

New or Underutilized Funding Sources

- **Access bond markets:** Tax-exempt bonds such as 501(c)(3) bonds, essential function bonds (MDHA only), Health and Educational Facilities Board, and Industrial Development Board bonds are important sources of low-cost financing. They offer advantageous financing terms, often including lower interest rates, decreasing project costs and allowing for additional affordable homes.
- **HUD Section 108 Loan Guarantee Authority:** This is a source of low-cost financing to support the development of affordable homes, offering better terms than traditional loans. Section 108 authority allows communities to use future allocations of CDBG funds as collateral to secure low-cost debt.
- **Transportation Infrastructure Finance and Innovation Act (TIFIA):** TIFIA federal loans can provide a large amount of low-cost financing to support large-scale transit-oriented development projects.
- **Federal Financing Bank (FFB) Multifamily Risk Sharing Program / Federal Housing Administration (FHA):** This is a source of low-cost financing to support the development of affordable homes, offering better terms than traditional loans. Risk-share is a program whereby state or local housing finance agencies (HFAs) issue loans where the risk of default is shared between the HFA and the Federal Housing Administration (FHA) or the Federal Financing Bank (FFB) under the Department of the Treasury.
- **Greenhouse Gas Reduction Fund (GGRF)¹:** GGRF is a \$27 billion federal Environmental Protection Agency (EPA) program created through the Infrastructure Investment and Jobs Act (IIJA) to mobilize financing and private capital to address the climate crisis, lower energy bills, reduce pollution, and create economic opportunity for American communities. The Greenhouse Gas Reduction Fund is deployed through three programs: the National Clean Investment Fund, Clean Communities Investment Accelerator, and Solar for All. GGRF can be used to support new construction, multifamily retrofits, and mortgages.

Funding Sources					
Name	Fund Use(s)	Appropriate Lead	Level of Effort	Priority Level	Scale of Resource
HUD Section 108 Loan Guarantee Authority	Rental preservation Infrastructure	Housing Division, in partnership with MDHA	Medium	Medium	Maximum capacity is 5 times the city’s annual CDBG allocation, which is currently \$25 million. A Section 108 loan program should be structured as a loan program for developers to ensure that CDBG funds are not compromised/used for repayment of the loan.

¹ The Greenhouse Gase Reduction Fund has been identified as at risk for cuts by the federal administration. However, several states, including Tennessee, have been approved by federal agencies to move forward with Solar for All awards where under contract.

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Greenhouse Gas Reduction Fund (GGRF), including Solar for All*	<p>Retrofit (resiliency) and rehabilitate regulated affordable (preservation)</p> <p>Retrofit of naturally occurring affordable homes (preservation)</p> <p>Construct new net-zero multifamily and extend existing affordable housing subsidy, possibly on Metro-owned land, and possibly green modular</p>	<p>Housing Division, in partnership with Metro Public Health Department</p> <p>Private Developers</p> <p>Funding Entities:</p> <p>National Clean Investment Fund (NCIF) Awardees: Climate United, Power Forward, Coalition for Green Capital</p> <p>Clean Communities Investment Accelerator (CCIA): Opportunity Finance Network; Inclusiv; Justice Climate Fund</p> <p>Solar for All: Tennessee Department of Environment and Conservation</p>	Low	Medium	\$27 billion nationwide; \$156.1 million for Solar for All in TN
221(d)(4) loans (“HUD mortgage”)	Rental production and preservation	Housing Division (to raise awareness and encourage use of the resource among project sponsors)	High	High	Tens-hundreds of millions
Tax exempt bonds (including 501(c) (3) bonds, essential function bonds (PHAs only), and IDB bonds)	Rental production and preservation; mortgages to support purchase of for-sale homes	<p>Housing Division</p> <p>HEFB Board, IDB Board</p> <p>MDHA</p>	High	High	Hundreds of millions
Federal Financing Bank (FFB) Multifamily Risk Sharing Program	Rental production for multifamily	<p>HEFB</p> <p>MDHA</p> <p>THDA</p>	High	Medium	Hundreds of millions

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Transportation Infrastructure Finance and Innovation Act (TIFIA)	<p>Typically works for large, complex infrastructure projects with an investment grade rating from a nationally-recognized agency and eligible project costs of at least \$10 million (includes major building rehabilitation, modernization capital projects).</p> <p>Smaller, shovel ready projects and experienced borrowers with strong credit could be eligible for TIFIA Lite.</p> <p>For example, the East Bank redevelopment – a large-scale project redeveloping 30 acres of Metro-owned land with an estimated \$147 million in infrastructure costs – could benefit from TIFIA low-cost financing.</p>	Nashville Department of Transportation and Multimodal Infrastructure; WeGo Public Transit; Metro Planning Department	High	Medium	<p>Capped at 33% of eligible project costs;</p> <p>TIFIA Lite: up to \$100 million loan</p>
Federal Home Loan Bank Cincinnati Affordable Housing Program (FHLB AHP)	Homeownership and rental projects for households up to 80% AMI	Housing Division MDHA Private Developers	High	Low	Direct grants or advances
Railroad Rehabilitation and Improvement Financing (RRIF)	<p>Transit-oriented development connected to (within ½ mile of) a transit station, including services by a railroad.</p> <p>No minimum project size.</p>	Eligible borrowers include railroads, state and local government, government-sponsored authorities and corporations, limited option freight shippers that intend to construct a new rail connection, and joint ventures.	High	Low	Up to \$35 billion of direct loans and loan guarantees nationwide; maximum financing at 75% of total project costs and no maximum loan amount.
<p>* The Greenhouse Gas Reduction Fund has been identified as at risk for cuts by the federal administration. However, several states, including Tennessee, have been approved by federal agencies to move forward with Solar for All awards where under contract.</p>					