is also an investment to consider.
Continuum of Care (CoC) Homelessness Planning Council for Metro Nashville-Davidson County	Homelessness Planning Council	In person meeting – January 12, 2022	Assistant Director of Community Development went over Powerpoint that explained HOME ARP program and provided copies of same to Council members and asked them to email feedback.
Continuum of Care (CoC) General Membership for Metro Nashville-Davidson County	CoC General Membership	Virtual Meeting – January 20, 2022	Assistant Director of Community Development went over Powerpoint that explained HOME ARP program. Presentation was sent via email to all members with a request that they provide feedback.

## Attachment 2

**PUBLIC NOTICE**

**REQUEST FOR PUBLIC COMMENT AND NOTICE OF PUBLIC HEARING**

The Metropolitan Development and Housing Agency (MDHA) is proposing substantial amendment 1 to the 2021 Action Plan of the 2018-2023 Consolidated Plan for the Metropolitan Government of Nashville and Davidson County. This proposal is in accordance with 24 CFR 91.500, as revised by the Home Investment Partnership Program American Rescue Plan (HOME-ARP) Implementation Notice CPD-21-19, and subpart B of the federal regulations relative to citizen participation for Community Planning and Development Programs. Approval would allocate funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) (ARP) for the HOME Investment Partnerships Program (HOME) to provide homelessness assistance and supportive services.

MDHA will hold an in-person public hearing on this proposed amendment at 1:30 p.m. CST, March 24, 2022, at the Vine Hill Studio Apartment’s community room at 625 Benton Ave., Nashville, TN 37204. Wearing a face mask is strongly encouraged. The hearing can also be attended virtually via the below Zoom link:

<https://bit.ly/MDHA03242022>

**Public Comment Period:** The draft proposed substantial amendment 1 to the 2021 Action Plan of the 2018-2023 Consolidated Plan for the Metropolitan Government of Nashville and Davidson County to allocate HOME-ARP funding activities to be used to assist the homeless population was made available for public examination and comment on March 11, 2022.

Members of the public may download copies of the draft from MDHA’s website at [www.nashville-mdha.org/consolidated-plan](http://www.nashville-mdha.org/consolidated-plan) or request copies by contacting the MDHA Community Development Department at 615-252-8505 or Telephone Device for the Deaf (TDD) at 615-252-8599.

MDHA will receive written comments through 4 p.m. CST, Wednesday, April 13, 2022.

- Comments may be submitted electronically at [consolidatedplan@nashville-mdha.org](mailto:consolidatedplan@nashville-mdha.org);
- Faxed to 615-252-8533 (Attention: Consolidated Plan);
- Mailed to MDHA Community Development Department, Attention: Consolidated Plan, P.O. Box 846, Nashville, TN 37202. Mailed comments must be postmarked no later than April 13, 2022;
- Hand-delivered to MDHA Community Development Department (and follow instructions on door for acceptance of delivery), Attention: Consolidated Plan, 712 S. Sixth St., Nashville, TN 37206.

**Purpose and Anticipated Resources:** This proposed substantial amendment 1 to the 2021 Action Plan allocates funding to the HOME-ARP eligible activities outlined in the table below:

<b>Activities</b>	<b>Funding Amount</b>	<b>Percent of Grant</b>	<b>Statutory Limit</b>
Supportive Services	\$1,500,000.00		
Development of Affordable Rental Housing	\$6,733,525.00		
Nonprofit Capacity Building	\$150,000.00	2%	5%
Administration & Planning	\$931,503.00	10%	15%
<b>Total All Activities</b>	<b>\$ 9,315,028.00</b>		

- Supportive Services - \$1,500,000 – This activity would make grants to entities to pay for costs associated with providing the homeless with voluntary access to case management, medical care, mental health services, substance use treatment, employment and life skills counseling, eviction prevention programs, social and recreational events and tenant advocacy with the goal of building independent living and tenancy skills to increase self-sufficiency to help them remain housed.

- Development of Affordable Rental Housing - \$6,733,525 – This activity would make grants and/or loans to entities to pay for costs associated with development of affordable rental housing. Eligible HOME-ARP rental housing includes “housing” as defined at 24 CFR 92.2, including but not limited to manufactured housing, single room occupancy (SRO) units and permanent supportive housing.
- Nonprofit Capacity Building - \$150,000 – Capacity building are grants defined as reasonable and necessary general operating costs that will result in expansion or improvement of an organization’s ability to successfully carry out eligible HOME-ARP activities and are further outlined and limited to the amounts stated in the HOME-ARP Implementation Notice CPD 21-19.
- Administration & Planning - \$931,503 – This activity would allow for grant management until the end of the 15-year affordability period for all HOME-ARP assisted units.

Substantial amendment 1 to the 2021 Action Plan is being made available for public comment in accordance with the amended citizen’s participation plan approved via substantial amendment 3 to the 2018-2023 Consolidated Plan that provides for a 30-day public comment period in non-emergency situations.

Request for Accommodations: MDHA makes every effort to provide reasonable accommodations to assist persons who have disabilities. Any person needing assistance in accessing this information or who has other needs that require special accommodations may contact 615-252-8562 or TDD at 615-252-8599.

Para asistencia en Español llame al 615-252-8505.

如果需要本通知的中文翻译，请打电话 615-252-8505

Để nhận một bản dịch Tiếng Việt của thông báo này, vui lòng gọi: 615-252-8505

بلا صئلا اى جري، نايبلا اذهل تغيير عةمجر تى لعل وصللا: 615-252-8505

Haddii aad rabto qoraalkan oo af-Soomaali lagu tarjumay haddii aad doonayso fadlan naga soo wac: 615-252-8505

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.





## Attachment 3



**U. S. Department of Housing and Urban Development**

Knoxville Field Office, Region IV  
John J. Duncan Federal Building  
710 Locust Street, Suite 300  
Knoxville, Tennessee 37902-2526

September 22, 2021

Dr. Troy White, Executive Director  
Metropolitan Development and Housing Agency  
P. O. Box 846  
Nashville, Tennessee 37202

Dear Dr. White:

The American Rescue Plan Act of 2021 appropriated \$5 billion to provide housing, services, and shelter to individuals experiencing homeless and other vulnerable populations, to be allocated by formula to jurisdictions that qualified for HOME Investment Partnerships Program allocations in Fiscal Year 2021. On September 13, 2021, the Department published a notice, titled: *Requirements for the Use of Funds in the HOME-American Rescue Plan Program* (the Notice), which you are encouraged to review to assist in developing your program. Enclosed is the Grant Agreement for the HOME Investment Partnerships – America Rescue Plan (HOME-ARP) program:

**HOME Investment Partnerships - American Rescue Plan (HOME-ARP) \$9,315,028**

In accordance with the Notice, and the HOME ARP Grant Agreement, a Participating Jurisdiction (PJ), as of the Federal Award Date, may use up to five percent of its total award for administrative and planning costs. Once your HOME-ARP Allocation Plan is approved by HUD, the remaining award will be made available.

Transmittal of this Grant Agreement does not constitute approval of the activities described in your HOME-ARP Allocation Plan. You are reminded that you, as the PJ, are responsible for ensuring that all grant funds are used in accordance with all program requirements. An executed Grant Agreement is a legally binding agreement between the Department of Housing and Urban Development and the Nashville-Davidson County Metropolitan Government.

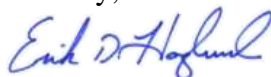
To establish a Line of Credit for the HOME-ARP award, it will be necessary for your agency to sign, execute and return one (1) copy of the Grant Agreement. If there is a need to add or remove individuals authorized to access the Integrated Disbursement Information System (IDIS), please submit an IDIS Online Access Request Form (HUD 27055). Also, please ensure the IDIS Online Access Request Form is notarized and returned to this office with your Grant Agreement. Additionally, if there is a need to establish or change the depository account where these funds are to be wired, a Direct Deposit Sign-Up form (SF-1199A) must be completed by your financial institution and returned to this office with a copy of a voided check.

You are reminded that certain activities are subject to the provisions of 24 CFR Part 58 (**Environmental Review Procedures**). Funds for such activities may not be obligated or expended until HUD has approved the release of funds in writing. A request for release of funds (RROF) must be accompanied by an environmental certification, and until the RROF is approved and notification is received, no HUD funds should be committed. If the project or activity is exempt per 24 CFR 58.34 or categorically excluded (except in extraordinary circumstances), no RROF is required.

Please execute two (2) copies of the HOME-ARP Grant Agreement with electronic signatures. In response to COVID-19, HUD authorizes you to electronically execute the grant agreement with your electronic signature. Return one (1) of the agreements to this office to the attention of CPD General Correspondence Mailbox, at CPD\_GeneralCorr-KN@hud.gov. Maintain a copy of the agreement with your original signature on site in your program files.

HUD congratulates the Nashville-Davidson County Metropolitan Government on its grant award, and we look forward to assisting you in accomplishing your programs goals. If you have any questions or need further information of assistance, please contact Lynn Holt, Senior CPD Representative at (865) 474-8222, or Lynn.A.Holt@Hud.gov.

Sincerely,



Erik Hoglund, Director,  
Office of Community Planning and  
Development

Enclosures

cc:

Honorable John Cooper  
Mayor, Metropolitan Government of  
Nashville – Davidson County  
Emel Alexander, Director for Community Development