

**BOARD OF COMMISSIONERS
OF THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY**

October 13, 2020

- 1) Call to order.
- 2) Approval of Minutes of the Meeting of September 8, 2020.
- 3) Introductions.
- 4) Public Comments.

REPORT FROM COMMITTEES

- 5) Report from the Joint Development & Finance Committees.
 - a. The Briarville PILOT Agreement
 - b. Driver's Safety Match Grant Program
 - c. Options for Five Points Redevelopment District
 - o Public Comments will be received after Staff Presentation of options

EXECUTIVE REPORT

- 6) Executive Director's Report.
- 7) Board Retreat Request Review.
- 8) Board Information Request.
- 9) OPS demo for board
- 10) Additional Business –
 - Overview of Evictions and CDC Order (Presentation).
- 11) Adjournment.

SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

October 13, 2020

5a. Approval of the Briarville PILOT Agreement

LDG Development has established a limited partnership, The Briarville Apartments LP, to acquire the parcel located at 600 Creative Way, and develop a 184-unit affordable housing complex. The Briarville Apartments LP have applied to the Tennessee Housing Development Agency (THDA) for a 4% Low Income Housing Tax Credit (LIHTC) to help finance the construction of this complex. The tax credit will result in an equity amount of approximately \$11,094,061. When completed, the Briarville will be comprised of 92 two-bedroom units and 92 three-bedroom units as well as a pool, a gym, a business center, and a community center. The project will be reserved for families with average household incomes at or below 60% of the area median income (AMI), consistent with THDA's income averaging guidelines.

Staff is recommending approval a PILOT having an initial payment of \$22,000 in lieu of property taxes after the project is placed in service. The PILOT payment would increase by 3% annually over the 10-year life of the agreement. This PILOT payment was based on a review of the applicant's sources and uses, debt obligations, as well as projected cash flow to the property. MDHA estimates this to be a tax abatement of approximately \$435,992 for the first year the property is placed in service. The current uses of the site generate \$5,771 in annual property tax. If approved, this would leave MDHA's annual abatement capacity at \$92,692.

5b. Driver's Safety Match Grant Program

MDHA is committed to the safety and well-being of its employees. Each year MDHA provides defensive driver training for new employees that drive agency vehicles; and every three years all employees who drive agency vehicles are provided training. The purpose of the training is to educate staff on safe driving to reduce the number of vehicle accidents. MDHA contracts with the Tennessee Regional Safety Council to provide 4-hour training to Agency staff. The training consists of: education on safe driving techniques; defensive driving; dangerous driving situations; unsafe driving behaviors and attitudes. After the completion of the training, staff is required to pass a defensive driving written test.

MDHA holds automobile liability coverage through Public Entity Partners and is therefore eligible to seek reimbursement through a grant for the costs of offering driver's safety training to employees. Public Entity Partners awarded this grant to MDHA in 2019. If the Board approves, the Agency will apply for the grant for 2020. The grant funds will reimburse MDHA for half of its driver's safety training costs, up to \$4,000 maximum. MDHA is responsible for the balance of this expense in the form of a match.

SUMMARY REVIEW OF AGENDA

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5c. Options for Five Pointes Redevelopment District

The Five Points Redevelopment Plan is scheduled to expire at the end of the year. Council member Withers has introduced a broad re-zoning to closely match the uses and height restrictions contained in the Plan. MDHA received a joint letter signed by the Historic East End, Lockeland Springs and Historic Edgefield neighborhood associations requesting MDHA extend the redevelopment district for a period of five years or until December 2025. The Development Committee requested options to be presented to the full Board at the October 13 and allow interested parties to voice their position on any action the Board may take.

The three paths under consideration are:

1. Extending the district as requested by the neighborhood organizations. That extension can be for up to five years as requested, or any other time deemed appropriate.
2. Extending the district for a time frame that coincides with the rezoning proposal now pending at Metro Planning. This would allow the Councilman ample opportunity to continue discussions with all impacted property owners and make any adjustments to his Bill.
3. Allowing the plan to expire as scheduled.

MEETING MINUTES
OF
THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

The regular meeting of the Board of Commissioners of the Metropolitan Development and Housing Agency was held on Tuesday, September 8, 2020, at 11:30 a.m. via WebEx in the Collaboration Room of the Gerald F. Nicely Building, 701 South Sixth Street, Nashville, Tennessee.

PRESENT: Bill Purcell, Chair
Emily Thaden, Vice Chair of Finance
Aole Ansari, Vice Chair of Development
Antoinette Batts
Kay Bowers
Marcus Campbell
Paulette Coleman

ALSO PRESENT: James Harbison, Executive Director
James Thiltgen, Deputy Executive Director
Saul Solomon, Legal Counsel
David Dellinger, Chief Development Officer
Michail Huerter, Chief Operating Officer
Will Choppin, General Counsel
Will Biggs, Director of Affordable Housing
Melinda Hatfield, Director of Finance
Joe Cain, Director of Urban Development
Emel Alexander, Director of Community Development
Norman Deep, Director for Rental Assistance
Michael Wegerson, Director of Recapitalization
Jamie Berry, Director of Communications
Kevin Johnson, Construction Project Manager
Pat Thicklin, Assistant Director of Human Resources
Matt Wiltshire, Chief Strategy and Intergovernmental Affairs Officer
LaTonya Ellis, Executive Office Manager
Denise Hagewood, Executive Office Administrative Assistant
Paige Lyle, Klein Solomon, PLLC
Dr. Cynthia Croom, Metro Action Commission
Charles Broach, Vine Hill Resident Association President
Denise Cleveland-Leggett, HUD Southeastern Regional Director
Sernoma Mitchell, HUD Field Office Director
John Baldwin, HUD
Michael Browder, HUD
Alvera Crittendon, HUD

Saul Solomon, Legal Counsel called roll and determined there was a quorum. Mr. Solomon announced the MDHA Board meeting was being broadcast electronically via Webex to satisfy Governor Lee's Executive Order, No. 16. He also noted the meeting was being recorded for future viewing via Youtube and the general public was given the opportunity and instruction on how to participate.

Chairman Purcell called the meeting to order and recognized Mr. James Harbison, MDHA Executive Director, to introduce Denise Cleveland-Leggett, HUD Regional Administrator for the Southeastern region. Mrs. Cleveland-Leggett's region includes: Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico and the U.S. Virgin Islands. Mrs. Cleveland-Leggett thanked the Board for their hard work and brought greetings from HUD Secretary Ben Carson. She thanked Mr. Harbison for his exemplary leadership. She stated that under his reign, Nashville leads the entire Nation in RAD conversions. Last fall she brought Secretary Carson to Nashville to see what Mr. Harbison was doing with MDHA and his plans for the Agency's future. As a result of that visit, Nashville was granted the very first Envision Center in the State. Envision Centers are the brain child of Secretary Carson, his desire was not to simply provide housing, but to provide a pathway towards self-sufficiency. There are four pillars Envision Centers are tasked with: economic empowerment, educational advancement, health & wellness, and character & leadership; these supports will help individuals push themselves to become stronger members of society. The Southeastern region leads the Nation in the number of Envision Centers. MDHA went through the arduous application process and were approved as the first Envision Center in the State of Tennessee. By the end of the year there will be 20+ Centers in the Southeastern Region and around 60 across the Nation. She commended Mr. Harbison and staff on all their hard work to get the Envision Center up and running. She is confident MDHA will help its residents to accomplish the goals of the program. Mrs. Cleveland-Leggett concluded by saying she looks forward to continuing a strong relationship with MDHA.

Mr. Harbison thanked Mrs. Cleveland-Leggett and her team for their assistance with securing \$5.2 million dollars in Extraordinary Measures funding to keep our rental assistance program from experiencing a Shortfall and for the \$8.4 million Emergency Solutions funds. Chairman Purcell also thanked Mrs. Cleveland-Leggett for her time today.

Chairman Purcell requested approval of the minutes of the meeting of August 11, 2020. Commissioner Ansari moved for adoption of the following resolution:

Resolution No. 33-20

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, that it hereby approves the minutes of the meeting of August 11, 2020."

The motion was seconded by Vice Chair Thaden, and upon vote all voted "aye". None voted "no".

Chairman Purcell introduced Mr. Charles Broach, President of the Resident Association and Arlene Cummings, Property Manager for Vine Hill Studios. Mr. Broach stated all the residents were doing well. He discussed the smoking cessation program and their food giveaway program. He stated the Metro Department of Health is leading their program at Vine Hill. He also shared some highlights of his own road to smoking cessation.

Chairman Purcell called for the next item on the agenda, public comments. There were five individuals who planned to speak. Saul Solomon, Board Legal Counsel, announced that each person had 3 minutes to speak and that the Board was not obligated to respond. Mr. Nat Cole, MDHA's SEIU Chief Steward thanked the Board and the Executive Director for their time today. He voiced concerns with MDHA maintenance staff having the proper PPEs. Although the maintenance staff are provided with masks, he would like to see full hazmat suits provided. He also requested hazard pay for the maintenance staff. Next Mr. Gregory Price, MDHA Maintenance worker, voiced his support for hazard pay. Mr. Tim Burns, MDHA's SEIU Vice-Chief Steward was recognized next. He voiced his concerns for the safety of the maintenance staff, he gave support to the hazard pay issue and stated that as a part of the pest control crew he has not worked the on two, off two like the maintenance staff. The pesticide crew has worked full 40 hour shifts. Next Mr. Dave Martin, MDHA Maintenance worker, voiced his concerns for transmitting the virus to his family and others. He asked the Board to support the idea of Hazard pay. Lastly the Board heard from Ms. Mia Matthews, MDHA Maintenance worker. Ms. Matthews questioned the safety of office sharing. She also said she felt their requests and recommendations have been washed over.

Chairman Purcell called upon Mr. James Harbison, MDHA Executive Director to respond to the group's comments. Mr. Harbison discussed specifics from his letter of response to the SEIU. He read item number six in the letter which states if a member of the maintenance staff felt the residents were not complying with pandemic safety protocol then the maintenance staff could refuse service at that time. Mr. Harbison mentioned other safety protocols that have been put in place due to the Covid-19 pandemic, such as the use of digital thermometers, the Ascension Screen and Go app and other implemented CDC recommendations. He mentioned MDHA is following best practices in the area of PPEs and stated the Agency is presently conducting more research on increasing PPEs. Mr. Harbison also mentioned the pesticide staff received a bonus on their last paycheck for their hard work during the Pandemic.

Chairman Purcell asked what if an employee doesn't feel safe and they aren't receiving support from their supervisor. Mr. Harbison replied the staff person could call the employee hotline or his office directly. Chairman Purcell asked if any Commissioners had questions. Commissioner Bowers asked if the CDC had a policy on hazard pay. Mr. Harbison replied that federal guidelines do not apply because MDHA did not receive any funds to assist with payroll. Commissioner Bowers asked if maintenance employees will be reimbursed for any days used from their sick leave relative to the pandemic. Commissioner Bowers also asked about the consolidated work spaces that Ms. Martin spoke of. To which Mr. Harbison stated he would formulate a formal response to her questions after the meeting. Commissioner Coleman asked what would be the financial impact of paying the maintenance staff hazard pay compared to giving bonuses. She also wanted to know what would be the repercussion of the pest control staff having the same rotating schedule as the maintenance staff. To which Mr. Harbison stated he would provide her a financial impact statement following the meeting. Commissioner Bowers also asked how often units are treated for pest. Mr. Harbison stated that information would also be provided to her after the meeting.

Chairman Purcell called upon Committee Chair Emily Thaden to give a report from the Joint Finance and Development Committee. The Committee met on both September 3rd and September 8th via Webex. She stated there was a previous discussion of the fy2021 budget during the August Committee meeting. The budget had an operating income of approximately \$150 million dollars and operating expenses of \$131 million dollars. Committee Chair Thaden made the motion for Board approval of the following resolution on the MDHA fy2021 operating budget:

Resolution No. 34-20

"RESOLUTION APPROVING THE MDHA FY2021 OPERATING BUDGET.

Effective Date: September 8, 2020

WHEREAS, MDHA has committed to the proper management of funds it receives; and

WHEREAS, the agency has prepared a realistic revision of the estimate of operating receipts and expenditures for the fiscal year beginning October 1, 2020, now, therefore

BE IT RESOLVED, That, the operating budget for the Central Office Cost Center (COCC), MDHA Service crews, the Project Based Rental Assistance Properties, and Freeman Webb managed properties, the Community Development Department, the Urban Development Department, and the Rental Assistance Department for the fiscal year beginning October 1, 2020 are hereby adopted and approved.

BE IT FURTHER RESOLVED, that the Executive Director will initiate the actions to implement this budget."

Upon vote, all voted "aye"; none voted "no" and the Board adopted Resolution 34-20.

Chairman Purcell presented the next item on the agenda, the Management Review Committee Report. He stated the Committee had met over the past few weeks to discuss the Executive Director's contract. He announced that on September 4th, Mr. James Harbison, MDHA Executive Director, submitted his letter of resignation to the Chair and the Committee, effective December 3rd. Chair Purcell stated Mr. Harbison has been with the Agency for seven years, and he reiterated accolades from Denise Cleveland-Leggett regarding Mr. Harbison's exemplary service, his effective leadership and how under his leadership, Nashville has received National recognition. Commissioner Ansari made the motion for Board approval of the following resolution regarding the resignation of James Harbison, MDHA Executive Director:

Resolution No. 35-20

"RESOLUTION APPROVING THE RESIGNATION OF MDHA'S EXECUTIVE DIRECTOR, JAMES HARBISON.

Effective Date: September 8, 2020

WHEREAS, Mr. James Harbison, MDHA Executive Director, submitted his resignation to the Management Review Committee and its Chair on September 4, 2020; and

WHEREAS, the Management Review Committee hereby accepts Mr. Harbison's resignation, effective September 4, 2020; and

WHEREAS, Pursuant to section 5.1, section 3 of the Executive Employment Contract, the contract between Mr. Harbison and MDHA effective date of December 1, 2013 will terminate on December 3, 2020; and

WHEREAS, pursuant to Section 1.2 of the contract the resignation will serve as notice to the MDHA that Mr. Harbison does not wish to extend his contract which will terminate by its terms; and

WHEREAS, the Management Review Committee's action taken hereby will be transmitted to the entire MDHA Board at its regular meeting on September 8, 2020;

WHEREAS, a written copy of the report and the final Board action will be submitted to Mr. Harbison; and

BE IT RESOLVED, The Management Review Committee thanks Mr. Harbison for his service and dedication over the past seven years."

Vice Chair Thaden seconded the motion. Upon vote, Commissioner Batts voted "no" and all other Commissioners voted "Aye" and the Board adopted resolution 35-20.

Chairman Purcell appointed Commissioner Coleman to arrange a celebration of Mr. Harbison's service. Commissioner Coleman stated she would be happy to do it.

Chairman Purcell stated he consulted with the Management Review Committee and as the Committee Chair, he decided to formulate a transition working group. Their role will be to supply the Board with information to include HUD, the State of Tennessee and Metro requirements and any other information of importance in identifying a new Executive Director. The transition group will speak with each Committee member, the current Executive Director, the MDHA staff, and the community of Nashville to gather information deemed helpful in the Board's search for a new Director. The transition working group will consist of Dr. Cynthia Croom, Executive Director of the Metro Action Commission; Dorothy "Dot" Shell-Berry, Former Metro Government Commissioner of Personnel; Hank Helton, Executive Vice President of Pathway Lending; Dexter Samuels, Metropolitan Nashville Airport Authority Board Member; and Eileen Beehan, Former Director of Catholic Charities.

Chairman Purcell recognized Dr. Croom. Dr. Croom stated she and the transition team are happy to serve and look forward to working with the Board. The Chairman announced the Management Review Committee would meet on September 22nd and probably monthly thereafter. Commissioners Thaden and Ansari both thanked Mr. Harbison for his seven years of service to MDHA.

Chairman Purcell called for the Executive Director's Report. Mr. James Harbison, MDHA Executive Director stated he would like to submit a RFA for a Strategic Planning Consultant. He stated it could take up to 90 days to secure someone. Chairman Purcell stated the Board would like to review and discuss the RFA and decide if they want to go forward with it or wait until a new Director is identified. Mr. Harbison stated that in the next 90 days there will be a shift in the way we handle Covid. Chairman Purcell stated he has all confidence that Mr. Harbison will continue to do all things essential to the safety and welfare of MDHA employees and residents. Mr. Harbison gave updates on Ms. Hines, the Edgehill Apartments resident that MNPD busted her door down. They had a search warrant with the wrong address. Ms. Hines has elected to self-move, which means MDHA will give her \$1750 to assist her in moving, but she moves her own items. The apartment she chose needed some updates before she moves in. A new washer and dryer will be installed, touch up paint, replacement of counter tops and the bath tub in the unit. She will also get a \$250 stabilization pay for a few months. A social worker has been assigned to her and her children to make sure their needs are addressed. Covid updates, the Agency has

issued new laptops and still on telework, PPEs have been issued, and the Towers are still closed to outsiders and have extra security. The Agency continues to conduct monthly Covid testing for staff and on a rotational basis for residents. Matt Wiltshire leads conversations with Metro health to make sure we are aligned with Metro in our safety efforts. The Agency had a wonderful Employee appreciation program last week. Will Biggs, Roslyne Garrett and Jonathan Craycraft received employee recognition awards. The LIHTC was approved for Boscobel IV; we are awaiting approval of a loan interest rate reduction to 3.7% on John Henry Hale from HUD, and we closed a CITC loan for Red Oak Townhomes. We were released from shortfall status by HUD on Wednesday. We don't anticipate issuing any new vouchers for another 30 days. He thanked the MDHA team and Debra Lee HUD Crisis Manager for their collaborative efforts in keeping us from experiencing a shortfall. Commissioner Ansari asked for Mr. Harbison's lessons learned. Mr. Harbison stated the threat of a shortfall was unprecedented and a direct result of the Covid pandemic. He recommended having a good working relationship with HUD, be a high performer and have a rock solid reputation with them. It is important that we make note that MDHA identified the potential of a shortfall and we notified HUD. Communications – we have sent out five e-newsletters. We were recognized by the Southeast Building Conference for the highest reach to our residents on social media, at 28%. Strategy and Intergovernmental Affairs - Matt Wiltshire has kept our testing efforts going and making sure we receive funding reimbursement. We are still working diligently on our philanthropy efforts and identifying a community quarterback. Human Resources – The Department continues to conduct monthly Covid tests. In the month of August, 289 employees were tested; of which 3 tested positive. The Human Resources team has formulated a contact-tracing process for use if a staff person tests positive. All employees have completed the conflict of interest forms. Affordable Housing – We have now taken over management of Forrest Bend, is a failed LIHTC project. The CDC has extended the moratorium on evictions through the end of the year. The only evictions we are pursuing are lease violations that are criminal. Curb Victory Hall will start leasing next month. We are meeting weekly with JLL to continue the maintenance reviews. We are hosting virtual weekly resident meetings at Kirkpatrick, our first mixed income project. The Dialysis Clinic is one of our employee training programs with an 18 month Care Technician program. One of our graduates just left housing to become a home owner. Community Development – the \$4.4 million in CARES Act funding has been distributed to 22 non-profits and governmental agencies. An RFA making \$7.56 million in ESG-CV funding available to non-profits is now open. Organizations have until September 18th to apply. The 2020 RFA for ESG funding closed in August, applications are currently under review. We are awaiting further information from HUD on additional CDBG – DDRF (disaster recovery funds) and how they can be used. Rental Assistance – Our VASH program is a big success and really taking off. Urban Development – budget preparation is underway for the Avenue of the Arts Garage project. We have responded to the Metro Chief Finance Directors concerns regarding the budget. Construction – Forrest Bend apartments are 100% complete, Electronic locks are being installed across the Agency, that is about 87% complete, Community Housing Development Townhomes are 83% complete, Jefferson Street pocket park is 94% complete, Randee Rogers is 18% complete, Central Maintenance facility is 36% complete, and the Trolley Barns are 10% complete. Recapitalization – Envision Cayce resident and town hall meetings are being conducted, Cayce Utility phase 1 RFP has been advertised, Explore School students designed their own playground and that project has been completed, Manning Place will be completed later this month, Red Oak Flats is 40% complete, the foundation has been laid at Red Oak townhomes, Boscobel IV resident relocation is complete and demolition continues, we continue to work with the Kingdom group on the Activity center; the conceptual design for the center has been finalized. Envision Edgehill working on zoning. OPS 1 - Zach Blair is the point of contact for this project. OPS will allow all of our Yardi data to be housed in one place and Board members will be able to get answers to their MDHA questions more rapidly. It is a work in progress, and can be set up however the Board wants. Chairman Purcell, thanked the Director and staff for the work on the system. Chairman Purcell stated time should be blocked out to hear from Zach and from Commissioners. His first thought was for all Commissioners to see the same data from the start. Chairman Purcell asked that the presentation be deferred to the October Board meeting. Commissioner Bowers stated it will be a wonderful, robust tool. She

thanked all who were involved. She stated it will take some time to really understand it and how to navigate it, but beneficial. Chairman Purcell, stated that Saul Solomon, Board legal Counsel, will need to address what aspects of this are required to be public record and permanently accessible.

Chairman Purcell called for the next agenda item, Board Retreat Request Review. Mr. Harbison stated that next month they planned to share the Capitol investment plan (Envision Cayce plan). In regards to the SEIU, the Agency is still in negotiations and plans to bring results before the Board in November. Commissioner Ansari asked for a list of third party consultants and their contract amounts. Mr. Harbison stated the first six items on the Request for Information (RFI) list had been completed. Commissioner Ansari questioned if item number three was actually considered completed because it was addressed again further down the list. He pointed out that some items overlap and it is a little confusing as to what is actually completed. Mr. Harbison stated this is a work in progress and because of the magnitude of requests, he has assigned the RFI task to Matt Wiltshire. Chairman Purcell stated he thinks the process is working, but recognized some of the procedural issues need to be worked out. Mr. Harbison then addressed the RFI on MDHA's Envision Center. The Envision Center emerged from the people's plan for Envision Napier Sudekum. The residents and community wanted to see a one-stop shop that would serve as a pathway to success. The program would utilize Navigators to evaluate the participant's needs and facilitate coordination across multiple partners. The Center is located at 78 Lafayette Street in South Nashville and is open to both MDHA residents and the south Nashville community. Services include: adult education, English as a second language, college enrollment and reconnect, ConnectHome, job training and job search services, conflict mediation, financial literacy, home buyers education, and offers referrals for health care and food access. Next Mr. Harbison addressed the RFI on Peer Housing Agencies. He stated MDHA is somewhat of a unicorn, there are very few housing agencies that offer redevelopment districts, community development, project based, and section 8 vouchers. Zach Blair compiled a list of comparables and it is in the Board packet. The next RFI was how MDHA compared to other Metro governmental entities in utilization of Disadvantaged Business Enterprises (DBE). In 2019, MDHA led the way with 28.4% DBE; the closest to us was NES at 9% in the same year. Mr. Harbison answered a question relative to the Agency's DBE goals; stating we use the aspirational goals set by Metro Government. Mr. Harbison stated compared to other governmental entities in the Nashville area, MDHA utilizes DBEs at a significantly higher rate. There will be a DBE presentation during the October meeting; and going forward the Agency will provide DBE information to the Board on a quarterly basis. Next on the RFI list is procurement contacts. The Agency utilizes the Marketplace, which is a nationwide digital platform created for Public Housing Agencies. The next RFI was an updated organizational chart. This was sent to the Commissioners via email. The RFI on demographics was also sent to the Commissioners via email. Zach Blair discussed the RFI on Tenant selection relative to criminal issues. Zach stated he prepared an information paper for Mr. Harbison relative to the issue. In summary, HUD revised its guidance relating to criminal convictions and arrest records under the fair housing act and across all HUD regulations. Our written procedures were reviewed this year and they are in line with those regulations. Commissioner Bowers voiced her concern for those that are the most difficult to house, those who were recently released from incarceration and the homeless. Zach explained our procedures take a look at individual circumstances; what type of crime, how long ago was the crime, have they completed counseling programs, etc. Vice Chair Thaden wanted to flag the issue of how we can provide equitable housing to protected classes in other housing options that we offer. She would like for Zach to formulate a proposal to share at a later date.

Chairman Purcell asked if there was any additional business. Commissioner Bowers asked if Mr. Harbison would provide the written report he spoke from for her records. Commissioner Coleman asked if we could possibly be reimbursed by Metro Nashville Police Department for the expenses incurred in moving Ms. Hines. Mr. Harbison said we have not explored it and he will leave that to the Board Chair if he feels it should be brought up during their meeting with Metro Government Officials. Commissioner Coleman also asked for further

clarification on how she is to plan a celebration for Mr. Harbison if she can't meet with other Commissioners. Chairman Purcell referred her to Saul Solomon and possibly work with senior staff. She also wanted to know the time frame and a budget.

There being no further business to come before the Board, the Chair declared the meeting adjourned.

Secretary

APPROVED:

This _____ day of _____, 2020.

Chair

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

October 9, 2020

TO: James Harbison, Executive Director
FROM: LaTonya Ellis, Administrative Assistant to the Executive Director
SUBJECT: Attendance for Board Meeting – October 13, 2020

Ms. Joyce Campbell, President of Hadley Park Towers Resident Association and Ms. Tiwana Jones, Property Manager of Hadley Park Towers, will be present at the Board meeting per teleconference.



LaTonya Ellis

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

September 24, 2020

TO: Board of Commissioners
FROM: Joseph B. Cain, Director of Urban Development
SUBJECT: PILOT Agreement – The Briarville

LDG Development has established a limited partnership, The Briarville Apartments LP, to acquire the parcel located at 600 Creative Way, and develop a 184-unit affordable housing complex. The Briarville Apartments LP have applied to the Tennessee Housing Development Agency (THDA) for a 4% Low Income Housing Tax Credit (LIHTC) to help finance the construction of this complex. The tax credit will result in an equity amount of approximately \$11,094,061.

The Briarville, when completed, will be comprised of 92 two-bedroom units and 92 three-bedroom units as well as a pool, a gym, a business center, and a community center. The project will be reserved for families with average household incomes at or below 60% of the area median income (AMI), consistent with THDA's income averaging guidelines. The developer of this property, The Briarville Apartments LP, has submitted an application to MDHA for a Payment in Lieu of Taxes (PILOT).

The PILOT request has been reviewed by staff and is being recommended for approval. It would require the Briarville Apartments, LP to make a total initial payment of 22,000 in lieu of property taxes after the project is placed in service. The PILOT payment would increase by 3% annually over the 10-year life of the agreement. This PILOT payment was based on a review of the applicant's sources and uses, debt obligations, as well as projected cash flow to the property. MDHA estimates this to be a tax abatement of approximately \$435,992 for the first year the property is placed in service. The current uses of the site generate \$5,771 in annual property tax. If The Briarville PILOT is approved it would leave MDHA's annual abatement capacity at \$92,692.

It is requested the Board of Commissioners approve the PILOT agreements between MDHA and The Briarville Apartments, LP substantially in the forms attached, and authorize the Executive Director to take the necessary steps, including submission to the Metropolitan Council, and authorize the Executive Director to execute all necessary documents for implementing the PILOT that will include property transfer and execution of leases.

Joseph B. Cain

PILOT AGREEMENT

THIS PILOT AGREEMENT (the “**PILOT Agreement**”) is made and entered into as of the ___ day of October, 2020, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY (“**MDHA**”) and The Briarville Apartments, LP (the “**Owner**”).

WITNESSETH:

WHEREAS, MDHA is a public body and a body corporate and politic organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §13-20-101, et seq., (the “**Act**”);

WHEREAS, § 13-20-104(f) of the Act provides that a metropolitan government may delegate to a housing authority the authority to negotiate and accept in lieu of ad valorem taxes (“**In Lieu of Tax Payments**”) from a party that operates a low income housing tax credit (“**LIHTC**”) property, as such term is defined in the Act (a “**LIHTC Property**”) on property leased by such party from a housing authority;

WHEREAS, MDHA is the housing authority, as defined in the Act, for the Metropolitan Government of Nashville and Davidson County, Tennessee (the “**Metropolitan Government**”);

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance No. BL2016-334 (collectively, the “**PILOT Ordinance**”), the Metropolitan Government (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from lessees of LIHTC Property owned by MDHA, and (ii) approved MDHA’s program for determining qualifications and eligibility for such In Lieu of Tax Payments (the “**PILOT Program**”);

WHEREAS, Owner intends to acquire land located at 600 Creative Way and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “**Project Site**”);

WHEREAS, Owner intends to construct a 184 unit apartment project, known as The Briarville Apartments, on the Project Site and operate it as a LIHTC Property (the “**Project**”);

WHEREAS, MDHA is authorized by law and has deemed it necessary and desirable to acquire the Project Site for the purpose of facilitating the Project in accordance with the PILOT Program, the PILOT Ordinance and the Act;

WHEREAS, the Board of Commissioners of MDHA approved MDHA’s purchase of the Project Site and authorized the Executive Director of MDHA to take all actions on behalf of MDHA to undertake the following:

- (A) acquire the Project Site;
- (B) enter into a lease with Owner pursuant to which Owner will (i) lease the Project Site and the Project from MDHA with MDHA having the right to cause Owner to purchase the Project Site and the Project from MDHA upon expiration of the tenth (10th) Tax Year, (ii) construct the Project on the Project Site, and (iii) by recorded agreement, commit to operate the Project as a LIHTC Property in accordance with the requirements of the Internal Revenue Code and the Tennessee Housing Development Agency (“THDA”) for a minimum period of fifteen (15) years after the Project is complete (the “**Project Lease**”);
- (C) enter into this PILOT Agreement;
- (D) submit this PILOT Agreement to the Metropolitan Planning Commission to obtain a recommendation of approval or disapproval, as envisioned by the PILOT Ordinance;
- (E) submit this PILOT Agreement to the Metropolitan Council of the Metropolitan Government (the “**Metropolitan Council**”) for approval as required by the PILOT Ordinance; and
- (F) take such other action and execute such other documents as the Executive Director deems necessary or desirable to facilitate construction of the Project and the transactions described above consistent with this PILOT Agreement, the Act, the Project Lease, the Metropolitan Ordinance and the PILOT Program (including MDHA’s application and policies and procedures related thereto).

WHEREAS, MDHA intends to acquire the Project Site from Owner and will concurrently enter into the Project Lease; and

WHEREAS, Owner has agreed to make In Lieu of Tax Payments with respect to the Project as described herein.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, and as an inducement to Owner to construct the Project and operate the Project as LIHTC Property, MDHA and Owner agree as follows:

1. With respect to Project Site and the real property component of the Project, Owner shall make In Lieu of Tax payments to MDHA who will then remit the payment to the Metropolitan Government, as follows:

(a) The In Lieu of Tax Payments shall be equal to the Applicable Ad Valorem Taxes, as defined below, through and including the calendar year in which the construction of the Project is completed.

(b) Commencing on January 1st of the calendar year following the year in which the Project is placed into service (“**Tax Year 1**”) and each tax year subsequent to the Tax Year 1 (Tax Year 1 and each subsequent tax year being referred to herein as a “**Tax Year**”) through the tenth (10th) Tax Year, in Lieu of Tax Payments shall be as follows:

Tax Year	In-Lieu of Tax Payment
1	\$22,000
2	\$22,660
3	\$23,340
4	\$24,040
5	\$24,761
6	\$25,504
7	\$26,269
8	\$27,057
9	\$27,869
10	\$28,705

Subject to Section 1(e) below, the In Lieu of Tax Payments shall be fixed and shall not fluctuate with the amount of the assessment for the Project Site or the Project or the tax rate in effect for any Tax Year. The amount of the In Lieu of Tax Payments is approximately equal to \$120 per unit within the Project, with a three percent (3%) annual increase. In Lieu of Tax Payments for each Tax Year shall be paid when due but in any event not later than the date on which the Applicable Ad Valorem Taxes would become delinquent.

(c) After the tenth Tax Year, this Agreement shall expire and Owner shall pay 100% of the Applicable Ad Valorem Taxes.

(d) The term “**Applicable Ad Valorem Taxes**” shall mean any real property ad valorem taxes that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project.

(e) Notwithstanding anything contained herein to the contrary, if THDA or the IRS determines that the Project is not in compliance with LIHTC requirements and is therefore not operated as a LIHTC Property at any time during a Tax Year, Owner shall pay 100% of the Applicable Ad Valorem Taxes with respect to such Tax Year.

(f) Notwithstanding anything contained herein to the contrary,

Owner shall pay 100% of the Applicable Ad Valorem Taxes for the periods before Tax Year 1 and after Tax Year 10, if the Project Lease is in effect during such periods.

2. Commencing in Tax Year 1 and in each Tax Year subsequent through the (10th) Tax Year, Owner shall provide to MDHA an annual report not later than September 1st of each Tax Year containing the following information:

- (a) The value of the Project, as estimated by the Owner;
- (b) The date and remaining term of the Project Lease;
- (c) The amount of In Lieu of Tax Payments payable in such Tax Year;
- (d) The date in which the Project is scheduled to return to the regular tax rolls and be eligible to pay 100% of the Applicable Ad Valorem Taxes following the tenth (10th) Tax Year;
- (e) A calculation of the Applicable Ad Valorem Taxes for such Tax Year that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project;
- (f) A copy of the Owner's most recent Annual Certification as submitted to THDA, certifying compliance with LIHTC requirements; and
- (g) A copy of any monitoring or compliance reports provided by THDA to the Owner during such Tax Year.

3. Commencing with Tax Year 1 and each Tax Year thereafter, Owner shall pay to MDHA a monitoring and reporting fee to be set by MDHA but not to exceed five percent (5%) of the amount In Lieu of Tax Payment due with respect to such Tax Year (the "Annual MDHA Fee"). The Annual MDHA Fee shall be paid not later than fifteenth (15th) day of such Tax Year. Unpaid amounts shall bear interest at the rate of four percent (4%) in excess of the average prime rate of interest published from time to time by the Federal Reserve or similar commonly accepted reporting organization if the Federal Reserve ceased to publish such information. Owner's failure to pay the Annual MDHA Fee within thirty (30) days after written notice from MDHA shall constitute a default under this PILOT Agreement in which event Owner shall pay 100% of the Applicable Tax Rate for such Tax Year instead of the In Lieu of Tax Payment set forth above.

4. Owner's payment of the In Lieu of Tax Payments shall satisfy the requirement in Tenn. Code Ann. § 67-5-206(a) that MDHA pay the Metropolitan Government for services, improvements or facilities furnished by the Metropolitan Government for the benefit of the Project.

5. This PILOT Agreement may not be assigned to any party other than the

assignee of the lessee's interest under the PILOT Lease pursuant to an assignment that is made in accordance with the PILOT Lease, including MDHA consent requirements, if any, specified therein. Each permitted assignee shall assume Owner's obligations under this PILOT Agreement concurrent with the assignment of the PILOT Lease.

6. This PILOT Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this PILOT Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this PILOT Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein. This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

7. This PILOT Agreement is subject to and conditioned upon (i) approval of this PILOT Agreement by the Metropolitan Council as required by the PILOT Ordinance, (ii) Owner's satisfaction of all conditions and requirements imposed by MDHA in connection with this PILOT Agreement or the transaction contemplated herein, (iii) MDHA taking title to the Property and entering into a mutually acceptable Project Lease, and (iv) THDA's approval of the Project and allocation of low income housing tax credits, to the extent such approval or allocation has not been received as of the date of this PILOT Agreement.

8. MDHA shall remit all In Lieu of Tax Payments received in connection with the Project and/or the Project Lease to the Metropolitan Government within fifteen (15) days of receipt.

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and date first above written.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

By: _____

Title: _____

The Briarville Apartments, LP

By: _____

Title: _____

FILED WITH THE METROPOLITAN CLERK

Elizabeth Waites

Date

EXHIBIT A

A tract of land in the 8th District, Davidson County, Tennessee. Tract being bounded on the north by the Briarville Cemetery not of Record, on the north and east by the Christian Schools Inc. tract as recorded in Instrument Number 200608100098319, Register's Office, Davidson County, Tennessee, (RODC), on the east by Cyan Properties, LLC. tract as recorded in Instrument Number 201501230006580, RODC, on the south by the northern Right of Way (ROW) of Creative Way, on the south and west by the Barbara Walton tract as recorded in Instrument Number 201811050109329, RODC, on the west by an unnamed Road and by the Christian Schools Inc. tract as recorded in Instrument Number 200212270159465, RODC. Tract being described as follows:

Point of Beginning being a ½" iron rod old at the southwestern corner of the Cyan Properties, LLC. Tract and on said northern ROW; thence with said ROW North 83°48'31" West a distance of 303.77' to a 5/8" iron rod old; thence with the common line of the Barbara Walton tract said North 08°10'07" East a distance of 291.07' to an iron pipe old; thence North 81°15'13" West a distance of 148.09' to a 5/8" iron rod old; thence with the common line of an unnamed road North 06°12'07" East a distance of 464.48' to an iron rod new; thence with the common line of the Christian Schools Inc. tract North 06°37'41" East a distance of 166.92' to an iron rod old; thence with the common line of the said Briarville Cemetery South 84°35'53" East a distance of 240.45' to a point; thence North 04°05'34" East a distance of 151.11' to an iron rod new; thence with the common line of the said Christian Schools Inc. tract South 85°45'49" East a distance of 207.94' to a 5/8" iron rod old; thence with the common lines of the said Christian Schools Inc. tract and the Cyan Properties, LLC, tract South 06°19'02" West a distance of 1090.32' to the point of beginning.

Having an area of 401,756 square feet or 9.223 acres.

The above described property is described by a survey dated January 14, 2020, prepared by Jason J. Stivers, with Stivers Land Surveying, License No. 2219, whose address is 1134 Lakewood Drive, Gallatin, TN 37066.

Being all of the same property conveyed by Joe W. Bates and Janie Thomas Bates to The Briarville Apartments, LP, a Tennessee limited partnership, by General Warranty Deed of record in Instrument No. 20200117-0006643, Register's Office for Davidson County, Tennessee.

Being all of the same property conveyed by Doris A. Thomas, Trudie E. Thomas, Janie Bates, Fred Thomas, James K. Thomas, Sr, Jackie F. Thomas, Richard Dixon, Patrick Dixon and Wayne Calvin Dixon to The Briarville Apartments, LP, a Tennessee limited partnership, by General Warranty Deed of record in Instrument No. 20200117-0006644, Register's Office for Davidson County, Tennessee.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTEROFFICE MEMORANDUM

September 28, 2020

TO: Board of Commissioners
FROM: Michail "Gus" Huerter, Chief Operating Officer
SUBJECT: "Driver Safety" Matching Grant Program through Public Entity Partners

MDHA is committed to the safety and well-being of its employees and all efforts shall be made to provide a safe and hazard-free workplace. MDHA plans to apply for a "Driver Safety" Matching Grant Program through Public Entity Partners. MDHA holds automobile liability coverage with Public Entity Partners and is therefore eligible to seek reimbursement of half, up to \$4,000, of its costs in offering Driver's Safety Training to its employees. As of July 22, 2020, MDHA has spent \$2,400 on Driver's Safety Training and would therefore be eligible for \$1,200 in reimbursement through this grant opportunity. Public Entity Partners awarded this grant to MDHA in 2019. MDHA is attempting to reapply for support 2020 Driver's Safety training.

Each year MDHA provides defensive driver training for new employees that drive agency vehicles. Also, all agency drivers attend defensive driving training every three years. The purpose of the exercise is to educate staff on safe driving to reduce the number of vehicle accidents.

MDHA contracts with the Tennessee Regional Safety Council to provide four-hour training to the agency staff. The training content includes:

- Safe driving techniques by experiencing real-life driving situations to educate them on defensive driving and change behind the wheel behavior and attitudes;
- Dangerous driving situations, unsafe driving behaviors, and attitudes;
- The training includes videos, illustrations, and interactive exercises that demonstrate how to drive safely.

The staff is required to pass a defensive driving written test successfully.

It is requested and recommended that the Board of Commissioners support the "Driver Safety" Matching Grant Program through Public Entity Partners and authorize the Executive Director to undertake all steps necessary to execute all documents related to application and implementation of the "Driver Safety" Matching Grant Program through Public Entity Partners grant opportunity.



Michail "Gus" Huerter

Resolution No. _____

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby supports and approves the submission of the application for "Driver Safety" Matching Grant Program through Public Entity Partners; and further authorizes a matching sum to serve as a match for any monies provided by this grant.

BE IT FURTHER RESOLVED, That staff is authorized to undertake all steps necessary to execute all documents related to the application and implementation of the "Driver Safety" Matching Grant Program through Public Entity Partners grant opportunity."

Memorandum

TO: MDHA Board of Commissioners
FROM: Joseph B. Cain, Director of Urban Development
RE: Five Points Redevelopment Plan
DATE: October 9, 2020

In September, the Board was briefed on the Five Points Redevelopment Plan and some of its successes. The Plan, scheduled to expire at the end of the year, is to be complemented by a broad re-zoning Councilmember Withers was to introduce for Council consideration before the end of the year. In October, MDHA received a joint letter signed by the Historic East End, Lockeland Springs and Historic Edgefield neighborhood associations requesting MDHA extend the redevelopment district for a period of five years or until December 2025.

In response to their request, The Development Committee discussed the current status of Five Points with Councilmember Withers voicing his plans for the area. The Committee passed a resolution requesting options to be presented to the full Board at the October 13 and the notice be given to the interested parties to voice their position on the proposal.

The following is a brief summary of the Five Points Redevelopment District.

The Five Points Redevelopment Plan was approved in 1990 and encompasses a portion of the Lockeland Springs-East End Historic Conservation District and a small portion of the Edgefield Historic Zoning District. Aside from the EastEnd Condominiums, there are only 20 parcels not under some historic overlay. The Five Points Redevelopment Plan was amended in 1991, 2005 and most recently in 2015. Three hundred thousand dollars of TIF was expended and repaid in the district for environmental remediation, Music City Mattress (Fluffo) and the 37206 mixed use condominiums (Martins Corner).

The Area contains 514 parcels of land owned by 400 +/- different individuals on approximately 90 acres. MDHA owns three parcels of land used as two parking lots to support the 5 Points commercial area in addition to a scattered site duplex on South 11th Street. Metro Government owns the East Library and the former Explore! School site at 10th and Fatherland. Only thirteen property owners remain in the district from the time it was first created thirty years ago.

Based on Property Assessor data of the last 20 years, total property value in the area exceeds \$230M; an increase of over 710%. Davidson County as a whole increased approximately 240% during the same time period.

With the March tornado, several properties in the area were damaged and have not been rebuilt. The neighborhood associations request is to extend the redevelopment plan until 2025 when the adjacent East Bank redevelopment plan expire. Councilman Bret Withers has proposed a rezoning of property in the area align those requirement more closely to the restrictions of the Five Points Plan.

In response to the Neighbors request, there are three paths that should be considered by the Board.

The first is to extend the district as requested by the neighborhood organizations. That extension can be for up to five years as requested, or any other time deemed appropriate.

A second alternative is to extend the district for a time frame that coincides with the rezoning proposal now pending at Metro Planning. This would allow the Councilman ample opportunity to continue discussions with all impacted property owners and make any adjustments to his Bill.

The third option is to allow the plan to expire as scheduled.

Should the Board chose to extend the plan, an amendment must be filed with the Metro Council on October 23 to allow passage before the expiration of the Plan. There would be a public hearing in front of the Council on December 1 and track for final approval on December 15. Language for the amendment will replace Section C.2.c "Period of Duration of These Provisions" of the Plan in its entirety with the following:

The provisions of the Plan, specifying the land uses for the Project Area and the requirements and restrictions with respect thereto, shall commence upon approval of the Plan by the governing body of the Metropolitan Government of Nashville and Davidson County and shall continue in effect until _____. [The length of time for the extension to be determined by the Board].

If the Board elects not to extend the Plan, no action is necessary.

The foregoing alternative paths have been referred to Jim Murphy of the Bradley firm for confirmation of legal compliance. Any such guidance will be communicated to this Board prior to any action being taken.

Schedule if pursuing amended:

Final Plan to MDHA Board for approval	13-Oct
Submit Plan (Ordinance) to Council	23-Oct
First Reading in Council/Resolution setting a public hearing	3-Nov
Send Public Notices to owners	13-Nov
Advertise Dates	11-16, 11-23, 11-30
2nd Reading and Public Hearing at Metro Council	1-Dec
3rd Reading and Final approval of plan	12/15/2020



Presentation to Board on Diversity Business Enterprise (DBE) Policies and Procedures



OCTOBER 13, 2020

INTRODUCTION

The Purpose of this presentation is to provide specific information that the MDHA Board requested in reference to Diversity Business Enterprise (DBE) contract awards.

- A. Provide the DBE data for the past five years.
- B. Obtain similar DBE Data from Metropolitan Nashville Government, Airport Authority, Convention Center, NES and the School Board.
- C. Break down the indirect and direct awards to sub-contractors and contractors respectively for 2019.
- **Specific Questions**
 - A. MDHA has a goal of 20% DBE participation. How did MDHA arrive at this goal? How has MDHA trended?
 - B. How does MDHA currently obtain, retain and monitor DBE participation? Has MDHA had a DBE coordinator? Is it a good idea to have a DBE coordinator on staff?
 - C. What are the challenges to recruit qualified DBE contractors?
 - D. What is the Staff recommendation on how and how often the staff should update the Board on DBE participation? **Quarterly**



DIVERSITY BUSINESS ENTERPRISE CONTRACTING

	MBE Awarded	MBE %	WBE Awarded	WBE %	SBE Awarded	SBE %	Total DBE Awarded	Total DBE %
2016	\$2.66M	7.50%	\$3.63M	10.30%	\$1.31M	3.70%	\$7.61M	21.60%
2017	\$4.63M	15.90%	\$4.37M	14.90%	\$588K	2.00%	\$9.59M	32.80%
2018	\$8.27M	19.90%	\$6.49M	15.70%	\$5.76M	13.90%	\$20.52M	49.50%
2019	\$5.17M	7.00%	\$8.79M	11.90%	\$5.42M	7.30%	\$19.38M	26.10%
2020	\$2.76M	5.90%	\$1.97M	3.75%	\$3.55M	7.08%	\$8.28M	16.72%
Total	\$25.1M	11.23%	\$24.9M	11.18%	\$16.09M	7.21%	\$66.09M	29.60%

* MBE- includes African Americans, Native Americans, Hispanic Americans, Asian Pacific Americans, Hasidic Jews

This summary sheet does not incorporate the CD's department DBE report since they report separately from construction & procurement.



Comparable Organization MBE and WBE Data

	2016	2017	2018	2019	2020
MDHA	17.24%	19.78%	33.74%	28.47%	9.64%*
Metro Govt	7.11%	5.84%	5.84%	4.68%	6.39%
Metro (Subs)	2.09%	2.07%	2.41%	4.56%	50.55%
Metro Board of Education	12.70%	11.32%	5.65%	6.08%	0.00%
Metro Board of Ed (construction)	1.89%	4.91%	0.00%	0.00%	0.00%
Metro Transit Authority	3.03%	5.39%	100.00%	100.00%	6.55%
NES	16.59%	20.44%	9.71%	8.29%	9.23%
Airport Authority	9.57%	15.14%	9.42%	3.28%	18.40%
OVERALL	9.37%	9.49%	7.29%	5.44%	10.20%

In mid year 2020, Metropolitan Government directed that money would be accounted for when funds are "expended". Previously, the guidance was to count the money upon "award". The impact is that up to 25% of the awarded funds will be expended after July 1, 2020. Recomputed numbers will be available on October 13, 2020 at the Board Meeting.



Top Direct and Indirect Contractors by DBE Group

MBE

▪ Black Male			
Direct:	All-N-One Lawncare LLC	\$363.5K	
	Wright and Associates	\$199.6K	
	Good Old Deals	\$173.8K	
	Five Star Lawn	\$144K	
Indirect:	Comprehensive Security	\$30K	
	Torres Concrete	\$16.6K	
	Morgan and Morgan	\$12.5K	
	Structural Services	\$10K	
▪ Black Female			
Direct:	Cambo Contracting	\$49.4K	
	Cool Air	\$36.7K	
	Wades Lawn Service	\$3.3K	
	Total	\$1.271M	
▪ Hispanic			
Direct:	Guys on a Roof	\$400.2K	
	Romero's Roofing	\$19.7K	
Indirect:	H & R Concrete	\$35.8K	
	Total	\$455.7K	
▪ Persian			
Direct:	Leland LLC	\$63.4K	



Top Direct and Indirect Contractors by DBE Group

WBE and SBE

▪ WBE			
Direct:	EOA Architects	\$391.5K	
	Industrial Staffing of TN	\$174.6K	
	GHP Architects	\$3.5K	
	Civic Engineering	\$144K	
	S & A Electric	\$884.1K	
	Hire Quest	\$99K	
	Ram Tool	\$80.3K	
	Staff Zone	\$65.8K	
	Tuck Hinton Architects	\$48.5K	
	Total	\$1.75M	
▪ SBE			
Direct:	Smith Gee Studios	\$613.4K	
	Pro Maintenance	\$243.7K	
	Kline Swinney Associates	\$209.5K	
	Eye in the Sky	\$184.7K	
	Industrial Staffing of TN	\$175.1K	
	All Star Fire Protection	\$359.7K	
	Tiny's Construction	\$365.9K	
	Genesis Engineering	\$122.5K	
	Don Hardin Group	\$110.6K	
	Barge Cauthen & Associates	\$97.9K	
	Total	\$2.48M	
Indirect:			



Why 20% DBE Goal?

- Developed in 2000 as a result of Metro Governments' Minority and Women Business Disparity Study which resulted in an Ordinance in 2013
- ****Metro Nashville Government Ordinance NO. BL2013-217**
Section 2.211.020 Diversified business participation. Private businesses receiving economic development incentives in the form of tax increment financing (TIF) or payments-in-lieu-of taxes (PILOT) agreements for a construction project or projects shall establish a goal of spending a minimum of twenty percent (20%) of the project's costs with small, minority-owned, and women-owned business enterprises commonly referred to as "diversified business enterprises (DBE)".
- Knoxville Community Development Corporation (KCDC) has an SBE goal of 20%
- Metro Nashville Schools has an overall goal of 10-20% of DBE depending on type of procurement and availability of DBE in that type of service
- Music City Center has a diversity goal of 20%



MDHA DBE Program

Purpose is to enhance participation of minority, women, small and service-disabled business enterprises.

Goal is 20% of all contracted work.

- How:**
- Require architectural/engineering firms, contractors and their sub-contractors to adopt similar policy
 - Require HUD documentation to accompany bid proposal to certify DBE participation
 - CM @ Risk firms are required to submit DBE participation paperwork with each invoice or pay application
 - MDHA leadership review major sub-contractors and suppliers prior to Contractor procurement to consider DBE options
 - For RFPs, RFQs and RFAs, DBE programs and historical participation is significant scoring criteria. Competitive proposers hire a DBE coordination firm to recruit DBE participation
 - MDHA procurement staff provide list of Certifying Agencies to assist agencies with their DBE designation

Need: Reinstitute Metro wide DBE recruitment and information fair. Highly successful in the past.



DBE Challenges

- DBE Contractors and sub-contractors lack bond capacity and capability to support the scope of the project.
 - Mitigation: reduce the size of projects to levels of scope to meet bonding requirements and better fit smaller contractor capability.
- DBE Contractors lack cash reserves. The time between work initiated and payment may be up to 90 days.
 - Mitigation: expeditious processing of pay application review and payment.
- Federally funded work is extremely administrative intensive, i.e. Davis-Bacon certified payroll, Section 3 review requirements. DBE contractors lack a robust administrative staff necessary to deal with the required paperwork or are initially intimidated by the requirement.
 - Mitigation: assist contractors with paperwork
- DBE sub-contractor recruitment for larger General Contractor
 - Mitigation: Continue to stress DBE Coordinators and DBE participation in competitive process for bid submissions. Assist GCs with DBE referrals



Back Up Data Slides Follow

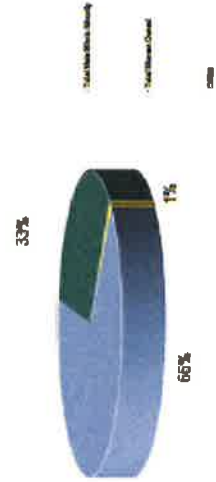
Fiscal Year 2014 Disadvantaged Business Quarterly Report
FY 14 (July 2013 - June 2014)

	Disadvantaged Business										Totals			% of Disadvantaged Business					
	Ethnic Minority Male Only					Woman Owned					Total Disadvantaged Business	Non-Ethnic Male	Large Business						
	African American	Hispanic	Asian	Native American	Specific Male Minority	African American	Hispanic	Asian	Native American	Specific Female Minority					Non-Ethnic Female	WOMAN OWNED			
Metro General Government	\$12,854,581	\$68,982	\$188,094	\$11,937,243	\$0	\$25,058,820	\$90,844	\$7,387	\$1,180	\$272,080	\$1,090,357	\$17,219,006	\$18,481,334	\$0	\$43,740,154	\$114,577,088	\$405,053,310	\$314,870,550	7.11%
Metro General Government (Subcontractor)	\$1,754,711	\$54,483	\$528,404	\$284,083	\$0	\$2,574,186	\$1,023,935	\$34,825	\$293,508	\$0	\$0	\$9,900,864	\$10,352,728	\$0	\$12,829,116	\$18,848,871	\$0	\$30,877,787	2.89%
Metro Board of Education	\$4,005,920	\$182,881	\$538,242	\$15,288,794	\$0	\$20,395,777	\$160,885	\$13,878	\$0	\$327,012	\$2,988,278	\$1,115,732	\$4,615,563	\$878,737	\$25,867,897	\$18,298,882	\$181,787,886	\$203,911,994	12.78%
Metro Board of Education - Construction (1)	\$887,604	\$0	\$0	\$0	\$0	\$887,604	\$0	\$0	\$0	\$0	\$884,012	\$4,54,012	\$4,54,012	\$0	\$1,431,745	\$3,788,818	\$88,848,846	\$85,427,378	1.89%
Nashville Electric Service (2)	\$8,354,458	\$86,964	\$147,498	\$3,028	\$0	\$8,592,454	\$436,273	\$1,888,125	\$64,928	\$22,940	\$1,876,481	\$0	\$4,287,747	\$0	\$12,880,201	\$3,972,065	\$90,795,767	\$77,448,533	16.59%
Metro Development and Housing Agency	\$2,165,937	\$1,038,230	\$289,781	\$120,269	\$0	\$3,614,217	\$28,180	\$0	\$0	\$3,700	\$7,842	\$0	\$37,782	\$0	\$3,451,999	\$23,278	\$17,283,712	\$21,188,990	17.28%
Metro Transit Authority (3)	\$84,788	\$0	\$0	\$41,948	\$0	\$126,736	\$4,727	\$0	\$0	\$8	\$8,789	\$0	\$13,514	\$0	\$140,221	\$18,088	\$4,482,891	\$4,621,157	3.83%
Nashville Airport Authority (4)	\$1,871,816	\$485,188	\$284,714	\$0	\$0	\$2,641,718	\$50,369	\$2,200	\$870	\$0	\$1,050,387	\$0	\$1,912,494	\$8	\$4,334,983	\$2,814,848	\$38,840,840	\$45,290,138	9.57%
Totals	\$29,227,265	\$1,843,215	\$1,848,119	\$27,249,892	\$41,949	\$60,219,480	\$769,058	\$1,911,000	\$66,678	\$522,032	\$1,974,863	\$20,202,737	\$29,548,438	\$875,737	\$90,434,655	\$137,072,602	\$759,854,105	\$667,331,362	9.37%

Percent of All Businesses



Percent of Disadvantaged Businesses



** Numbers not included in Totals

* OMB's (Other Minority and Extremely Disadvantaged Business) includes disabled and veteran owned businesses

1 - 2nd & 3rd quarter numbers reported

2 - 1st, 2nd & 3rd quarter numbers reported

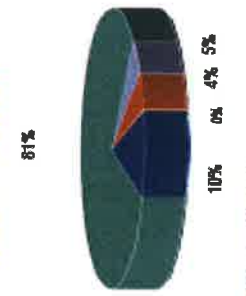
3 - 1st & 2nd quarter numbers reported

4 - 1st & 2nd quarter numbers reported

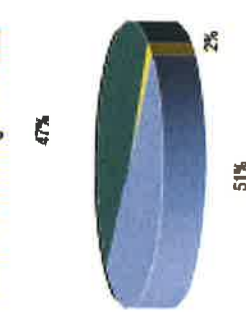
Fiscal Year 2017 Disadvantaged Business Quarterly Report
FY 17 (July 2016 - June 2017)

	Disadvantaged Business												Total		% of Disadvantaged Business				
	Ethnic Minority Male Only						Woman Owned						Total Disadvantaged Business	Non-Ethnic Male		Total of All Business			
	African American	Hispanic	Asian	Native American	Specific Female Minority	Non-Ethnic Female	African American	Hispanic	Asian	Native American	Specific Female Minority	Non-Ethnic Female							
Metro General Government	\$11,293,045	\$82,941	\$1,007,976	\$3,716,304	\$0	\$16,098,865	\$60,260	\$14,362	\$2,560	\$3,025	\$0	\$29,077,323	\$29,657,520	\$154,305	\$45,910,740	\$101,665,783	\$639,290,865	5.84%	
(Subcontractor)	\$4,192,432	\$100,066	\$308,298	\$0	\$0	\$4,801,114	\$435,668	\$106,736	\$26,308	\$0	\$0	\$10,330,316	\$11,197,846	8200,088	\$16,289,152	\$422,220,202	\$0	2.07%	
Metro Board of Education	\$4,802,382	\$271,084	\$270,881	\$17,636,856	\$0	\$23,081,902	\$260,383	\$82,723	\$6,974	\$12,899	\$1,848,375	\$6,421,658	\$7,412,992	\$2,624,938	\$33,219,432	\$24,997,908	\$235,147,041	\$293,344,441	11.32%
Metro Board of Education - Construction (1)	\$6,978,038	\$0	\$0	\$0	\$0	\$6,978,038	\$0	\$0	\$0	\$891,442	\$6,786,733	\$6,980,175	\$4,300,175	\$0	\$12,870,213	\$3,673,860	\$245,868,167	\$382,302,220	4.91%
Nashville Electric Service	\$13,991,178	\$1,912,233	\$803,943	\$4,929	\$0	\$16,712,883	\$668,468	\$1,701,485	\$42,108	\$28,008	\$1,344,226	\$1,716,387	\$5,487,660	\$0	\$22,199,963	\$6,841,975	\$80,862,728	\$108,593,776	20.44%
Metro Development and Housing Agency	\$2,117,895	\$286,845	\$157,423	\$80,852	\$0	\$2,632,015	\$180,305	\$0	\$0	\$4,764,279	\$0	\$4,944,584	\$4,944,584	\$0	\$7,576,589	\$1,461,830	\$29,269,807	\$38,218,326	19.78%
Metro Transit Authority	\$41,377	\$0	\$83,767	\$0	\$312,257	\$417,391	\$819	\$0	\$0	\$285,904	\$22,944	\$389,347	\$389,347	\$0	\$726,758	\$8	\$12,747,648	\$13,474,404	5.59%
Nashville Airport Authority	\$4,920,607	\$1,697,991	\$1,274,888	\$0	\$0	\$7,783,466	\$26,716	\$48,144	\$0	\$0	\$13,606,696	\$13,774,558	\$13,774,558	\$0	\$21,538,044	\$3,823,346	\$116,904,223	\$142,245,613	15.14%
Totals	\$37,146,374	\$4,101,574	\$3,678,887	\$21,446,740	\$312,257	\$66,785,532	\$1,877,621	\$1,823,714	\$51,632	\$44,530	\$3,242,884	\$47,745,920	\$47,786,701	\$2,679,293	\$131,171,526	\$137,700,002	\$1,113,912,240	\$1,382,783,768	9.49%

Percent of All Businesses



Percent of Disadvantaged Businesses

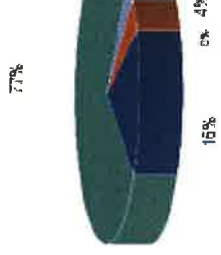


* Non-owned included in Totals
 * OMBI (Other Social and Economically Disadvantaged Business) includes disabled and veteran owned businesses
 1 - 1st, 2nd & 3rd quarter numbers reported
 2 - 1st & 3rd quarter numbers reported
 4 - 1st & 3rd quarter numbers reported

Fiscal Year 2018 Disadvantaged Business Quarterly Report
FY 18 (July 2017 - June 2018)

	Disadvantaged Business												Total		% of Disadvantaged Business					
	Ethnic Minority Male Only				Ethnic Minority Female Only				Total Ethnic Minority				Total Disadvantaged Business	Total of All Business						
	African American	Hispanic	Asian	Native American	African American	Hispanic	Asian	Native American	Non-Specific	Female Minority	Non-Ethnic Minority	Total Women Owned								
Metro General Government	\$12,448,353	\$52,065	\$2,176,275	\$4,537,265	\$0	\$19,211,988	\$814,453	\$531,613	\$8,216	\$277	\$0	\$31,020,294	\$32,374,838	\$10,081	\$51,576,872	\$208,656,064	\$674,730,796	5.84%	8.24%	
**Metro General Government (Subcontractor)	\$3,657,325	\$0	\$3,678,371	\$0	\$0	\$7,335,697	\$2,095,981	\$28,374	\$42,562	\$0	\$0	\$11,367,127	\$13,409,944	\$132,136	\$21,277,617	\$50,381,930	\$0	2.41%		
***Metro Board of Education	\$1,886,157	\$1,662,282	\$112,084	\$1,074,852	\$0	\$5,334,275	\$37,642	\$0	\$132	\$0	\$2,489,236	\$998,180	\$3,529,170	\$1,919,533	\$9,875,978	\$8,123,225	\$156,734,842	\$194,794,068	5.65%	
Norville Electric Service	\$1,341,085	\$3,786,624	\$445,844	\$2,007	\$0	\$5,581,540	\$471,810	\$6,156	\$42,862	\$0	\$4,169,666	\$4,690,574	\$0	\$18,272,134	\$15,905,628	\$89,698,873	\$98,773,680	9.71%		
Metro Development and Housing Agency	\$3,255,626	\$3,123,861	\$72,930	\$15,340	\$0	\$6,467,757	\$101,245	\$0	\$0	\$0	\$3,725,294	\$0	\$3,824,539	\$0	\$10,294,296	\$3,188,433	\$17,028,256	\$30,510,964	33.74%	
****Metro Transit Authority	\$34,236	\$0	\$0	\$392,412	\$0	\$426,648	\$25,636	\$0	\$0	\$0	\$101,696	\$127,231	\$0	\$653,879	\$0	\$0	\$0	\$688,679	100.00%	
Norville Airport Authority	\$7,509,643	\$3,145,763	\$865,373	\$0	\$0	\$11,480,779	\$270,338	\$627,448	\$3,185	\$0	\$1,459,796	\$6,364,856	\$8,734,632	\$0	\$28,170,802	\$4,313,378	\$189,648,187	\$214,131,857	9.42%	
Totals	\$24,293,120	\$11,272,625	\$3,772,016	\$6,229,464	\$392,412	\$48,489,687	\$1,730,133	\$1,139,061	\$17,689	\$42,929	\$7,634,326	\$42,649,802	\$53,273,348	\$1,039,614	\$102,743,161	\$230,365,728	\$1,127,744,953	\$1,401,879,970	7.29%	

Percent of All Businesses



Percent of Disadvantaged Businesses



* OSBE (Other Socially and Economically Disadvantaged Business) includes disabled and veteran owned businesses.
 ** Numbers not included in Total
 *** Only 3rd Quarter Numbers Reported in FY 18
 **** Only 1st Quarter Numbers Reported in FY 18

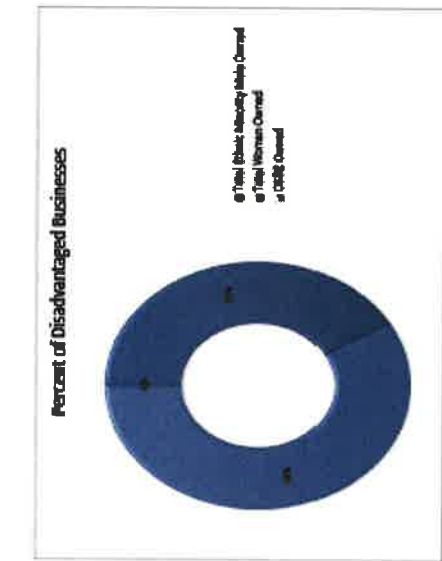
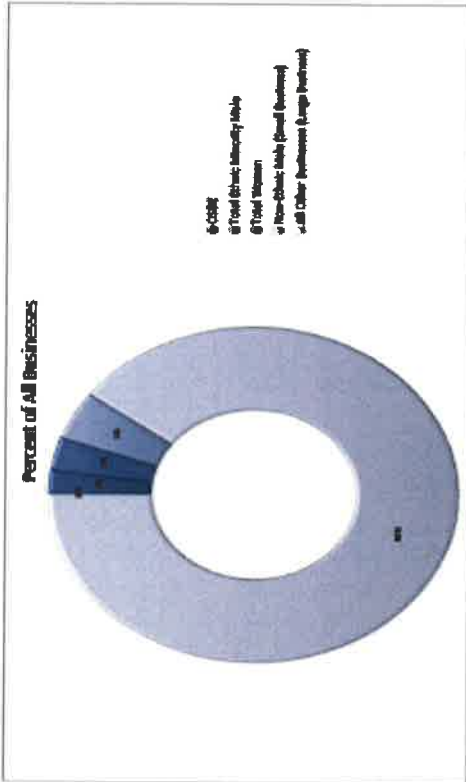


Fiscal Year 2019 Disadvantaged Business Report FY 19 (July 2018 - June 2019)

	African American	Hispanic	Asian	Native American	Non-Specific Male Minority	Non-Ethnic Female	Total Minority Male OR Women Owned	OSBE	Total Disadvantaged Business %	Total Disadvantaged Business \$	Small Business	Large Business	Total Business
Ethnic Minority Male Owned													
Metro General Government	\$ 9,142,525	\$ 106,152	\$ 588,052	\$ 147,895	\$ -	N/A	\$ 9,984,564	\$ -	4.6%	\$ 32,488,188	\$ 73,067,407	\$ 597,932,111	\$ 703,397,706
**Metro General Government (Subs)	\$ 5,249,785	\$ 6,253	\$ 4,910,467	\$ 1,900	\$ -	N/A	\$ 10,169,405	\$ 489,422	4.5%	\$ 32,094,590	\$ 57,051,633	\$ -	\$ 89,146,213
Metro Board of Education	\$ 3,460,316	\$ 2,715	\$ 55,989	\$ -	\$ -	N/A	\$ 3,519,020	\$ -	1.0%	\$ 10,183,844	\$ 2,429,663	\$ 156,265,259	\$ 168,878,766
Nashville Electric Service	\$ 1,241,218	\$ 3,357,460	\$ 2,977,918	\$ 2,152	\$ -	N/A	\$ 7,546,748	\$ -	1.3%	\$ 12,837,771	\$ 5,437,213	\$ 136,738,638	\$ 155,013,610
Metro Development and Housing Agency	\$ 4,350,890	\$ 4,625,708	\$ -	\$ -	\$ -	N/A	\$ 9,204,598	\$ -	28.9%	\$ 23,718,252	\$ 7,271,390	\$ 51,984,699	\$ 83,448,391
***Waco Public Transit	\$ 97,733	\$ -	\$ 209,448	\$ -	\$ 55,437	N/A	\$ 362,618	\$ -	100.0%	\$ 601,813	\$ -	\$ -	\$ 601,813
****Nashville Airport Authority	\$ 10,553,293	\$ 4,083,599	\$ 1,017,676	\$ -	\$ -	\$ 15,654,568	\$ -	3.2%	\$ 30,632,255	\$ 7,368,362	\$ 856,083,955	\$ 934,104,812	
Totals	\$ 28,857,978	\$ 12,388,914	\$ 4,949,093	\$ 149,747	\$ 56,437	\$ -	\$ 46,282,166	\$ -	5.4%	\$ 111,234,093	\$ 96,044,605	\$ 1,838,744,079	\$ 2,046,022,777
Woman Owned													
Metro General Government	\$ 451,568	\$ 1,955,618	\$ 6,532	\$ 17,397	\$ -	\$ 20,462,269	\$ 22,991,824	\$ -	3.2%	\$ -	\$ -	\$ -	\$ -
**Metro General Government (Subs)	\$ 1,477,425	\$ 164,955	\$ -	\$ -	\$ -	\$ 19,794,573	\$ 21,436,783	\$ -	4.7%	\$ -	\$ -	\$ -	\$ -
Metro Board of Education	\$ 83,497	\$ 1,716,729	\$ 7,655	\$ 1,228,943	\$ -	\$ 3,721,620	\$ 6,758,364	\$ -	-	\$ -	\$ -	\$ -	\$ -
Nashville Electric Service	\$ 568,782	\$ 379,769	\$ 118,756	\$ -	\$ 2,275,841	\$ 1,968,935	\$ 5,312,003	\$ -	-	\$ -	\$ -	\$ -	\$ -
Metro Development and Housing Agency	\$ -	\$ -	\$ -	\$ -	\$ 14,532,154	\$ -	\$ 14,582,184	\$ -	-	\$ -	\$ -	\$ -	\$ -
***Waco Public Transit	\$ 120,987	\$ -	\$ -	\$ -	\$ -	\$ 151,873	\$ 437,865	\$ -	-	\$ -	\$ -	\$ -	\$ -
****Nashville Airport Authority	\$ 1,546,291	\$ 30,778	\$ -	\$ -	\$ 364,825	\$ 13,400,618	\$ 14,977,867	\$ -	-	\$ -	\$ -	\$ -	\$ -
Totals	\$ 2,781,445	\$ 4,122,864	\$ 132,923	\$ 1,248,340	\$ 16,992,820	\$ 39,708,535	\$ 64,951,927	\$ -	38.4%	\$ -	\$ -	\$ -	\$ -
Total Spend	\$ 31,609,420	\$ 16,491,778	\$ 4,982,016	\$ 1,390,087	\$ 17,949,257	\$ 39,705,535	\$ 111,234,093	\$ -	5.44%	\$ 111,234,093	\$ 96,044,605	\$ 1,838,744,079	\$ 2,046,022,777

NOTE:
 * OSBE (Other Socially and Economically Disadvantaged Business) includes disabled and veteran owned businesses.
 ** Numbers not included in Totals
 *** All Quarter Numbers Not Reported in FY 19
 **** 1st Quarter Numbers Not Reported in FY 19

OSBE	Percent of All Businesses
Total Ethnic Minority Male	0.0%
Total Woman	2.3%
Non-Ethnic Male (Small Business)	3.2%
All Other Businesses (Large Business)	4.7%
Total	100.0%



Total Ethnic Minority Male Owned	Percent of Disadvantaged Businesses
Total Ethnic Minority Male Owned	41.5%
Total Woman Owned	58.4%
OSBE Owned	0.0%
Total	100.0%



Fiscal Year 2020 Disadvantaged Business Quarterly Report FY20 (July 1, 2019 - June 30, 2020)

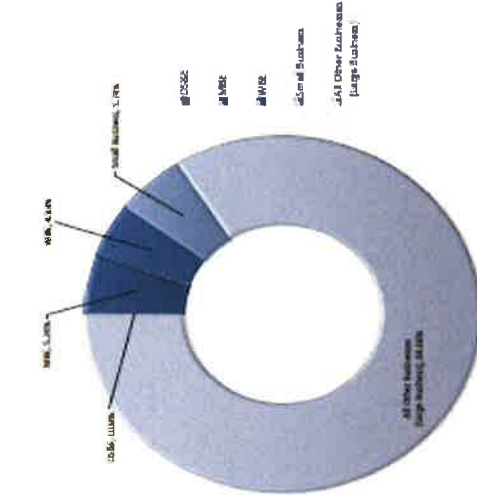
	African American	Hispanic	Asian	Native American	Non-Specific Minority	Non-Ethnic Female	Total Ethnic Minority Male OR Woman Owned	OSBE*	Total Disadvantaged Business %	Total Disadvantaged Business \$	Small Business	Large Business	Total Business
Public Minority Male Owned							5.2%	0.3%	4.11%		8.05%		56.94%
Metro General Government	\$ 15,456,291	\$ 592,256	\$ 1,014,619	\$ 42,170	\$ -	N/A	\$ 17,105,336	\$ 378,935	8.24%	\$ 49,366,147	\$ 82,728,988	\$ 661,257,696	\$ 772,854,837
Metro General Government (Subs)	\$ 6,963,713	\$ 19,680	\$ 7,498,254	\$ 30,417	\$ -	N/A	\$ 14,512,064	\$ 494,119	30.15%	\$ 35,231,619	\$ 34,465,726	\$ -	\$ 69,697,415
Metro Public Transit Metro Transit Authority	\$ 1,941,808	\$ 17,481	\$ 8,624	\$ -	\$ -	N/A	\$ 1,967,913	\$ -	0.00%	\$ 4,609,054	\$ 435,035	\$ 41,524,314	\$ 46,567,403
Metro Nashville Electric Service	\$ 1,493,860	\$ 10,647,852	\$ 485,254	\$ -	\$ -	N/A	\$ 12,636,956	\$ -	9.27%	\$ 20,433,593	\$ 4,981,567	\$ 356,516,465	\$ 271,328,923
Metro Development and Housing Agency	\$ 2,280,233	\$ 455,714	\$ -	\$ -	\$ 15,895	N/A	\$ 2,751,842	\$ 96,815	9.04%	\$ 4,817,203	\$ 3,545,261	\$ 41,704,356	\$ 50,076,878
WestCo Public Transit Metro Transit Authority	\$ 213,667	\$ 863	\$ 373,875	\$ -	\$ 87,011	N/A	\$ 674,416	\$ 44,303	0.55%	\$ 1,827,418	\$ 1,247,286	\$ 24,833,777	\$ 27,908,481
Metro Nashville Airport Authority	\$ 22,214,274	\$ 7,342,986	\$ 1,065,695	\$ 116,162	\$ -	N/A	\$ 30,737,117	\$ -	10.00%	\$ 74,263,275	\$ 14,874,659	\$ 313,298,623	\$ 402,234,558
Totals	\$ 43,010,393	\$ 19,056,852	\$ 2,956,368	\$ 158,332	\$ 102,906	\$ -	\$ 65,284,951	\$ 520,123	10.00%	\$ 135,115,662	\$ 87,312,796	\$ 1,278,533,213	\$ 1,520,971,070
Woman Owned							4.9%	0.0%	44.5%		5.7%	84.1%	100.0%
Metro General Government	\$ 369,060	\$ 2,242,069	\$ 67,222	\$ -	\$ -	\$ 28,406,300	\$ 31,937,651	\$ -					
Metro General Government (Subs)	\$ 1,653,923	\$ 364,709	\$ 61,183	\$ 7	\$ -	\$ 18,156,188	\$ 20,235,906	\$ -					
Metro Public Transit Metro Transit Authority	\$ 46,616	\$ 2,462,903	\$ 41,843	\$ -	\$ -	\$ 2,906,708	\$ 3,248,070	\$ -					
Metro Nashville Electric Service	\$ 2,273,525	\$ 4,263	\$ 65,655	\$ 480	\$ -	\$ 5,451,708	\$ 7,793,935	\$ -					
Metro Development and Housing Agency	\$ 89,432	\$ -	\$ -	\$ -	\$ -	\$ 1,879,192	\$ 1,968,624	\$ -					
WestCo Public Transit Metro Transit Authority	\$ 44,957	\$ -	\$ -	\$ -	\$ -	\$ 1,062,062	\$ 1,107,619	\$ -					
Metro Nashville Airport Authority	\$ 9,000,468	\$ 69,680	\$ -	\$ -	\$ -	\$ 34,258,011	\$ 43,326,159	\$ -					
Totals	\$ 11,621,052	\$ 2,562,295	\$ 132,877	\$ 42,323	\$ -	\$ 74,981,601	\$ 69,084,582	\$ -	10.20%	\$ 155,125,662	\$ 87,312,796	\$ 1,278,533,213	\$ 1,520,971,070

NOTE: * OSBE (Other Socially and Economically Disadvantaged Business) includes disabled, veteran, and LGBT owned businesses not owned by minorities or women.
 ** Metro GO (Subs) not included in total spend amounts.
 *** NNPS do not report for GA.

Percent of All Businesses	Percent of Disadvantaged Businesses
OSBE	0.00%
WBE	5.24%
VBE	4.53%
Small Business	5.74%
All Other Businesses (Large Business)	84.05%
Totals	100.0%

Percent of Disadvantaged Businesses	Percent of All Businesses
African American Male	27.73%
Hispanic American Male	12.28%
Asian American Male	1.91%
Native American Male	0.18%
Non-specific Minority Male	0.07%
African American Female	7.49%
Hispanic American Female	1.65%
Native American Female	0.09%
Non-specific Minority Female	0.00%
Gay/Lesbian/Non-Ethnic Female	48.32%
OSBE Owned	0.34%
Total	100.0%

Percent of All Businesses





MDHA MEMORANDUM

To: MDHA Board of Commissioners
From: James E. Harbison, MDHA Executive Director
Re: Information on Evictions
Date: October 9, 2020

This Memorandum is intended to provide an overview of the eviction process. This process is consistent with local, state, and federal law, and is applicable to all MDHA Affordable Housing properties (including new properties that are added to the Affordable Housing Inventory).

There are principally two types of evictions, evictions for nonpayment of rent and those for lease violations other than the nonpayment of rent. While the process and applicable law are the same for both types of evictions, differences arise as they pertain to notice, resident rights, scheduling, and volume.

Warrants for nonpayment proceed on an annual calendar published by the MDHA Legal Department every December of the previous year. The purpose of the calendar is to put all MDHA properties on a uniform schedule for issuing notices, going to court, requesting writs, and scheduling evictions. In a given month, the tenant-paid portion is due on the first. Tennessee law provides for a “grace period” of five days, allowing residents to furnish their rents on the fifth day of the month without penalty.

At the expiration of this grace period, rent is considered late. Managers and leasing staff prepare and send letters to residents advising them that their rent is late and the consequences of continued nonpayment, which includes lease termination. The letters also encourage residents to pay their rents so as to avoid the accumulation of additional fees, such as late charges or court costs in the event the matter must proceed to court.

If rent remains unpaid, the lease terminates, and managers request a detainer warrant for possession from the MDHA Legal Office. Residents are notified via a letter of this process. A court date in General Sessions court will then be set, typically around the third Tuesday and Thursday of the following month.

Warrants for lease violation other than the nonpayment of rent issue in the event of drug-related criminal activity, violence, or other conduct materially affecting the health, safety, or right of peaceful enjoyment of MDHA residents. These are not calendared and may be requested on a rolling basis, upon the expiration of a notice period as provided by the lease (3 days for violence, threats, or other hazardous or dangerous conduct, 30 days for everything else). State law allows for shorter notice periods for the “everything else” violations, but MDHA leases continue to offer the full 30 days). Only a small portion of warrants and evictions are for lease violation.

In court, MDHA will request default judgments as to any warrants for which the resident did not attend court, offer agreed judgments to residents who wish to remain in possession or

vacate voluntarily, or schedule hearings before a general sessions judge for any residents who request to be heard. Additionally, many of the warrants are dismissed (entered as “nonsuits”) due to a resident’s payment in full before court. Managers and leasing assistants again notify via letter all residents who received warrants of the outcome at court, regardless of the outcome.

Under Tennessee law, residents have ten days within which to appeal the general sessions judgment, after which the judgment becomes final. Once a judgment is final and unappealable, MDHA may request the Davidson County Sheriff Office (DCSO) to perform an eviction. This request is made via a writ of restitution. The legal calendar provides a date certain—typically the first or second Thursday of the month following court—that managers are to request these from the MDHA Legal Office. The DCSO schedules evictions to occur on one day of the month, typically the last Tuesday of the month. Residents are notified that a writ of restitution has been requested, and are again notified when evictions have been scheduled. In both these correspondences, residents are repeatedly encouraged to bring their balances current so as to avoid eviction.

Throughout this entire process, a resident late on rent continues to possess the opportunity to bring her balance current. This right continues up to and including the day of the scheduled eviction. This right is not provided under local, state, or federal law; it is a component of MDHA’s lease agreement with its residents. Indeed, records maintained by the MDHA legal office evidence that the vast majority of residents who undergo the eviction process ultimately avoid eviction and remain in possession of their homes.

In reviewing statistics from March 2018 through February 2020, an average of 182 cases are docketed each month. Of these, 150-160 are default judgments or nonsuits, 20-30 enter into agreed judgments, and 0-2 request a hearing. In 2019, there has been one nonpayment matter to go before a judge. This matter was decided in MDHA’s favor. For this time period, there is a 6.8% eviction rate, meaning 6.8% of all warrants led to an eviction, with the other 93.2% remaining in possession.

These numbers also show that the number of evictions has been decreasing each year. In 2017, there were 178 evictions, followed by 151 in 2018 and 117 in 2019. The extent of this decrease is enhanced given that MDHA has been steadily increasing the number of units in its inventory: 254 additional units added in 2017 from CWA Apartments, 110 units in 2018 from Barrett Manor and Harper Cove Flats, 104 units from the market and workforce units in Mosley on 6th and Kirkpatrick Park, and 144 units this year from the market and workforce units at Manning Place, Forest Bend Townhomes, and Curb Victory Hall.

In the months since the onset of the coronavirus pandemic, it is my strong impression that our residents are not particularly vulnerable to eviction. In September, I made the decision to halt evictions for nonpayment for the remainder of the calendar year. While this will certainly be an aid to residents who are behind on rent, I do not anticipate higher numbers of evictions or nonpayment warrants being issued.

For one thing, the number of recertifications (the process in which the resident reports a change in income to her manager resulting in a different rent amount) has remained steady: 2,024 for FY2020 (the past three fiscal years average 1,985), so we are not seeing a much higher number

of residents reporting lower incomes due to job loss or other COVID-related circumstances. Also, the number of warrants being filed has decreased. In September, there were 129 cases on the docket. Year to year, this is a decrease of 58 from September 2019, when there were 187 on the docket. It must also be noted that this was the first court date since the expiration of the CARES Act eviction moratorium, which went into effect March 2020. Rather than an extensive backlog of pending nonpayment matters building up for six months, it was a much smaller docket.

It is my hope that this information addresses some concerns that Commissioners may have about evictions and the eviction process. Our General Counsel will present on the CDC eviction moratorium, which went into effect in September and remains in effect through the end of the year.



James E. Harbison, Executive Director



MDHA MEMORANDUM

To: MDHA Board of Commissioners
From: Will Choppin, MDHA General Counsel
Re: CDC Order
Date: October 9, 2020

Enclosures

This Memorandum is intended to provide a brief summary of the Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS) Order to temporarily halt residential evictions to prevent the further spread of COVID-19. This Order went into effect September 4, 2020, and remains in effect through December 31, 2020.

This eviction moratorium applies only to evictions for the nonpayment of rent. Specifically, it allows a renter facing eviction for nonpayment of rent to remain in possession of a residential rental unit upon the furnishing of a declaration. For a renter to invoke the protections of this order, she must provide a declaration that indicates: (1) best efforts have been used to obtain all available government assistance for rent or housing; (2) income will not exceed \$99,000 for CY 2020 for single filers or \$198,000 for joint filers; (3) inability to pay full rent due to substantial loss of household income, loss of compensable hours of work or wages, a lay-off, or extraordinary out of pocket medical expenses; (4) best efforts are being used to make partial payments that are as close to full payment as the renter's circumstances permit; and (5) eviction would render the individual homeless or force the individual to move into close quarters or shared living.

Copies of the CDC Order as published in the Federal Register, as well as the template declaration, are attached.

A handwritten signature in blue ink, appearing to read "Will Choppin", is written over a horizontal line.

Will Choppin

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Agency Order.

SUMMARY: The Centers for Disease Control and Prevention (CDC), located within the Department of Health and Human Services (HHS) announces the issuance of an Order under Section 361 of the Public Health Service Act to temporarily halt residential evictions to prevent the further spread of COVID-19.

DATES: This Order is effective September 4, 2020 through December 31, 2020.

FOR FURTHER INFORMATION CONTACT: Nina Witkofsky, Acting Chief of Staff, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21-10, Atlanta, GA 30329; Telephone: 404-639-7000; Email: cdc.regulations@cdc.gov.

SUPPLEMENTARY INFORMATION:

Background

There is currently a pandemic of a respiratory disease (“COVID-19”) caused by a novel coronavirus (SARS-COV-2) that has now spread globally, including cases reported in all fifty states within the United States plus the District of Columbia and U.S. territories (excepting American Samoa). As of August 24, 2020, there were over 23,000,000 cases of COVID-19 globally resulting in over 800,000 deaths; over 5,500,000 cases have been identified in the United States, with new cases being reported daily and over 174,000 deaths due to the disease.

The virus that causes COVID-19 spreads very easily and sustainably between people who are in close contact with one another (within about 6 feet), mainly through respiratory droplets produced when an infected person coughs, sneezes, or talks. Some people without symptoms may be able to spread the virus. Among adults, the risk for severe illness from COVID-19 increases with age, with older adults at highest risk. Severe illness means that persons with COVID-19 may require hospitalization, intensive care, or a ventilator to help them breathe, and may be fatal. People of any age with certain underlying medical conditions, such as cancer, an

immunocompromised state, obesity, serious heart conditions, and diabetes, are at increased risk for severe illness from COVID-19.¹

COVID-19 presents a historic threat to public health. According to one recent study, the mortality associated with COVID-19 during the early phase of the outbreak in New York City was comparable to the peak mortality observed during the 1918 H1N1 influenza pandemic.² During the 1918 H1N1 influenza pandemic, there were approximately 50 million influenza-related deaths worldwide, including 675,000 in the United States. To respond to this public health threat, the Federal, State, and local governments have taken unprecedented or exceedingly rare actions, including border closures, restrictions on travel, stay-at-home orders, mask requirements, and eviction moratoria. Despite these best efforts, COVID-19 continues to spread and further action is needed.

In the context of a pandemic, eviction moratoria—like quarantine, isolation, and social distancing—can be an effective public health measure utilized to prevent the spread of communicable disease. Eviction moratoria facilitate self-isolation by people who become ill or who are at risk for severe illness from COVID-19 due to an underlying medical condition. They also allow State and local authorities to more easily implement stay-at-home and social distancing directives to mitigate the community spread of COVID-19. Furthermore, housing stability helps protect public health because homelessness increases the likelihood of individuals moving into congregate settings, such as homeless shelters, which then puts individuals at higher risk to COVID-19. The ability of these settings to adhere to best practices, such as social distancing and other infection control measures, decreases as populations increase. Unsheltered homelessness also increases the risk that individuals will experience severe illness from COVID-19.

Applicability

Under this Order, a landlord, owner of a residential property, or other person³ with a legal right to pursue

¹ CDC, People with Certain Medical Conditions, <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-with-medical-conditions.html> (accessed August 26, 2020).

² Faust JS, Lin Z, del Rio C. Comparison of Estimated Excess Deaths in New York City During the COVID-19 and 1918 Influenza Pandemics. *JAMA New Open*. 2020;3(8):e2017527. doi:10.1001/jamanetworkopen.2020.17527.

³ For purposes of this Order, “person” includes corporations, companies, associations, firms,

eviction or possessory action, shall not evict any covered person from any residential property in any jurisdiction to which this Order applies during the effective period of the Order. This Order does not apply in any State, local, territorial, or tribal area with a moratorium on residential evictions that provides the same or greater level of public-health protection than the requirements listed in this Order. Nor does this order apply to American Samoa, which has reported no cases of COVID-19, until such time as cases are reported.

In accordance with 42 U.S.C. 264(e), this Order does not preclude State, local, territorial, and tribal authorities from imposing additional requirements that provide greater public-health protection and are more restrictive than the requirements in this Order.

This Order is a temporary eviction moratorium to prevent the further spread of COVID-19. This Order does not relieve any individual of any obligation to pay rent, make a housing payment, or comply with any other obligation that the individual may have under a tenancy, lease, or similar contract. Nothing in this Order precludes the charging or collecting of fees, penalties, or interest as a result of the failure to pay rent or other housing payment on a timely basis, under the terms of any applicable contract.

Renter’s or Homeowner’s Declaration

Attachment A is a Declaration form that tenants, lessees, or residents of residential properties who are covered by the CDC’s order temporarily halting residential evictions to prevent the further spread of COVID-19 may use. To invoke the CDC’s order these persons must provide an executed copy of the Declaration form (or a similar declaration under penalty of perjury) to their landlord, owner of the residential property where they live, or other person who has a right to have them evicted or removed from where they live. Each adult listed on the lease, rental agreement, or housing contract should likewise complete and provide a declaration. Unless the CDC order is extended, changed, or ended, the order prevents these persons from being evicted or removed from where they are living through December 31, 2020. These persons are still required to pay rent and follow all the other terms of their lease and rules of the place where they live. These persons may also still be evicted for reasons other than not paying rent or making a housing

partnerships, societies, and joint stock companies, as well as individuals.

payment. Executed declarations should not be returned to the Federal Government.

Centers for Disease Control and Prevention, Department of Health and Human Services

Order Under Section 361 of the Public Health Service Act (42 U.S.C. 264) and 42 CFR 70.2

Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19

Summary

Notice and Order; and subject to the limitations under "Applicability": Under 42 CFR 70.2, a landlord, owner of a residential property, or other person⁴ with a legal right to pursue eviction or possessory action, shall not evict any covered person from any residential property in any jurisdiction to which this Order applies during the effective period of the Order.

Definitions

"Available government assistance" means any governmental rental or housing payment benefits available to the individual or any household member.

"Available housing" means any available, unoccupied residential property, or other space for occupancy in any seasonal or temporary housing, that would not violate Federal, State, or local occupancy standards and that would not result in an overall increase of housing cost to such individual.

"Covered person"⁵ means any tenant, lessee, or resident of a residential property who provides to their landlord, the owner of the residential property, or

other person with a legal right to pursue eviction or a possessory action, a declaration under penalty of perjury indicating that:

(1) The individual has used best efforts to obtain all available government assistance for rent or housing;

(2) The individual either (i) expects to earn no more than \$99,000 in annual income for Calendar Year 2020 (or no more than \$198,000 if filing a joint tax return),⁶ (ii) was not required to report any income in 2019 to the U.S. Internal Revenue Service, or (iii) received an Economic Impact Payment (stimulus check) pursuant to Section 2201 of the CARES Act;

(3) the individual is unable to pay the full rent or make a full housing payment due to substantial loss of household income, loss of compensable hours of work or wages, a lay-off, or extraordinary⁷ out-of-pocket medical expenses;

(4) the individual is using best efforts to make timely partial payments that are as close to the full payment as the individual's circumstances may permit, taking into account other nondiscretionary expenses; and

(5) eviction would likely render the individual homeless—or force the individual to move into and live in close quarters in a new congregate or shared living setting—because the individual has no other available housing options.

"Evict" and "Eviction" means any action by a landlord, owner of a residential property, or other person with a legal right to pursue eviction or a possessory action, to remove or cause the removal of a covered person from a residential property. This does not include foreclosure on a home mortgage.

"Residential property" means any property leased for residential purposes, including any house, building, mobile home or land in a mobile home park, or

similar dwelling leased for residential purposes, but shall not include any hotel, motel, or other guest house rented to a temporary guest or seasonal tenant as defined under the laws of the State, territorial, tribal, or local jurisdiction.

"State" shall have the same definition as under 42 CFR 70.1, meaning "any of the 50 states, plus the District of Columbia."

"U.S. territory" shall have the same definition as under 42 CFR 70.1, meaning "any territory (also known as possessions) of the United States, including American Samoa, Guam, the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands."

Statement of Intent

This Order shall be interpreted and implemented in a manner as to achieve the following objectives:

- Mitigating the spread of COVID-19 within congregate or shared living settings, or through unsheltered homelessness;
- mitigating the further spread of COVID-19 from one U.S. State or U.S. territory into any other U.S. State or U.S. territory; and
- supporting response efforts to COVID-19 at the Federal, State, local, territorial, and tribal levels.

Background

There is currently a pandemic of a respiratory disease ("COVID-19") caused by a novel coronavirus (SARS-COV-2) that has now spread globally, including cases reported in all fifty states within the United States plus the District of Columbia and U.S. territories (excepting American Samoa). As of August 24, 2020, there were over 23,000,000 cases of COVID-19 globally resulting in over 800,000 deaths; over 5,500,000 cases have been identified in the United States, with new cases being reported daily and over 174,000 deaths due to the disease.

The virus that causes COVID-19 spreads very easily and sustainably between people who are in close contact with one another (within about 6 feet), mainly through respiratory droplets produced when an infected person coughs, sneezes, or talks. Some people without symptoms may be able to spread the virus. Among adults, the risk for severe illness from COVID-19 increases with age, with older adults at highest risk. Severe illness means that persons with COVID-19 may require hospitalization, intensive care, or a ventilator to help them breathe, and may be fatal. People of any age with certain underlying medical conditions, such as cancer, an

⁴ For purposes of this Order, "person" includes corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals.

⁵ This definition is based on factors that are known to contribute to evictions and thus increase the need for individuals to move into close quarters in new congregate or shared living arrangements or experience homelessness. Individuals who suffer job loss, have limited financial resources, are low income, or have high out-of-pocket medical expenses are more likely to be evicted for nonpayment of rent than others not experiencing these factors. See Desmond, M., Gershenson, C., *Who gets evicted? Assessing individual, neighborhood, and network factors*, Social Science Research 62 (2017), 366–377, <http://dx.doi.org/10.1016/j.ssresearch.2016.08.017>, (identifying job loss as a possible predictor of eviction because renters who lose their jobs experience not only a sudden loss of income but also the loss of predictable future income). According to one survey, over one quarter (26%) of respondents also identified job loss as the primary cause of homelessness. See 2019 San Francisco Homeless Point-in-Time Count & Survey, page 22, available at: https://hsh.sfgov.org/wp-content/uploads/2020/01/2019HIRDReport_SanFrancisco_FinalDraft-1.pdf.

⁶ According to one study, the national two-bedroom housing wage in 2020 was \$23.96 per hour (approximately, \$49,837 annually), meaning that an hourly wage of \$23.96 was needed to afford a modest two bedroom house without spending more than 30% of one's income on rent. The hourly wage needed in Hawaii (the highest cost U.S. State for rent) was \$38.76 (approximately \$80,621 annually). See National Low-Income Housing Coalition, *Out of Reach: The High Cost of Housing 2020*, available at: <https://reports.nlihc.org/oor>. As further explained herein, because this Order is intended to serve the critical public health goal of preventing evicted individuals from potentially contributing to the interstate spread of COVID-19 through movement into close quarters in new congregate, shared housing settings, or through homelessness, the higher income thresholds listed here have been determined to better serve this goal.

⁷ An extraordinary medical expense is any unreimbursed medical expense likely to exceed 7.5% of one's adjusted gross income for the year.

immunocompromised state, obesity, serious heart conditions, and diabetes, are at increased risk for severe illness from COVID-19.⁸

COVID-19 presents a historic threat to public health. According to one recent study, the mortality associated with COVID-19 during the early phase of the outbreak in New York City was comparable to the peak mortality observed during the 1918 H1N1 influenza pandemic.⁹ During the 1918 H1N1 influenza pandemic, there were approximately 50 million influenza-related deaths worldwide, including 675,000 in the United States. To respond to this public health threat, the Federal, State, and local governments have taken unprecedented or exceedingly rare actions, including border closures, restrictions on travel, stay-at-home orders, mask requirements, and eviction moratoria. Despite these significant efforts, COVID-19 continues to spread and further action is needed.

In the context of a pandemic, eviction moratoria—like quarantine, isolation, and social distancing—can be an effective public health measure utilized to prevent the spread of communicable disease. Eviction moratoria facilitate self-isolation by people who become ill or who are at risk for severe illness from COVID-19 due to an underlying medical condition. They also allow State and local authorities to more easily implement stay-at-home and social distancing directives to mitigate the community spread of COVID-19. Furthermore, housing stability helps protect public health because homelessness increases the likelihood of individuals moving into close quarters in congregate settings, such as homeless shelters, which then puts individuals at higher risk to COVID-19.

Applicability

This Order does not apply in any State, local, territorial, or tribal area with a moratorium on residential evictions that provides the same or greater level of public-health protection than the requirements listed in this Order. In accordance with 42 U.S.C. 264(e), this Order does not preclude State, local, territorial, and tribal authorities from imposing additional requirements that provide greater public-health protection and are more

restrictive than the requirements in this Order.

Additionally, this Order shall not apply to American Samoa, which has reported no cases of COVID-19, until such time as cases are reported.

This Order is a temporary eviction moratorium to prevent the further spread of COVID-19. This Order does not relieve any individual of any obligation to pay rent, make a housing payment, or comply with any other obligation that the individual may have under a tenancy, lease, or similar contract. Nothing in this Order precludes the charging or collecting of fees, penalties, or interest as a result of the failure to pay rent or other housing payment on a timely basis, under the terms of any applicable contract.

Nothing in this Order precludes evictions based on a tenant, lessee, or resident: (1) Engaging in criminal activity while on the premises; (2) threatening the health or safety of other residents;¹⁰ (3) damaging or posing an immediate and significant risk of damage to property; (4) violating any applicable building code, health ordinance, or similar regulation relating to health and safety; or (5) violating any other contractual obligation, other than the timely payment of rent or similar housing-related payment (including non-payment or late payment of fees, penalties, or interest).

Eviction and Risk of COVID-19 Transmission

Evicted renters must move, which leads to multiple outcomes that increase the risk of COVID-19 spread. Specifically, many evicted renters move into close quarters in shared housing or other congregate settings. According to the Census Bureau American Housing Survey, 32% of renters reported that they would move in with friends or family members upon eviction, which would introduce new household members and potentially increase household crowding.¹¹ Studies show that COVID-19 transmission occurs readily within households; household contacts are estimated to be 6 times more likely to become infected by an

index case of COVID-19 than other close contacts.¹²

Shared housing is not limited to friends and family. It includes a broad range of settings, including transitional housing, and domestic violence and abuse shelters. Special considerations exist for such housing because of the challenges of maintaining social distance. Residents often gather closely or use shared equipment, such as kitchen appliances, laundry facilities, stairwells, and elevators. Residents may have unique needs, such as disabilities, cognitive decline, or no access to technology, and thus may find it more difficult to take actions to protect themselves from COVID-19. CDC recommends that shelters provide new residents with a clean mask, keep them isolated from others, screen for symptoms at entry, or arrange for medical evaluations as needed depending on symptoms.¹³ Accordingly, an influx of new residents at facilities that offer support services could potentially overwhelm staff and, if recommendations are not followed, lead to exposures.

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136) to aid individuals and businesses adversely affected by COVID-19. Section 4024 of the CARES Act provided a 120-day moratorium on eviction filings as well as other protections for tenants in certain rental properties with Federal assistance or federally related financing. These protections helped alleviate the public health consequences of tenant displacement during the COVID-19 pandemic. The CARES Act eviction moratorium expired on July 24, 2020.¹⁴ The protections in the CARES Act supplemented temporary eviction moratoria and rent freezes implemented by governors and local officials using emergency powers.

Researchers estimated that this temporary Federal moratorium provided relief to a material portion of the nation's roughly 43 million renters.¹⁵

¹² Bi Q, Wu Y, Mei S, et al. *Epidemiology and transmission of COVID-19 in 391 cases and 1286 of their close contacts in Shenzhen, China: a retrospective cohort study*. *Lancet Infect Dis* 2020. [https://doi.org/10.1016/S1473-3099\(20\)30287-5](https://doi.org/10.1016/S1473-3099(20)30287-5).

¹³ See CDC COVID-19 Guidance for Shared or Congregate Housing, available at: <https://www.cdc.gov/coronavirus/2019-ncov/community/shared-congregate-house/guidance-shared-congregate-housing.html>.

¹⁴ Because evictions generally require 30-days' notice, the effects of housing displacement due to the expiration of the CARES act are not expected to manifest until August 27, 2020.

¹⁵ See Congressional Research Service, *CARES Act Eviction Moratorium*, (April 7, 2020) available at: <https://crsreports.congress.gov/product/pdf/IN/IN11320>.

⁸ CDC, *People with Certain Medical Conditions*, <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-with-medical-conditions.html> (accessed August 26, 2020).

⁹ Faust JS, Lin Z, del Rio C. *Comparison of Estimated Excess Deaths in New York City During the COVID-19 and 1918 Influenza Pandemics*. *JAMA New Open*. 2020;3(8):e2017527. doi:10.1001/jamanetworkopen.2020.17527.

¹⁰ Individuals who might have COVID-19 are advised to stay home except to get medical care. Accordingly, individuals who might have COVID-19 and take reasonable precautions to not spread the disease should not be evicted on the ground that they may pose a health or safety threat to other residents. See *What to Do if You are Sick*, available at <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html>.

¹¹ United States Census Bureau. *American Housing Survey*, 2017. <https://www.census.gov/programs-surveys/ahs.html>.

Approximately 12.3 million rental units have federally backed financing, representing 28% of renters. Other data show more than 2 million housing vouchers along with approximately 2 million other federally assisted rental units.¹⁶

The Federal moratorium, however, did not reach all renters. Many renters who fell outside the scope of the Federal moratorium were protected under State and local moratoria. In the absence of State and local protections, as many as 30–40 million people in America could be at risk of eviction.¹⁷ A wave of evictions on that scale would be unprecedented in modern times.¹⁸ A large portion of those who are evicted may move into close quarters in shared housing or, as discussed below, become homeless, thus contributing to the spread of COVID-19.

The statistics on interstate moves show that mass evictions would likely increase the interstate spread of COVID-19. Over 35 million Americans, representing approximately 10% of the U.S. population, move each year.¹⁹ Approximately 15% of moves are interstate.²⁰

Eviction, Homelessness, and Risk of Severe Disease From COVID-19

Evicted individuals without access to housing or assistance options may also contribute to the homeless population, including older adults or those with underlying medical conditions, who are more at risk for severe illness from COVID-19 than the general population.²¹ In Seattle-King County, 5–15% of people experiencing homelessness between 2018 and 2020 cited eviction as the primary reason for becoming homeless.²² Additionally,

some individuals and families who are evicted may originally stay with family or friends, but subsequently seek homeless services. Among people who entered shelters throughout the United States in 2017, 27% were staying with family or friends beforehand.²³

People experiencing homelessness are a high-risk population. It may be more difficult for these persons to consistently access the necessary resources in order to adhere to public health recommendations to prevent COVID-19. For instance, it may not be possible to avoid certain congregate settings such as homeless shelters, or easily access facilities to engage in handwashing with soap and water.

Extensive outbreaks of COVID-19 have been identified in homeless shelters.²⁴ In Seattle, Washington, a network of three related homeless shelters experienced an outbreak that led to 43 cases among residents and staff members.²⁵ In Boston, Massachusetts, universal COVID-19 testing at a single shelter revealed 147 cases, representing 36% of shelter residents.²⁶ COVID-19 testing in a single shelter in San Francisco led to the identification of 101 cases (67% of those tested).²⁷ Throughout the United States, among 208 shelters reporting universal diagnostic testing data, 9% of shelter clients have tested positive.²⁸

CDC guidance recommends increasing physical distance between beds in homeless shelters.²⁹ To adhere to this guidance, shelters have limited the number of people served throughout the United States. In many places, considerably fewer beds are available to

individuals who become homeless. Shelters that do not adhere to the guidance, and operate at ordinary or increased occupancy, are at greater risk for the types of outbreaks described above. The challenge of mitigating disease transmission in homeless shelters has been compounded because some organizations have chosen to stop or limit volunteer access and participation.

In the context of the current pandemic, large increases in evictions could have at least two potential negative consequences. One is if homeless shelters increase occupancy in ways that increase the exposure risk to COVID-19. The other is if homeless shelters turn away the recently homeless, who could become unsheltered, and further contribute to the spread of COVID-19. Neither consequence is in the interest of the public health.

The risk of COVID-19 spread associated with unsheltered homelessness (those who are sleeping outside or in places not meant for human habitation) is of great concern to CDC. Over 35% of homeless persons are typically unsheltered.³⁰ The unsheltered homeless are at higher risk for infection when there is community spread of COVID-19. The risks associated with sleeping and living outdoors or in an encampment setting are different than from staying indoors in a congregate setting, such as an emergency shelter or other congregate living facility. While outdoor settings may allow people to increase physical distance between themselves and others, they may also involve exposure to the elements and inadequate access to hygiene, sanitation facilities, health care, and therapeutics. The latter factors contribute to the further spread of COVID-19.

Additionally, research suggests that the population of persons who would be evicted and become homeless would include many who are predisposed to developing severe disease from COVID-19. Five studies have shown an association between eviction and hypertension, which has been associated with more severe outcomes from COVID-19.³¹ Also, the homeless

[uploads/2020/07/Count-Us-In-2020-Final_7.29.2020.pdf](https://www.huduser.gov/portal/datasets/assths/statedata98/descript.html)

²³ United States Department of Housing and Urban Development. The 2017 Annual Homeless Assessment Report (AHAR) to Congress: Part 2. Available at: <https://files.hudexchange.info/resources/documents/2017-AHAR-Part-2.pdf>

²⁴ Mosites E, et al. *Assessment of SARS-CoV-2 Infection Prevalence in Homeless Shelters—Four U.S. Cities, March 27–April 15, 2020*. MMWR 2020 May 1;69(17):521–522.

²⁵ Tobolowsky FA, et al. *COVID-19 Outbreak Among Three Affiliated Homeless Service Sites—King County, Washington, 2020*. MMWR 2020 May 1;69(17):523–526.

²⁶ Baggott TP, Keyes H, Sporn N, Gaeta JM. *Prevalence of SARS-CoV-2 Infection in Residents of a Large Homeless Shelter in Boston*. JAMA. 2020 Apr 27;323(21):2191–2. Online ahead of print.

²⁷ Imbert E, et al. *Coronavirus Disease 2019 (COVID-19) Outbreak in a San Francisco Homeless Shelter*. Clin Infect Dis. 2020 Aug 3.

²⁸ National Health Care for the Homeless Council and Centers for Disease Control and Prevention. *Universal Testing Data Dashboard*. Available at: <https://nhchc.org/cdc-covid-dashboard/>.

²⁹ Centers for Disease Control and Prevention. *Interim Guidance for Homeless Service Providers to Plan and Respond to COVID-19*. <https://www.cdc.gov/coronavirus/2019-ncov/community/homeless-shelters/plan-prepare-respond.html>.

¹⁶ See HUD, A Picture of Subsidized Households General Description of the Data and Bibliography, available at: <https://www.huduser.gov/portal/datasets/assths/statedata98/descript.html>.

¹⁷ See Emily Benfer, et al., *The COVID-19 Eviction Crisis: An Estimated 30–40 Million People in America are at Risk*, available at: <https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/>.

¹⁸ As a baseline, approximately 900,000 renters are evicted every year in the United States. Princeton University Eviction Lab. *National Estimates: Eviction in America*. <https://evictionlab.org/national-estimates/>.

¹⁹ See U.S. Census Bureau, *CPS Historical Migration/Geographic Mobility Tables*, available at: <https://www.census.gov/data/tables/time-series/demo/geographic-mobility/historic.html>.

²⁰ *Id.*

²¹ See CDC, *Coronavirus Disease 2019 (COVID-19), People Who Are at Increased Risk for Severe Illness*, available at <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-at-increased-risk.html> (accessed August 26, 2020).

²² Seattle-King County. *Point in Time Count*. <https://regionalhomelessnessystem.org/wp-content/>

³⁰ In January 2018, 552,830 people were counted as homeless in the United States. Of those, 194,467 (35 percent) were unsheltered, and 358,363 (65 percent) were sheltered. See, Council of Economic Advisors, *The State of Homelessness in America* (September 2019), available at <https://www.whitehouse.gov/wp-content/uploads/2019/09/The-State-of-Homelessness-in-America.pdf>.

³¹ Hugo Vasquez-Vera, et al. *The threat of home eviction and its effects on health through the equity*

often have underlying conditions that increase their risk of severe outcomes of COVID-19.³² Among patients with COVID-19, homelessness has been associated with increased likelihood of hospitalization.³³

These public health risks may increase seasonally. Each year, as winter approaches and the temperature drops, many homeless move into shelters to escape the cold and the occupancy of shelters increases.³⁴ At the same time, there is evidence to suggest that the homeless are more susceptible to respiratory tract infections,³⁵ which may include seasonal influenza. While there are differences in the epidemiology of COVID-19 and seasonal influenza, the potential co-circulation of viruses during periods of increased occupancy in shelters could increase the risk to occupants in those shelters.

In short, evictions threaten to increase the spread of COVID-19 as they force people to move, often into close quarters in new shared housing settings with friends or family, or congregate settings such as homeless shelters. The ability of these settings to adhere to best practices, such as social distancing and other infection control measures, decreases as populations increase. Unsheltered homelessness also increases the risk that individuals will experience severe illness from COVID-19.

Findings and Action

Therefore, I have determined the temporary halt in evictions in this Order constitutes a reasonably necessary measure under 42 CFR 70.2 to prevent the further spread of COVID-19 throughout the United States. I have further determined that measures by states, localities, or U.S. territories that

Jens: A systematic review, Social Science and Medicine. 175 (2017) 199e208.

³² Fazel S, Geddes JR, Kushel M. *The health of homeless people in high-income countries: descriptive epidemiology, health consequences, and clinical and policy recommendations.* *Lancet.* 2014;384(9953):1529–1540.

³³ Hsu HE, et al. *Race/Ethnicity, Underlying Medical Conditions, Homelessness, and Hospitalization Status of Adult Patients with COVID-19 at an Urban Safety-Net Medical Center—Boston, Massachusetts, 2020.* *MMWR* 2020 Jul 10;69(27):864–869. Historically, African Americans and Hispanic Americans are disproportionately represented in evictions compared to other races. They are more likely to experience severe outcomes of COVID-19. *Id.*

³⁴ See, generally, the Annual Homeless Assessment Report to Congress (2007), available at: <https://www.huduser.gov/Publications/pdf/ahar.pdf> (acknowledging the seasonality of shelter bed use).

³⁵ Ly TDA, Edouard S, Badiaga S, et al. *Epidemiology of respiratory pathogen carriage in the homeless population within two shelters in Marseille, France, 2015–2017: Cross sectional 1-day surveys.* *Clin Microbiol Infect.* 2019; 25(2):249.e1–249.e6.

do not meet or exceed these minimum protections are insufficient to prevent the interstate spread of COVID-19.³⁶

Based on the convergence of COVID-19, seasonal influenza, and the increased risk of individuals sheltering in close quarters in congregate settings such as homeless shelters, which may be unable to provide adequate social distancing as populations increase, all of which may be exacerbated as fall and winter approach, I have determined that a temporary halt on evictions through December 31, 2020, subject to further extension, modification, or rescission, is appropriate.

Therefore, under 42 CFR 70.2, subject to the limitations under the “Applicability” section, a landlord, owner of a residential property, or other person with a legal right to pursue eviction or possessory action shall not evict any covered person from any residential property in any State or U.S. territory in which there are documented cases of COVID-19 that provides a level of public-health protections below the requirements listed in this Order.

This Order is not a rule within the meaning of the Administrative Procedure Act (“APA”) but rather an emergency action taken under the existing authority of 42 CFR 70.2. In the event that this Order qualifies as a rule under the APA, notice and comment and a delay in effective date are not required because there is good cause to dispense with prior public notice and comment and the opportunity to comment on this Order and the delay in effective date. *See* 5 U.S.C. 553(b)(3)(B). Considering the public-health emergency caused by COVID-19, it would be impracticable and contrary to the public health, and by extension the public interest, to delay the issuance and effective date of this Order.

A delay in the effective date of the Order would permit the occurrence of evictions—potentially on a mass scale—that could have potentially significant consequences. As discussed above, one potential consequence would be that evicted individuals would move into close quarters in congregate or shared living settings, including homeless shelters, which would put the individuals at higher risk to COVID-19. Another potential consequence would be if evicted individuals become

homeless and unsheltered, and further contribute to the spread of COVID-19. A delay in the effective date of the Order that leads to such consequences would defeat the purpose of the Order and endanger the public health. Immediate action is necessary.

Similarly, if this Order qualifies as a rule under the APA, the Office of Information and Regulatory Affairs has determined that it would be a major rule under the Congressional Review Act (CRA). But there would not be a delay in its effective date. The agency has determined that for the same reasons, there would be good cause under the CRA to make the requirements herein effective immediately.

If any provision of this Order, or the application of any provision to any persons, entities, or circumstances, shall be held invalid, the remainder of the provisions, or the application of such provisions to any persons, entities, or circumstances other than those to which it is held invalid, shall remain valid and in effect.

This Order shall be enforced by Federal authorities and cooperating State and local authorities through the provisions of 18 U.S.C. 3559, 3571; 42 U.S.C. 243, 268, 271; and 42 CFR 70.18. However, this Order has no effect on the contractual obligations of renters to pay rent and shall not preclude charging or collecting fees, penalties, or interest as a result of the failure to pay rent or other housing payment on a timely basis, under the terms of any applicable contract.

Criminal Penalties

Under 18 U.S.C. 3559, 3571; 42 U.S.C. 271; and 42 CFR 70.18, a person violating this Order may be subject to a fine of no more than \$100,000 if the violation does not result in a death or one year in jail, or both, or a fine of no more than \$250,000 if the violation results in a death or one year in jail, or both, or as otherwise provided by law. An organization violating this Order may be subject to a fine of no more than \$200,000 per event if the violation does not result in a death or \$500,000 per event if the violation results in a death or as otherwise provided by law. The U.S. Department of Justice may initiate court proceedings as appropriate seeking imposition of these criminal penalties.

Notice to Cooperating State and Local Officials

Under 42 U.S.C. 243, the U.S. Department of Health and Human Services is authorized to cooperate with and aid State and local authorities in the enforcement of their quarantine and

³⁶ In the United States, public health measures are implemented at all levels of government, including the Federal, State, local, and tribal levels. Publicly-available compilations of pending measures indicate that eviction moratoria and other protections from eviction have expired or are set to expire in many jurisdictions. Eviction Lab, *COVID-19 Housing Policy Scorecard*, available at: <https://evictionlab.org/covid-policy-scorecard/>.

other health regulations and to accept State and local assistance in the enforcement of Federal quarantine rules and regulations, including in the enforcement of this Order.

Notice of Available Federal Resources

While this order to prevent eviction is effectuated to protect the public health, the States and units of local government are reminded that the Federal Government has deployed unprecedented resources to address the pandemic, including housing assistance.

The Department of Housing and Urban Development (HUD) has informed CDC that all HUD grantees—states, cities, communities, and nonprofits—who received Emergency Solutions Grants (ESG) or Community Development Block Grant (CDBG) funds under the CARES Act may use these funds to provide temporary rental assistance, homelessness prevention, or other aid to individuals who are experiencing financial hardship because of the pandemic and are at risk of being evicted, consistent with applicable laws, regulations, and guidance.

HUD has further informed CDC that:

HUD's grantees and partners play a critical role in prioritizing efforts to support this goal. As grantees decide how to deploy CDBG-CV and ESG-CV funds provided by the CARES Act, all communities should assess what resources have already been allocated to prevent evictions and homelessness through temporary rental assistance and homelessness prevention, particularly to the most vulnerable households.

HUD stands at the ready to support American communities take these steps to reduce the spread of COVID-19 and maintain economic prosperity. Where gaps are identified, grantees should coordinate across available Federal, non-Federal, and philanthropic funds to ensure these critical needs are sufficiently addressed, and utilize HUD's technical assistance to design and implement programs to support a coordinated response to eviction prevention needs. For program support, including technical assistance, please visit www.hudexchange.info/program-support. For further information on HUD resources, tools, and guidance available to respond to the COVID-19 pandemic, State and local officials are directed to visit <https://www.hud.gov/coronavirus>. These tools include toolkits for Public Housing Authorities and Housing Choice Voucher landlords related to housing stability and eviction prevention, as well as similar guidance for owners and renters in HUD-assisted multifamily properties.

Similarly, the Department of the Treasury has informed CDC that the funds allocated through the Coronavirus Relief Fund may be used to fund rental assistance programs to prevent eviction. Visit <https://home.treasury.gov/policy->

issues/cares/state-and-local-governments for more information.

Effective Date

This Order is effective upon publication in the **Federal Register** and will remain in effect, unless extended, modified, or rescinded, through December 31, 2020.

Attachment

Declaration Under Penalty of Perjury for the Centers for Disease Control and Prevention's Temporary Halt in Evictions to Prevent Further Spread of COVID-19

This declaration is for tenants, lessees, or residents of residential properties who are covered by the CDC's order temporarily halting residential evictions (not including foreclosures on home mortgages) to prevent the further spread of COVID-19. Under the CDC's order you must provide a copy of this declaration to your landlord, owner of the residential property where you live, or other person who has a right to have you evicted or removed from where you live. Each adult listed on the lease, rental agreement, or housing contract should complete this declaration. Unless the CDC order is extended, changed, or ended, the order prevents you from being evicted or removed from where you are living through December 31, 2020. You are still required to pay rent and follow all the other terms of your lease and rules of the place where you live. You may also still be evicted for reasons other than not paying rent or making a housing payment. This declaration is sworn testimony, meaning that you can be prosecuted, go to jail, or pay a fine if you lie, mislead, or omit important information.

I certify under penalty of perjury, pursuant to 28 U.S.C. 1746, that the foregoing are true and correct:

- I have used best efforts to obtain all available government assistance for rent or housing;³⁷
- I either expect to earn no more than \$99,000 in annual income for Calendar Year 2020 (or no more than \$198,000 if filing a joint tax return), was not required to report any income in 2019 to the U.S. Internal Revenue Service, or received an Economic Impact Payment (stimulus check) pursuant to Section 2201 of the CARES Act;
- I am unable to pay my full rent or make a full housing payment due to substantial loss of household income, loss of compensable hours of work or

wages, lay-offs, or extraordinary³⁸ out-of-pocket medical expenses;

- I am using best efforts to make timely partial payments that are as close to the full payment as the individual's circumstances may permit, taking into account other nondiscretionary expenses;

- If evicted I would likely become homeless, need to move into a homeless shelter, or need to move into a new residence shared by other people who live in close quarters because I have no other available housing options.³⁹

- I understand that I must still pay rent or make a housing payment, and comply with other obligations that I may have under my tenancy, lease agreement, or similar contract. I further understand that fees, penalties, or interest for not paying rent or making a housing payment on time as required by my tenancy, lease agreement, or similar contract may still be charged or collected.

- I further understand that at the end of this temporary halt on evictions on December 31, 2020, my housing provider may require payment in full for all payments not made prior to and during the temporary halt and failure to pay may make me subject to eviction pursuant to State and local laws.

I understand that any false or misleading statements or omissions may result in criminal and civil actions for fines, penalties, damages, or imprisonment.

Signature of Declarant Date

Authority

The authority for this Order is Section 361 of the Public Health Service Act (42 U.S.C. 264) and 42 CFR 70.2.

Dated: September 1, 2020.

Nina B. Witkofsky,

Acting Chief of Staff, Centers for Disease Control and Prevention.

[FR Doc. 2020-19654 Filed 9-1-20; 4:15 pm]

BILLING CODE 4163-18-P

³⁷ "Available government assistance" means any governmental rental or housing payment benefits available to the individual or any household member.

³⁸ An "extraordinary" medical expense is any unreimbursed medical expense likely to exceed 7.5% of one's adjusted gross income for the year.

³⁹ "Available housing" means any available, unoccupied residential property, or other space for occupancy in any seasonal or temporary housing, that would not violate Federal, State, or local occupancy standards and that would not result in an overall increase of housing cost to you.

**[FORM] DECLARATION UNDER PENALTY OF PERJURY FOR
THE CENTERS FOR DISEASE CONTROL AND PREVENTION'S TEMPORARY
HALT IN EVICTIONS TO PREVENT FURTHER SPREAD OF COVID-19**

This declaration is for tenants, lessees, or residents of residential properties who are covered by the CDC's order temporarily halting residential evictions (not including foreclosures on home mortgages) to prevent the further spread of COVID-19. Under the CDC's order you must provide a copy of this declaration to your landlord, owner of the residential property where you live, or other person who has a right to have you evicted or removed from where you live. Each adult listed on the lease, rental agreement, or housing contract should complete this declaration. Unless the CDC order is extended, changed, or ended, the order prevents you from being evicted or removed from where you are living through December 31, 2020. You are still required to pay rent and follow all the other terms of your lease and rules of the place where you live. You may also still be evicted for reasons other than not paying rent or making a housing payment. This declaration is sworn testimony, meaning that you can be prosecuted, go to jail, or pay a fine if you lie, mislead, or omit important information.

I certify under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing are true and correct:

- I have used best efforts to obtain all available government assistance for rent or housing;¹
- I either expect to earn no more than \$99,000 in annual income for Calendar Year 2020 (or no more than \$198,000 if filing a joint tax return), was not required to report any income in 2019 to the U.S. Internal Revenue Service, or received an Economic Impact Payment (stimulus check) pursuant to Section 2201 of the CARES Act;
- I am unable to pay my full rent or make a full housing payment due to substantial loss of household income, loss of compensable hours of work or wages, lay-offs, or extraordinary² out-of-pocket medical expenses;
- I am using best efforts to make timely partial payments that are as close to the full payment as the individual's circumstances may permit, taking into account other nondiscretionary expenses;

¹ "Available government assistance" means any governmental rental or housing payment benefits available to the individual or any household member.

² An "extraordinary" medical expense is any unreimbursed medical expense likely to exceed 7.5% of one's adjusted gross income for the year.

- If evicted I would likely become homeless, need to move into a homeless shelter, or need to move into a new residence shared by other people who live in close quarters because I have no other available housing options.³
- I understand that I must still pay rent or make a housing payment, and comply with other obligations that I may have under my tenancy, lease agreement, or similar contract. I further understand that fees, penalties, or interest for not paying rent or making a housing payment on time as required by my tenancy, lease agreement, or similar contract may still be charged or collected.
- I further understand that at the end of this temporary halt on evictions on December 31, 2020, my housing provider may require payment in full for all payments not made prior to and during the temporary halt and failure to pay may make me subject to eviction pursuant to state and local laws.

I understand that any false or misleading statements or omissions may result in criminal and civil actions for fines, penalties, damages, or imprisonment.

Signature of Declarant

Date

³ "Available housing" means any available, unoccupied residential property, or other space for occupancy in any seasonal or temporary housing, that would not violate federal, state, or local occupancy standards and that would not result in an overall increase of housing cost to you.

