

Pathway to **Help & Hope**

QUESTIONS. ANSWERS.

Unpacking the proposed \$50 Million investment in Nashville's vulnerable community... those experiencing homelessness.

September 23, 2022
Submitted to Metro Council

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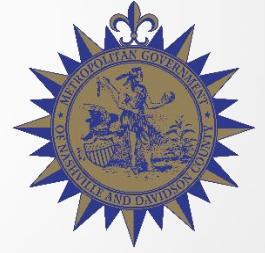
What Supporters are Saying

“It’s like you’re bottom grade. You’re not even a person out there and when you constantly get treated like you’re not a person, you really start believing it. I’m so fortunate to have my place and I want everybody else to have a place but there’s not way to give them a place without the funding. The funding towards housing, towards support groups, support system when they get in. It opens so much doors and so much hope in so many lives.”

- Elizabeth ‘Liz’ Mallard, lived experience

“Nashville is taking a smart, effective, and evidence-based approach to address this public health crisis by embracing a “Housing First” model that treats the life-threatening condition of homelessness with housing and wraparound supports. Mayor Cooper and the Metro Council are investing the resources necessary to make a real impact on homelessness. This is a critical step to significantly reduce the number of people in Nashville living and suffering without stable housing.”

- Jeff Olivet, executive director, National Alliance to End Homelessness



RS2022-1696

\$25M to Metro Development and Housing Authority for low-cost loans for affordable housing units

The Affordable Housing Gap Financing program (AHGF) is a \$25,000,000 loan fund dedicated to the creation of new rental units for permanent supportive housing. The program will provide subordinate financing for affordable rental housing projects benefiting households at up to 30% of the Area Median Income (AMI). AHGF is intended to address the financing needs of projects that have a financing gap due to construction cost increases and/or supply chain disruptions and challenges to developing housing for this population. MDHA is unique in its ability to issue loans for projects that can provide some recurring revenue that can be reinvested into more permanent supportive housing. This investment will create up to 120 new affordable units with long-term affordability.

RS2022-1696: Q&A

1. Can you confirm that none of this \$25M can be spent unless/until Metro Council approves a separate MOU with MDHA by separate legislation?

That's incorrect. The only Memorandums of Understanding (MOUs) that require Council approval are ones in which funds more than \$500,000 are allocated from one department to another (MCL 5.04.065), which is not the case here. Once Council has approved this resolution, the money can be spent with or without an MOU. If MDHA and Finance enter an MOU, it must be signed and filed with the Metro Clerk. Although not required, if MDHA and Finance complete an MOU before the October meeting, it can be provided to the Council as a reference document to accompany RS2022-1696.

2. In "Use of Funds",

- **Why are we using Area Median Income instead of Davidson County Median Income?**

The AMI (Area Median Income) is set annually by the U.S. Department of Housing and Urban Development (HUD). HUD uses the AMI to set Fair Market Rents, which are used as the basis for federal rental assistance programs. In addition, income limits for participating in Federal and State housing programs are based on percentages of the AMI. Because many housing programs have multiple public funding sources, using a metric other than AMI leads to confusion for both the participant and the developer.

To calculate the AMI, HUD uses a complicated methodology that includes family incomes across a metropolitan area and applies an inflation factor. For our AMI calculation, HUD uses data across our 10-county metropolitan statistical area (MSA) that includes Rutherford, Williamson, and Wilson counties. We recognize this calculation, as applied to Davidson County, is much higher than the incomes of many residents. To get a real picture of incomes in Davidson County, we do look to the Median Household Income (MHI) that is calculated by the U.S. Census Bureau. This number tells us that half of households have incomes above the MHI and half are below and is a guide for us to set AMI targets for local housing programs that are better in line with the needs of Davidson County residents. Unfortunately, the Census has not issued MHI calculations since 2019.

- **What percent of units will be set aside for Housing First Supportive Services?**

All of the units funded through this investment will be used for Housing First and each household will be assigned the appropriate level of Housing First case management; units and services will be assigned through Coordinated Entry. This is particularly important to our development partners who require the services be provided to tenants in order to participate in the program.

- **Can we add language to the legislation to establish the percentage of Housing First Supportive Services units?**

Yes. The units will be filled through coordinated entry as stated in the legislative summary. Additionally, the appropriate level of Housing First case management will have also been assigned to the household through coordinated entry.

- **Can we add language to the legislation to confirm that the Housing First Supportive Services units will be assigned based on their priority of need in the Coordinated Entry in Multifamily Developments?**

Yes. The units will be filled through coordinated entry and the appropriate level of case management will also be assigned through coordinated entry.

- **The 5% management fee to MDHA seems excessive. That's \$1.25M. Seems too rich. Should the administration fee of \$1.25 million be allocated based on demand? Otherwise, is there any sort of performance-based allocation of this fee?**

The five percent administrative expense is less than the amount allowed under ARPA guidelines. The administrative fee allowed for ARPA funds is 10%. Administrative fees pay for staff and professional fees to manage the grant. This includes but is not limited to: underwriting to determine cost reasonableness, compliance monitors, auditors, and accounting. This investment ensures all grants management services will assure compliance for a minimum of 20 years.

3. What is the process that developers will follow for the support services activity?

Developers will be required to lease available units to tenants through the Coordinated Entry process managed by the Metro Homeless Impact Division (MHID). MHID will ensure the development and provision of supportive services for tenants referred through Coordinated Entry.

4. Will the subordinated Affordable Housing Gap Financing (AHGF) program be a forgiven loan after a period of time, have a repayment schedule, or only be payable if property is sold or no longer available?

Projects will be underwritten by MDHA based upon their overall scope, financing, and unit mix. Each AHGF loans will have a repayment schedule with a fixed term and interest rate. If it is determined that the project cannot support repayment, MDHA will consider a zero percent (0%) forgivable loan (no repayment required) that is forgiven over the affordability period based on criteria determined by MDHA.

Each project will be underwritten to ensure the AHGF funds invested are the minimal amounts needed for the project to be sustainable and financially viable over the affordability period. As part of this process, the financial structure of each project will be reviewed based on the information provided in the application. This review will include, but not be limited to, performing an analysis of the operating proforma to determine if there is sufficient net operating income once occupancy is stabilized to support any additional debt service.

If the net operating income upon stabilization, does not consistently support a maximum Debt Service Coverage Ratio (DSCR) of 115% based on current interest rates, the AHGF funds may be provided as a zero percent (0%) interest permanent loan on the project (no repayment required) forgiven over the affordability period.

If net operating income supports a DSCR above the 115% level, the developer will be required to repay the AHGF funds at a mutually agreeable interest rate amortized over a mutually agreeable term during a minimum 20-year, or extended affordability period if other project financing (LIHTC) does not allow repayment to begin until the initial 15-year compliance period is completed.

Affordability restrictions remain in force regardless of transfer of ownership or repayment of the AHGF funds and will be enforced with a deed restriction (“Declaration of Restrictive Covenants”) which will be recorded with the Davidson County Register of Deeds. The Affordability Period commences upon project completion, which is the date the developer provides MDHA with beneficiary data for each of the units in the project.

Pre-payment of AHGF funds provided as a loan through this application does not terminate or reduce the Affordability Period. MDHA will monitor AHGF projects throughout the affordability period. If the Developer fails to comply with any of the AHGF requirements pertaining to renting the units as affordable housing and maintaining the units in accordance with all applicable housing codes during the affordability period, they will be required to repay the full amount of the loan.

5. What percentage of a housing unit entitled to AHGF (“gap”) financing is dedicated to the most vulnerable (i.e. chronic unsheltered)? How many of the units are intended to be zero barrier? Are there any projects in the works now? Are we intending to “gap finance” new businesses that we don’t even know exist? Is there a reasonable expectancy of current developers to apply and if so, what is it?

Developers will be required to lease available units to residents through the Coordinated Entry process managed by the Metro Homeless Impact Division (MHID). All of these units funded through this investment are intended to be low barrier. In preparing the Nashville Performance Study of Homelessness report, third party consultants conducted interviews with local real estate developers and closing attorneys. They affirmed the need for the proposed gap financing program; however, the types of viable development projects will not be known until applications are submitted to MDHA. Developers met with include: Elmington Capital and Holladay Adventures. Dewayne Barrett, who is a closing attorney, shared the concept with several of his developer clients.

6. What happens when funding applications don’t meet or exceed allocated funding? What’s the contingency plan for monies not accessed? Should there be a time limit?

MDHA will award funding to developers in response to a request for applications (RFA) by December 31, 2023. Any unallocated funding will be reappropriated by the Metro government. In discussions with the development community who currently have low-income housing tax credit (LIHTC) projects, there is an interest in participating in this opportunity.

7. What is the delay with Shangri-la? I was told they were in the process of purchasing two hotels to convert them to housing and this has been halted by the consultant wanting an RFQ for wraparound services. Has the RFQ been put out yet and if not, why not? Why is there a delay?

Shangri-La is still actively working with MHID and Metro Planning to find an appropriate site. The zoning code does not classify hotels as residential, so some of the possible hotels will require a rezoning. Two hotels were initially identified as possibilities. Shangri-la had difficulty reaching the owner of one hotel. The district council member for the second hotel did not support a zone change for the project. Shangri-la continues to work with MHID, Metro Planning and their own broker to identify new hotel properties. To date, Shangri-la has located and is nearly under contract with a 92-unit location in Council District 13 that will also require rezoning. Shangri-la is working actively with MHID, the consultant and Metro Planning and the Housing Director to find additional locations. The

wrap around services are part of the \$9 million Housing First Supportive Services Fund. The request for proposals (RFP) is complete and will be Issued by MHID upon council approval.

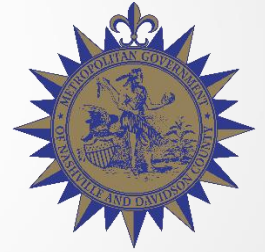
8. We have previously used tranches of \$25 million in affordable housing dollars to build permanent supportive housing directly as well as to enable the construction of the mixed-income Randy Rogers community at Cheatham Place. Why is \$25M in gap financing preferable to simply creating more housing directly, either by Metro or MDHA?

The Affordable Housing Gap Finance program is different in that:

- It targets numerous developments that are already underway or are shovel ready and have an unforeseen finance gap. Units will be available in six to 18 months depending on the stage of the project at application.
- It adds needed scattered site units that offer greater choice through Coordinated Entry. Choice is important and many housing experts prefer scattered site housing for Permanent Supportive Housing. Nashville Davidson has many site-based programs with high concentrations of formerly homeless in one location.
- It will bring units on faster than if MDHA or Metro were to build them because sites would have to be selected, environmental clearance would need to be obtained, plans would have to be developed and the all-in cost of new development (plans, infrastructure, amenities) is significantly higher than the gap financing for units already in planning or construction.

9. What is the breakdown for how many of the 120 units will be PSH v. low-income affordable? There do not appear to be any targets for the number of PSH units or percentage of PSH units within each development. Do these exist?

The mix of units will depend on the responses to the RFP. It is expected that each developer will offer a different mix. Deeply affordable and PSH set asides are essential. MDHA currently provides monthly vouchers for 18 units for those experiencing homelessness, but the utilization of these vouchers is between 40%-45%. This is due to lack of units. These vouchers, plus the additional vouchers being made available to Metro in conjunction with HUD' Special Notice of Funding for unsheltered and rural populations, could significantly decrease our unsheltered and chronically homeless populations.



RS2022-1697

\$9 million to the Metro Homeless Impact Division, Housing First Supportive Services

The Metro Homeless Impact Division (MHID) of Metro Social Services will establish Housing First supportive services for homeless individuals. MHID will contract with a Licensed Medicaid nonprofit healthcare partner through a competitive Request for Proposals (RFP). The services include; mental health, addiction treatment, referrals to health services, as well as assisting individuals/families with housing applications, applications for benefits, and reconnecting individuals served with family and community groups. Service teams may include rehab/recovery specialists, trained peer support, medical professionals, psychiatrists, therapists, employment specialists and other social service professionals. It is intended that these services will be client-based, mobile, and available 24 hours a day / 7 days a week. Services are expected to use a trauma-informed, harm reduction, and strengths-based approach. RFP respondents will be encouraged to include and expand beyond traditional mental health services approaches to include (a) paralegal services, (b) Supplemental Security Income and Disability Income and Outreach, Access and Recovery (SOAR) teams, and (c) a community integration approach so individuals develop social support networks.

Each individual will receive the appropriate level of service to be assigned through coordinated entry (CE). Services must target individuals and families and focus specifically on; stabilizing/initiating a productive housing status, providing needed treatment services, psycho-social supports, case management/resource acquisition or associated programs consistent with this RFP, and that are delivered within home-based settings. Service providers cannot discriminate on individuals served.

Cities that have used the Housing First supportive service models to successfully and dramatically decrease the number of chronically homeless households and their unsheltered population include Atlanta, Houston, Milwaukee, Philadelphia, New Orleans, Memphis, and Washington, D.C.

RS2022-1697: Q&A

10. How will a provider be chosen? Procurement process? (For licensed Medicaid healthcare partner): Competitive RFP or a sole source contract? What will be the criteria? MHID chooses?

The lead provider will be chosen through a competitive process. An RFP is complete and will be issued as soon as funding is approved by Council. Scoring criteria will include but not be limited to: experience, methodology, expected program outcomes, collaborative partnerships, staff training and competencies, equity and diversity, proposed service delivery system, continuous quality improvement, budget, organizational structure/administrative capacity, and a sustainability plan. The scoring will be done by the PEC (Performance Evaluation Committee) of the Homeless Planning Council (HPC) with the addition of subject matter experts.

11. Does MHID have a current licensed Medicaid partner? Who are they?

MHID has multiple partners that are licensed to bill Medicaid, these include but are not limited to: Neighborhood Health, Park Center, Mental Health Co-op, and Vanderbilt.

12. What is the timing for choosing a provider?

The RFP is in development and MHID will release it once the Council has approved the funding allocation.

13. Is all \$9M of this spending to be done under the proposed contract or will some of it be used by MHID? Is this spelled out in the legislation?

All of the \$9 million will be awarded to applicants to create Housing First support services, case management and Supplemental Security Income and Outreach, Access and Recovery (SOAR) teams to assist with Medicaid and disability enrollment.

14. Under “How many will be served?” and the “How much do the ACT team services cost? How were the target goals for the number of families set? Some advocates in this space suggest to me that the goals are very/overly optimistic.

Not all households require the same level of care and move in and out of different levels of care, or engage in other services simultaneously, or exclusively. Additionally, it is anticipated that SOAR service provision will be utilized at a potentially higher rate to assist eligible individuals in obtaining SSI or disability. Each ACT team costs approximately \$1 million per year and serves a minimum of 100 individuals. This program offering will also provide Intensive Case Management (ICM) services, and Peer Support services that will greatly increase the number of individuals served and improve outcomes. The goal will be to begin serving clients using an incremental

engagement approach, permitting the potential for service level adjustment based on client needs. Individuals start with receiving an assessment to determine the assigned level of care that can be changed based on ongoing assessment of functioning and client need in order to support the individual in maintaining housing and health.

15. What is the Assertive Community Treatment (ACT) team?

ACT is an evidence-based practice that provides services directly in the community and includes psychiatric (medication), counseling services, substance use services within the context of the clients' living environment. ACT is a team-directed service designed to meet the needs of those living with severe mental illness while ensuring housing stability and community engagement for the client and family.

16. How will homeless individuals who don't have insurance be served? Where will the funds come from? Will all be able to receive TennCare?

The funds provided through this effort will provide the care and resources needed for those individuals who are underinsured or uninsured. However, the SOAR program, Case Management Services, and other supports offered will assist each client in obtaining TennCare or other benefits as eligible. By assisting clients in receiving benefits like TennCare, this ARP investment will go further and has been a successful model used in many other communities.

17. Who are the current non-profits that can bill Medicaid? Has anyone else applied recently?

Please see answers in response #11. Although this is not an inclusive list of providers in Davidson County that are able to bill Medicaid, licensed Medicaid providers are numerous throughout the Davidson County area, and the entire state. For example, most hospitals are nonprofit and are able to bill Medicaid.

18. Referring to "the nonprofit will be able to bill Medicaid for certain services and manage a proposal process for other nonprofit service providers to create capacity for Housing First Case Management" What does this mean?

The lead nonprofits awarded will be able to bill Medicaid for some services provided to clients. MHID will issue an RFP to determine the one or two nonprofits that will receive these awards. The lead nonprofits may partner with other nonprofits as part of their proposal to build Housing First case management in Nashville and best serve clients.

19. What are the MHID staffing requirements to provide the management and monitoring duties? How many staff does the division currently have?

MHID currently has 15 employees and five additional positions in various stages of the hiring process. Our Coordinated Entry Team will make all referrals for the housing opportunities. The Homeless Management Information System (HMIS) team is fully trained and equipped to monitor data, progress, and success of this program and the clients served. MHID will add a grant coordinator as well. All of these efforts will be supported under the infrastructure of Metro Social Services administration and finance team along with the guidance and review of Metro's grants and contract oversight.

20. Where will funds for the housing subsidy come from? If vouchers will be used, what commitments did MDHA make to provide vouchers? What is a reporting model including data reported, frequency and to whom?

MDHA has an existing commitment for 18 set aside vouchers a month for use through coordinated entry. In addition, there are HUD Permanent Supportive Housing, Rapid Rehousing and subsidies through the HUD CoC annual Notice of Funding competition and shelter plus care, all of which come through the Coordinated Entry system. In addition. We also expect there will be applications for additional tenant based Permanent Supportive Housing subsidies through the regular HUD Continuum of Care Competition.

Reporting for the individuals housed will be through the HMIS system through coordinated entry. **All programs that receive HUD Homelessness funding are required to use HMIS and coordinated entry. Non-compliance can trigger recapture of funds.** The following information will be provided monthly, quarterly, semi-annual and annually: demographics, time homeless, services received, income, movement to permanent housing, and additional HUD performance measures. This information will live on a public dashboard and be provided to Continuum of Care governance, including the HPC and regular updates can be provided to council. MHID will also track the utilization of vouchers which can be included in reporting.

21. Is a "life coach" part of this allotment?

Not specifically, although peer support and therapists can provide similar services to clients. Additionally, it is possible that one of the applications may include those services.

22. Referring to the “500 households [when] fully scaled and staffed”, what is a household exactly?

The federal HUD definition of "household" refers to individuals permanently residing within a designated housing unit.

23. Referring to “the first year will require 3 to 6 months to fully staff”, is there going to be an RFP process? Metro usually takes 6 months for an RFP process. Does that mean that the \$9 million will really be closer to a two-year program? Does that impact how many people can be served?

The RFP is complete and will be released when Council approves the legislation. It is an RFP for grant services. Provided the funding is approved Metro will release the RFP by the end of October 2022. In November, the city will host a bidders conference and receive applications. Recipients will be awarded in December 2022.

24. Referring to “the healthcare agency will develop programs to increase the success of Medicaid and disability enrollment” – Are you referring to the SOAR program? How much of the \$9 million will be designated to increase SOAR programs? The way this is formulated, what other programs are being looked at?

Please refer to answers in #10, 13, and 14. The city is looking at all forms of housing, support services, and case management, ACT, SOAR, and other services noted in #10, 13 and 14. Approximately 25% of the budget could be devoted to assisting with the enrollment of individuals in Medicaid or disability, however the RFP process will require applicants to document the need for each of the services included herein, based on specific Davidson County data.

25. Referring to “participants will receive a rent subsidy or voucher, if applicable.” If not applicable, how will their rent be paid? We are talking about people who likely will need subsidies on an ongoing basis.

Many individuals will have sources of income that cover housing needs such as disability, SSI, or other types of income. Not all participants will require subsidies.

26. If people are not eligible for any federal housing vouchers, what “rental assistance” will be used?

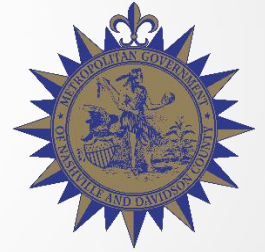
Please see answer in # 20 above. Rapid Re-housing, and similar programs will be accessed to ensure stable housing, while individuals are receiving services and support to increase their earning capacity to provide housing needs independently.

27. What happens when the ARP funding runs out in 2026 for people who are not eligible for Medicaid but may be enrolled with the ACT team? Does the administration plan to ask for Metro funds to supplement these gaps and by when do you calculate you would ask for an increase in funds?

In the absence of Medicaid expansion, it is likely that Metro and other funding will be necessary to sustain these programs. Efforts to secure this funding begins now and must be persistent with state and federal partners (SAMHSA, Mental Health Block Grants) as well as creating unified asks to philanthropy and business partners. The 1915i Medicaid Waiver is currently being explored as a method of securing these. The Mayor's office is part of a statewide coalition in discussions with the state and the Governor's office on how the state can create more permanent supportive housing and the associated support services to serve the unhoused. Additionally, HUD released a supplemental Notice of Funding for the unsheltered. The Nashville Davidson Continuum of Care is applying for approximately \$4M in supportive services through that grant. If approved by the Council, this funding can provide additional leverage for that grant application. In addition, this initial investment by Metro can be used as a catalyst by the Homelessness Planning Council and the Continuum of Care to initiate larger community discussions around ending chronic homelessness with the nonprofit, religious, corporate, advocate and philanthropic community working together on sustainability of funding.

28. In reference to “cities that have used the Housing First Supportive Service models” what is the sustainability model after 3 years? How does Metro ensure that people with severe mental illness maintain their services in perpetuity if they need it? The focus here is on funding the ACT team – if Metro’s response is that these services can be paid by Medicaid, then why are we not using fewer dollars to get this started, i.e. start with \$3 million, get Medicaid payments going and expand the program from there. Use the other \$6 million for permanent housing units – such as purchasing a motel for example?

Metro is working with other local governments to advocate for state involvement in homelessness, permanent supportive housing and associated services, including a 1915i Waiver and other funding opportunities. Additionally, entities that receive funding through the RFP process will also be required to submit a sustainability plan. This investment is to build this capacity to provide services to the chronically unhoused to get them off the street with the best chance of staying housed. The Continuum of Care and the Homelessness Planning Council and can work with the city to develop a funding sustainability for these services that involves providers, nonprofits, philanthropy and government to develop sustainability. A focus on Housing First and ending chronic homelessness, as well as evidence-based best practice programs, will also help to ensure that the Nashville Davidson CoC is successful in increasing its annual award for supportive services and housing subsidies.



RS2022-1698

\$9 million to Homeless Impact Division, temporary interim gap housing

Temporary Gap Housing-from 90 days to up to 2 years (this means homeless individuals and families are offered immediate access to housing without being required to go through a readiness or preparedness program). The funds will be utilized to:

- Expand use of hotels and faith-based facilities (through expanding mobile housing navigation) and associated support staff to increase the number of available temporary housing units to provide safe and sanitary interim housing to individuals who are awaiting permanent housing placement.
- If feasible, establish micro-communities on private or public property to create additional temporary housing for the unhoused.

RS2022-1698: Q&A**29. This feels like essentially setting up “sanctioned encampments” that will serve to move homelessness from one place to another.**

We recognize that everyone deserves a safe place to live. Our intent is to do so in a manner that is compassionate and considerate of the unique needs of those experiencing homelessness who need and require a safe place to live while awaiting permanent housing options and received the needed services to retain them in housing.

Of special note, HUD cautions localities in creating sanctioned encampments, as they are not proven to resolve homelessness and can be costly. In 2018, the US Interagency Council on Homelessness produced guidance for communities exploring sanctioned encampments in the linked document.

https://www.usich.gov/resources/uploads/asset_library/Caution_Sanctioned_Encampments_Safe_Zones_052318.pdf

Metro is working with community providers and HUD technical assistants to determine the best opportunities to expand temporary interim gap housing for our unhoused residents. There is no “one size fits all” approach. Having choices is essential for successful housing placement. It is clear that the city needs more interim and permanent supportive housing and associated services to significantly reduce its chronic homeless population. Metro’s extensive review of its sites has resulted in more upfront infrastructure cost than ideal. Metro leaders and its consultants and technical assistants have reviewed the guiding principles developed by the United States Interagency Council on Homelessness, the U.S. Department of Housing and Urban Development, the Dept. of Justice, the Veterans administration, and the Centers for Disease Control. This was done to create the best options available that allow for choice by the unhoused and increasing the interim temporary housing available. Metro is working with the Community Care Fellowship to expand temporary housing through increased mobile housing navigation and their partnerships with churches to increase temporary housing capacity on sites throughout the city.

30. Will there be assurances in the legislation that any faith-based partner will not establish barriers related to entry based on sexual orientation or identity and will not establish barriers related to substance use (because we can assume there will be substance use to some degree).

The Housing First model offers extremely low barriers to housing. The faith-based agencies providing services in this space have lowered their barriers to accommodate the needs of the participant. Funding to agencies providing housing under this effort will be **required by contract** to be low barrier and provide services to all regardless of race,

religion, gender identity, family structure (including age and sex of children or parents), sexual orientation or culture. **All HUD funded programs are required to provide fair equitable access. Non-compliance can trigger recapture of federal funds.**

31. Will any of this \$9M be spent automatically upon passage of this resolution, or will contracts have to be approved by separate legislation before any of the \$9M is spent?

To the extent that the \$9 million is used to contract between Metro and nonprofit partners outside of the procurement process, those contracts would need to be approved by separate resolution. A contract with Community Care Fellowship will come to Council on October 4, 2022.

32. What is the annual cost for a micro housing community? Are there any one-time start-up costs?

In reviewing the micro housing start-up cost with other Metro departments and the Continuum of Care's Shelter Committee, the initial infrastructure demands that are specific to the requirements of state, local government or the particular sites are more were determined to be significant as is the annual operating cost.

On September 14, 2022, the Chair of the Shelter Committee presented their recommendations for temporary housing to the Homelessness Planning Council. These recommendations were a culmination of meetings involving individuals with The Contributor, Community Care Fellowship, Launch Pad, the Homelessness consultant, Metro Homeless Impact Division, Metro Social Services, MNPS's HERO program, City Road Chapel, Park Center, Open Table Nashville, People Loving Nashville, Room In The Inn, Safe Haven Family Shelter, Shower the People, The Salvation Army, Mental Health Coop, Neighborhood Health, The Mary Parrish Center, Nashville VA Medical Center, and Step Up. Others present who provided input: Reclaim Brookmeade, Steve Reiter, Tackett Consulting LLC, Chris Scott Feisleman, Bradley Seigle (lived experience) Sheila Decker (CAB) Thom Druffel (Metro Council).

The Homeless Impact Division and Mayor's Office are committed to following their consensus recommendations related to temporary housing. This includes stepping back from establishing a micro community of 50 units on Metro property and instead exploring the use of micro homes with the expansion of Mobile Housing Navigation sites. This will be the approach taken and the city will continue to work with the Shelter Committee on the implementation and evaluation of results. This shift has allowed for a more community inclusive response with vital input from those with lived experience.

33. Has a preliminary commitment been secured from a nonprofit to manage the 50 temporary units?

Because the city is embracing the consensus recommendations of the Shelter Committee, the initial implementation of micro housing will be done in coordination with the expansion of mobile housing navigation. The nonprofit coordinating mobile housing navigation is Community Care Fellowship.

34. Has a site been identified with the necessary utilities to serve the units?

Several Metro sites have been identified, reviewed with Metro departments and state officials and the initial infrastructure costs have been explored. Several properties with adequate infrastructure belonging to nonprofit partners are being reviewed. MHID and Metro Fire will work with Community Care Fellowship, its partner sites, and the appropriate local and state departments to explore the best sites to accommodate micro housing units.

35. Who within MHID will manage and monitor the project?

Depending on the interim temporary housing opportunity, the management of the project will be conducted by the agency on record for hosting the project. Monitoring will be a MHID team effort between Coordinated Entry, the Homeless Management Information System, the Grants Coordinator, and division leadership.

36. What is the annual cost for 24-hour security at the Rodeway rapid rehousing facility? Is this off-duty MNPD or a private company?

The Shelter Committee recommendation is that a single room temporary housing strategy is one option for obtaining and expanding temporary housing. As such, the committee recommends utilizing all the rooms at the former hotel for single use housing managed by The Salvation Army and provide that program staffing be added on site along with site protection. The Salvation Army is working with their board, Metro Legal, MHID staff and the property owner to finalize the contractual arrangement. This contract, when completed, will come to the Council for approval.

37. Why would we spend nearly \$6 million on a micro-community to serve as many people as you can serve in Mobile Housing Navigation centers for \$1.1 million? Even if those navigation centers include added costs for renovation, even at \$1.5 million, it's comparable to motels.

The city is analyzing this question and knows capacity for temporary housing is imperative to get individuals off the streets. Providing options for the unhoused is important, as well as being good stewards of funding. As answered to questions above,

the recommendations by the Shelter Committee suggests adding micro housing units on sites utilized for mobile housing navigation. This will likely result in smaller concentrations of micro housing units in locations with committed churches and community support and less upfront infrastructure costs. As such, Metro is reviewing modification/renovation needs at new or existing Mobile Housing Navigation Coordination sites to expand current capacity. Other locations are being recommended for acquisition and rehab as well. Flexibility is needed in this line item to accommodate efficiency and swiftness.

38. Referring to “MDHA allocating Emergency Solutions Grant funds to support nonprofits to house individuals in temporary housing”, how much is allocated?

Emergency Solutions Grant Funding (ESG) is a formula grant allocated annually by the US Department of Housing and Urban Development. The amount of ESG funding allocated in 2022 was \$453,167 and about \$400k is the annual allocation. In 2020, MDHA received a one-time \$10M allocation of Emergency Solutions Grant Cares Act (ESG CV) funds from HUD and \$2.4M from the Tennessee Housing Development Agency in 2021. This funding has been awarded to local nonprofit agencies and must be expended by September of 2023. Local nonprofit agencies also receive rapid rehousing funds directly from HUD through the Continuum of Care competition. This amount totals about \$3.7 million. Lastly, Nashville is in compliance and may receive regional reallocation funds once recaptured by HUD and those ESG CV funds must be expended by 2024.

39. In the summary sheet/one pager under “next steps”, “Contract 1”: Could this be permanent housing? Why/why not? Are the 50 units leased? Could they be purchased and then vouchers be used to fund them permanently as an option for 50 people? How much would it cost to purchase those and how much would these 50 units as permanent supportive units compared to the Downtown \$25-million project for 91 units?

This is under review and being modified, as the initial infrastructure site costs are significant and the Shelter Committee recommends a smaller concentration of micro housing units at sites used for mobile housing navigation. Therefore, this investment will work to expand mobile housing navigation sites first, secure support for those in single room housing, then examine sites both private and public that may be utilized for micro housing. It is important to have flexibility to maximize the temporary housing available. This flexibility is also recommended by the Shelter Committee.

40. In the summary sheet/one pager under “next steps”, “Contract 3”: Is this the Rodeway Inn site off Harding? Will all the units be dedicated to temporary housing?

This is the site off of Harding. Currently, all of the units at the hotel are not being used for temporary housing or offices for support services. Some units continue to be used for hourly, daily, or weekly rental market which have added a criminal element to the site. The Shelter Committee recommends utilizing the remaining units (35) for temporary housing, managed by The Salvation Army with the addition of onsite program staff and security.

41. In the summary sheet/one-pager under “next steps”, “Contract 4”: If we are already running 3 sites, and this budget is for 3 sites, how is that expanding the capacity?

Sufficient funding would both extend the length of time beyond the current funding end-date of Feb 2023 **AND** expand the program to additional sites. If all individuals stay 90 days, 720 individuals could be served over the 2 years.

42. If part of this allocation is for a PILOT for micro housing, why are not setting aside funds to expand this project to 4 or 5 locations? What’s the point of a PILOT if you have no money left to continue or expand?

As noted in the questions above, the City will implement micro housing in accordance with the Shelter Committee recommendations in coordination with mobile housing navigation. Examining the results and costs of micro housing will inform next steps and investments.

43. According to this plan, about 900-1,000 will be served. Do the other investments in the \$50 million ask to create low barrier permanent housing units within the three years?

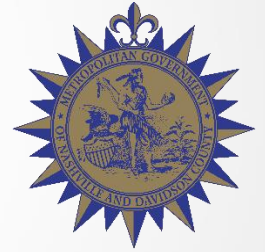
There is already \$25 million allocated for the 91-bed unit permanent supportive housing. In this series of investments before the Council, the \$25 million to MDHA will create an estimated 120 permanent supportive/deeply affordable housing units. The \$3 million for MHID property engagement with landlords will serve an estimated 300 households through units set aside by landlords for permanent supportive housing units within 3 years. Our community provides permanent housing solutions for an average 1700 people each year, With the creation of new units and incentives for new partners this will increase our overall community capacity by dedicating resources and housing options.

44. How many years do we anticipate funding to continue for the vouchers for rapid rehousing?

See the answers in question 38. In addition, the annual HUD CoC Competitive Notice of Funding allows for the addition of Rapid Rehousing and Transitional (RR/TH) Housing subsidies through successful applications.

45. Where is the plan from the consultant? I expected a comprehensive short term and long-term plan complete with maintenance policy. Without a maintenance policy this population will just continue to grow regardless of how many we house. This policy should have buy-in from all parties involved – including the DA's office.

The consultant believes that a good strategic plan needs to involve a broad selection of stakeholders. During the initial evaluation, the consultant was informed that a strategic planning process was already underway by the Homeless Planning Council (HPC). At the September 14, 2022 meeting of the HPC, the draft of the strategic plan was presented. The HPC recommended engaging HUD technical assistants, the homeless consultant team, and additional HPC committees in building out the strategic plan to incorporate this unprecedented investment with a goal of ending chronic homelessness. Additionally, the intent is to include measurable goals into a new strategic plan. The result will be an improved strategic plan with stakeholder buy-in, best practice priorities, and improved reporting of progress.



RS2022-1699

\$7 million: Homeless Impact Division, low barrier housing collective, competitive grants

This new investment of \$3 million for a low barrier housing collective will be used for two purposes:

The investment in a low barrier housing collective is to build staff capacity to work with landlords to set aside units for permanent supportive housing and provide additional incentives for landlords to participate. Expanded staff within MHID will comprise a program manager and housing navigators to work with landlords to establish more scattered site housing units and work with service providers to screen and place individuals and families into housing and coordinate services for these tenants. Staff will provide ongoing assistance and support to tenants and landlords. Staff will provide tenants education on tenant rights along with increased education on how to acclimate into their new home and build community connection.

Beyond staff, these funds will be utilized to:

- Provide landlord incentives to establish permanent supportive housing units
- Pay tenant security deposits and landlord damage indemnification
- Provide funding for minor repairs to locally owned low moderate-income units that meet required Housing Quality Standards in order to add them to the housing inventory
- Provide one-time funding per household for furniture

The investment of \$4 million in Competitive Grant Funds issued by MHID for Housing First support services will accomplish the following:

- Creation of new innovative low barrier and/or high-fidelity Housing First programs or the conversion of existing programs to low barrier or Housing First, all to be accessed through coordinated entry.
- Nonprofits awarded will provide ongoing services based on trauma-informed care, critical time intervention, recovery opportunities, harm reduction, and education support, along with Workforce Readiness opportunities to allow for an innovative approach to increase agencies' overall capacity and allow for flexible funding to meet the needs of our Nashville Neighbors.

RS2022-1699: Q&A

46. Help me understand why MHID would staff up to provide services that multiple community partners already provide. Specifically, multiple stakeholders have recommended moving the landlord engagement program to an external entity, like United Way.

As noted in *the State of Nashville Homelessness Study*, several service providers expressed concern about having gaps in service delivery due to overextending current staff. Based on discussions with United Way they have not indicated an interest in taking this on and much of their work has been working with a subpopulation of homeless, not the entire population of homeless and chronic homeless.

All of MHID's services will be on a macro level, group settings, housing quality review, oversight, education, or training opportunities for property managers, agencies, and clients. It is important with this significant investment in homelessness that having the Metro staff in place to oversee the investment and assure its outcomes are productive.

47. What are the MHID staffing requirements for the program?

MHID will add a Program Manager, and 3-4 Housing Navigators to assist the nonprofits.

48. What are the MHID current staffing levels?

See the answer above in question 19.

49. In the summary/one pager under "cost breakdown", "landlord engagement team": How many staff members are we talking about? If 3 or less, does the \$500,000 include benefits and office and administrative costs?

This includes a program manager and 3-4 additional employees plus benefits. These are programmatic employees and are not part of administrative costs. Administrative costs over the next 2-3 years will depend on the need.

50. What are the funding sustainability plans to continue the services at the end of the funding period? What specific commitments has MDHA made to provide in terms of numbers of vouchers?

MDHA has an existing commitment for 18 set aside vouchers a month toward housing the unhoused. In addition, there are housing vouchers through emergency housing and shelter plus care, all of which come through the coordinated entry system. We also expect there will be application opportunities for tenant based Permanent Supportive Housing subsidies through the regular HUD Continuum of Care Competition.

Next year, this \$50M investment will provide excellent leverage for a very successful application to increase our award for housing subsidies and supportive services through the Continuum of Care Competition. This investment can also provide the needed catalyst to engage the nonprofit, religious, business, and philanthropic community to join the city and the HPC in a committed effort to end chronic homelessness in Nashville.

51. How will the non-profits be chosen?

Nonprofits will be chosen through a Request for Proposal process and vetted by a review panel.

52. Is there a maximum number of nonprofits that will be served to ensure the contracts are big enough to be competitive?

Yes. This is designed to bring forth innovative approaches for addressing/ending homelessness. The number of agencies will depend on the demand and competitive service delivery.

53. What's the return on current 2021 landlord engagement (enacted under Judith Tackett)? How many MDHA units are empty, for how long, and why? Have they been refused? Have they been forgotten?

MDHA units are not part of this initiative. MDHA's properties stay 98-100% occupied. When units do become available, they are quickly filled.

The initial landlord engagement work has:

- increased unit access by 47% from May 2021 to July 2022.
- grown the number of housing partners from 70 in May 2021 to 124 in July 2022.
- built the number of service providers involved in the low barrier housing collective from 25 to 164, an 86% improvement.
- resulted in the processing of 47 sign-on bonuses from Feb 2022 to July 2022.

54. In August of 2021, the Mobile Navigation Unit plan was enacted and to date has underperformed, not meeting its goals, in terms of moving people from there to permanent housing. What is different today and if there is any improvement, what is the data to prove it? If not, what is being done to increase the success numbers?

The original contract for mobile housing navigation was to assist 80-160 individuals over two years. Based on data pulled from the Homeless Management Information System (HMIS), the nonprofit is meeting its goals. The utilization rate of the Bellevue Mobile Housing Navigation has been 86% and utilization rate of the Madison Mobile Housing Navigation has been 95%. To date:

- 70 people have been served
- the median length of stay is 61-90 days
- 53% of people served have been homeless for 2 years or longer
- 7% of people served have experienced chronic homelessness

This additional investment will focus on those experiencing chronic homelessness in particular with additional focus on the sub populations of youth, family, and LGBTQ to find safe temporary housing to help individuals get off the street, while other investments before the Council will create permanent supportive housing units and the services needed as the next step for these individuals.

55. In the summary/one pager under “evaluation”: How often will the division report progress and provide periodic updates? (annual, bi-annual, quarterly?)

Reporting for the individuals housed will be from the HMIS system through coordinated entry. The following information will be provided monthly, quarterly, semi-annual and annually: demographics, time homeless, services received, income, movement to permanent housing, and additional HUD performance measures. This information will live on a public dashboard and be provided to the Continuum of Care governance structure, including the HPC and regular updates can be provided to Council. MHID will also track the utilization of vouchers, and this can be included in reporting. MHID is examining a new tool (P admission) to track landlord engagement and unit cultivation. Both MHID and MDHA will track expenditures, outcomes, and “burn rates” of funds. This can be reported to the Council as well.

56. In the summary/one pager under “other funds support this effort”: What local funds will be used for rental assistance? How much?

Some nonprofits and churches provide rental assistance in addition to federal funds through MDHA and rental assistance that was provided through COVID funds through government and nonprofits. Currently, the total amount of rental assistance that is provided in Davidson County is not collected and difficult to report.

57. For the Landlord Engagement funding that can also provide incentives to landlords, what specific type of incentives?

Landlord Investments include sign-on bonuses, minor repairs to bring units up to codes/standards, a web page that helps with advertisement, education, damage indemnification and training. Funding will also be used for tenant security deposits and a one-time furniture solution.