



## NEWS RELEASE

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**FOR IMMEDIATE RELEASE:** May 26, 2017

## **City opts for non-renewal of lease agreement with Room in the Inn**

*City decision stems from non-compliance and loss of THDA funding*

**MURFREESBORO, Tenn.** — The City of Murfreesboro notified Room in the Inn Friday, May 26, 2017, of the City's decision to not renew its lease agreement with the homeless shelter. The current lease agreement on the building at 640 West Main Street expires June 30, 2017.

"While the need for shelter services in our community has not diminished, the City can no longer maintain confidence in this organization's ability to take care of the facility and resolve issues of non-compliance," said Assistant City Manager Jennifer Moody. "Specifically, Room in the Inn failed to respond to a number of issues raised by complaints, which resulted in the loss of funding from the State earlier this year."

"Possible non-compliance with requirements is particularly troubling," said Community Development Director John Callow. "Staff recommended not renewing the current Lease Agreement that expires on June 30, 2017."

The City of Murfreesboro formerly provided support to Room in the Inn in the form of Emergency Solutions Grant (ESG) funding to assist with the costs of shelter operations. In FY 2016-17, the Murfreesboro Community Development Department was awarded less than \$170,000 in total ESG funding by the Tennessee Housing Development Agency (THDA). With those funds, the City is currently supporting a number of local agencies that provide emergency shelter for homeless individuals and families. Agencies include The Salvation Army, the Domestic Violence Program, Doors of Hope and the Coldest Nights program covering shelter operation costs. The City also administers more than \$550,000 in federal funding from the U.S Department of Housing and Urban Development (HUD) that supports local efforts to provide permanent supportive housing for individuals and families and activities of The Journey Home, Greenhouse Ministries and Murfreesboro Housing Authority.

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On November 7, 2016, THDA notified the City of Murfreesboro Community Development Department that the State Comptroller's Office had received two complaints regarding Room in the Inn. A condensed timeline of events subsequent to the complaints is provided below:

- THDA and City Community Development Director John Callow made an on-site visit of Room in the Inn, November 16, 2016, to investigate the two complaints. Room in the Inn agreed to provide documentation requested by THDA and the Community Development Department, including written responses to complaints, a report on persons served due Oct. 17, 2016, and other specified written policies.
- THDA recommended in a letter received Dec. 7, 2016, that the City terminate its Subrecipient Agreement with Room in the Inn. In that letter THDA indicated it would no longer be reimbursing the City for ESG expenses incurred by Room in the Inn based on the site visit and insufficient documentation submitted by Room in the Inn.
- In a Dec. 9, 2016, letter to Room in the Inn, Community Development Director John Callow notified the shelter that the ESG Subrecipient Agreement had been terminated. In a second letter, Mr. Callow requested additional documentation to demonstrate compliance with the Lease Agreement by Jan. 6, 2017.
- On Jan. 24, 2017, a requested Certificate of Insurance document was supplied to the City. However, additional requested documentation relative to lease compliance was not provided.
- Room in the Inn failed to provide THDA with a list of its current Board of Directors along with contact information. This is a violation of THDA policy.

“That Room in the Inn did not satisfy THDA in response to requested documentation in a timely manner is troubling,” said Director Callow. “THDA and the City both recognize the vital role Room in the Inn serves in providing shelter services to the homeless in Murfreesboro, but based on non-compliance with the Lease Agreement and with THDA policies and procedures to protect clients, the City has chosen not to renew the lease.”

The City of Murfreesboro is a founding member of the Homeless Alliance of Rutherford County (HARC) and is currently collaborating with HARC on development of a strategic plan for a comprehensive, social services campus. The plan seeks to address needs of residents experiencing homelessness in Murfreesboro.

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