

---

STRATEGY D

**Keep homeowners in their homes  
and create more opportunities for  
sustainable homeownership and  
wealth creation**

## What is the focus of this strategy?

Strategy D focuses on preserving the quality and viability of homeownership and creating more homeownership opportunities for a new generation of homeowners. This strategy includes actions to support homeownership in Nashville by targeting limited public funding to those households facing the greatest barriers to homeownership, adjusting land use regulations to allow the market to build more entry level homeownership, and expanding services to support existing homeowners. Together this approach will allow Nashville to boost its declining homeownership rate.

## Why is this strategy important?

Homeownership in Nashville is increasingly out of reach for many, yet it remains a key wealth-building tool. Nationally, primary homes make up 70-80% of assets for households in the bottom 50% of net worth, and homeowners are wealthier than renters in the same income group. Limited mortgage access and a shift toward rental homes are driving down homeownership rates.

For Nashville's median-income households (earning around \$80,000 per year), the ability to afford a home has drastically declined. In 2019, they could afford over half of homes sold, but by 2023, that number shrank to just a third. This trend is driving a drop in homeownership, particularly among households earning less than \$100,000. Black households are especially impacted, facing greater challenges accessing mortgages. Additionally, rising home prices in certain neighborhoods have brought in wealthier buyers, displacing long-time residents.

Meanwhile, many homeowners—particularly older adults on fixed incomes—are struggling to keep their homes. Rising costs threaten their ability to afford maintenance and bills. Keeping these homeowners in their homes is not only cost-effective but also preserves their dignity and housing stability.

## Who will this strategy serve?

This strategy will serve low- and moderate-income households that have been priced out of homeownership opportunities with a focus on those populations that have historically faced systemic barriers to access homeownership.

## How will we measure our progress?

Metric	Description	Source(s)
Affordable Housing Production – Homeownership	Total number of new homeownership opportunities funded for development by affordability level (AMI bracket)	Metro Housing Division; Metropolitan Development and Housing Agency; Developer Community
Homeownership Rate	Homeownership rate by income and race and/or ethnicity.	Census, American Community Survey; Home Mortgage Disclosure Act
Foreclosure Prevention Rate	The number of households that received assistance and avoided a foreclosure.	Metro Action Commission
Months of Supply – Homeownership	Number of active homeownership listings compared with number of home sales each month	Greater Nashville Realtors Association
Homeownership Support	Total number of homeowners supported across Metro programs	Metro Housing Division; Metropolitan Development and Housing Agency; Metro Action Commission; Office of the Metropolitan Trustee

## What will it take to achieve?



Staff Time, Capacity  
or Expertise



Funding  
or Financing



Philanthropy



Executive  
Leadership

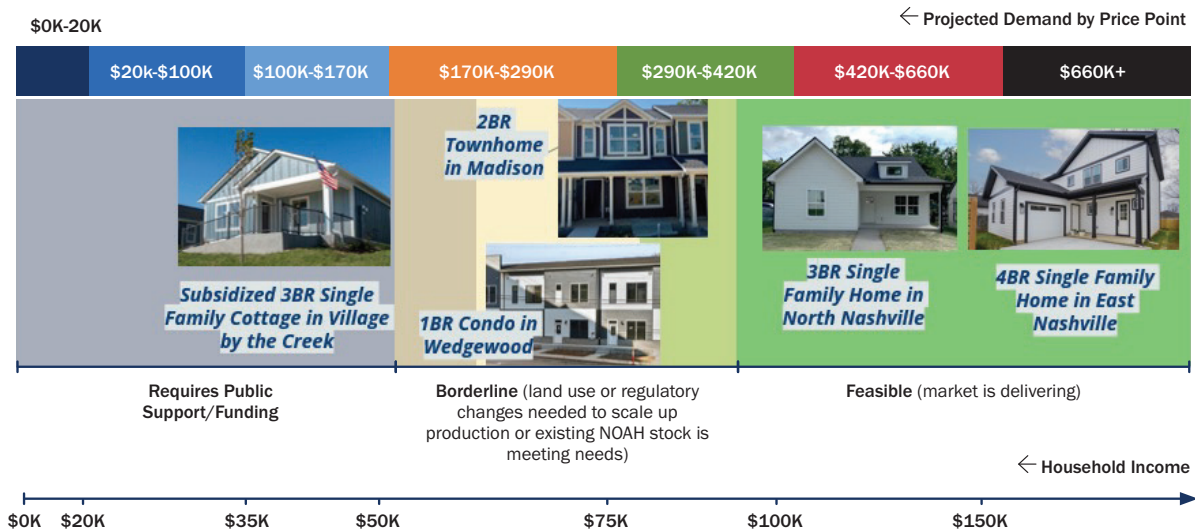
# Strategy D Actions

## Action 21: Leverage land use to expand the availability of entry-level homeownership

As discussed in Strategy C, land use change is essential to providing Nashvillians more housing choices. Existing zoning restrictions that only allow single-family homes tend to result in higher costs required to build each home. When land use policies only allow single-family homes as a matter of right, it can be complicated to build properties that can accommodate more households, such as duplexes, triplexes, quadplexes, and condos because they require lengthy rezonings and approvals that make development more costly. Land use changes that legalize duplexes, triplexes, quadplexes, accessory dwelling units (ADUs), and other housing types can support the creation of more affordable homes by reducing the time required for development and allowing the cost of development to be spread across more homes. This translates to more housing typologies that are more affordable to Nashville residents, including those who are ready to become homeowners. Providing access to free or subsidized professional services can support homeowners who want to realize the value of their land potentially through the creation of an ADU or by selling a portion of their property through the Horizontal Property Regime (HPR). The HPR structure can support the expansion of entry-level homeownership opportunities.

The Planning Department should identify the adjustments that are needed to land use policies to 1) reduce barriers to building townhouses, cottage courts, and small lot-single family homes to make homeownership more attainable and 2) enable homeowners to create accessory dwelling units on their property (attached or detached) as a matter of right, without having to seek a variance or special approval. Allowing ADUs will mostly support existing homeowners and new affordable rental homes, as opposed to creating entry-level homeownership options.

Figure 28: Projected For-Sale Demand by Affordable Price and Type (2034)



Source: HR&A Analysis, Redfin, Zillow

New construction (homes built since 2019) for-sale homes that have been sold in the past are mostly not affordable to households making less than \$100k per year. There are a very limited number of new homes available to households making \$50,000 and \$75,000. These are mostly small condos or smaller homes and are concentrated in Antioch, North Nashville, and Old Hickory.

Figure 28 demonstrates housing types that can be feasibly delivered at different levels of affordability and show the price points and typologies that are not currently being delivered in the market, either due to regulatory barriers, financial infeasibility, or both. The key levers that Metro controls are land use and development approvals. Adjusting land use rules to allow for middle-density homes by-right (i.e. without special approvals or exceptions required) will increase the number of entry level for-sale homes available. As illustrated in the chart below, middle-density building types are far more likely to be affordable to households with middle and moderate incomes than single-family detached homes.

Combining a variety of housing types with lower sales prices with homebuyer programs, such as programs offered by THDA, creates a new entry point for first-time home buyers and qualified active-duty military, veterans, and first responders. For example, THDA's Great Choice Loan and Down Payment Assistance programs can assist qualified home buyers with incomes up to \$128,280 (1-2 person household) or \$149,660 (3+ person household) purchase a home in Davidson County with a sales price of up to \$400,000.

## Action 22: Focus public funds for homeownership on those facing systemic barriers

Given the important role that homeownership plays in household stability and wealth building, Metro should focus the limited funding available for affordable homeownership on households who are the first generation to achieve homeownership and in neighborhoods that have been systemically disinvested in and have lower homeownership as a result.

Where possible, Metro should make in-fill properties available to first-generation home buyers who have faced systemic barriers to homeownership. A [report](#) published in 2021 from the National Fair Housing Alliance found that in part due to the large income gap between white families and families of color, the first-generation homebuying population with incomes below 120% of the AMI is disproportionately comprised of people of color with 66% of this population being Black or Hispanic. First-generation home buyers include those whose parents were subject to exclusionary housing policies or otherwise unable to become homeowners and thus are less likely to have the benefit of intergenerational wealth and may be more limited in their ability to purchase homes. As discussed in the "Key Findings," The mortgage origination data for Nashville shows that Black and Hispanic households are less likely to be approved for a mortgage than white households, even when controlling for income. This reflects, among other factors, the higher barriers households of color face in accessing homeownership. Targeting first-generation home buyers will help to address long-standing homeownership inequities and increase the impact that limited public funding available achieves.

## Action 23: Assess appraisal process for opportunities to enhance fairness and transparency

National research provides strong empirical and anecdotal evidence that homes occupied by Black homeowners appraise at lower values than analogous homes occupied by white households. While a national issue, some localities have taken direct action to investigate the scope of the problem locally. Philadelphia, for instance, created a task force addressing appraisal bias in housing, which produced a wide range of [recommendations](#). Following these recommendations, the City funded a Director of Appraisal Bias. Nonprofit partners, including legal service providers, shall work with the Assessor's Office and other relevant agencies to investigate opportunities to advance racial equity in homeownership by mitigating systemwide appraisal bias.

Given this nationally recognized problem, nonprofit partners, including legal service providers, could collaborate with the Assessor's Office and other relevant agencies on opportunities to proactively advance parity in homeownership by reviewing appraisal data and, if identified, mitigating appraisal bias.

## Action 24: Require pre- and post-purchase counseling for buyers purchasing publicly-funded homes

Pre- and post-purchase homebuyer counseling should be required for all of Metro's publicly-funded owner-occupied homes to ensure that participants are well-prepared for the responsibilities of homeownership. Pre-purchase counseling can educate buyers on budgeting, mortgage options, and the home buying process, helping them make informed decisions and avoid potential pitfalls. Post-purchase counseling provides ongoing support, assisting new homeowners with financial management, home maintenance, and navigating any challenges that arise. This comprehensive approach can reduce the risk of foreclosure, promote long-term stability, and enhance the overall success of the program by fostering sustainable homeownership. Finally, post-purchase counseling should include annual reminders of the home's affordability restrictions. Organizations that receive public funding to build homes-for-sale should ensure all buyers participate in pre- and post-purchase counseling. In lieu of developing new counseling programming, these organizations should consider partnering with nonprofits that currently offer financial and/or homeownership counseling, such as the United Way's Financial Empowerment Center, to provide such services.

## Action 25: Identify partnerships to promote estate planning for Nashvillians with a focus on marginalized populations

Estate planning legal services can support families to pass their homes onto their descendants, which can help preserve homeownership, particularly among Black and Brown households, and support intergenerational wealth transfer. In a [report](#) published in 2024, the Urban Institute found that Black and Hispanic homeowners were less likely than white homeowners to have wills or estate plans. Not having a will or estate plan puts the homeowner at risk of having a “tangled property title” which does not accurately reflect who owns the home and constricts the flow of housing wealth from one generation to the next. There are several reasons that families, especially families of color, may not have an estate plan, including lack of knowledge about the importance of estate planning, discomfort or distrust with the legal system, a belief they do not have enough assets to merit an estate plan, or the prohibitive costs of legal services.

Notably, Tennessee recently passed legislation to make existing heirs’ property less vulnerable to speculators and developers. In 2022, Tennessee adopted the Uniform Partition of Heirs Property Act which addresses the inequity that resulted under prior law where a third party could buy out one heir, force a partition sale, and then buy valuable property for a relatively small amount of money. The new law established a process to provide heirs a realistic opportunity to keep the property in the family and/or a better chance to be bought out at market value.

While this legislation is a critical step to supporting families of homeowners who lacked a formal estate plan, additional steps may be taken to advance estate planning and reduce racial and ethnic homeownership and wealth gaps for generations to come. For example, in response to the rising property values in historically Black neighborhoods in Philadelphia, Habitat for Humanity’s Philadelphia chapter took action to keep generational wealth within families in the very neighborhoods where that wealth was originally built. Habitat for Humanity’s Philadelphia chapter partnered with the Philadelphia VIP, a pro bono legal service in Philadelphia, to offer estate planning services to Habitat clients and residents. Similar partnerships could be pursued by trusted local nonprofits with law clinics and other institutions who offer estate planning to Nashvillians, with a focus on homeowners of color, to support the passing of generational wealth within families and the communities where the home resides.

Estate planning is critical to understanding the ramifications of TennCare (Medicaid) Estate Recovery. Estate Recovery is the way TennCare collects money from the estates of people who passed away and received TennCare long-term services and supports, such as nursing home care or home and community-based services. If TennCare pays for nursing facility and other long term care services, TennCare is required by federal law to recoup these payments after the death of the recipient. This is referred to as “estate recovery.”

Estate recovery uses the value of property a person leaves behind when they die to pay TennCare back for care received while living. An “estate” is the property, belongings, money, and other assets that someone owned at the moment immediately preceding death. Estate recovery only occurs after death, and family is not personally responsible for the debt.

## Action 26: Support homeowners struggling to pay property taxes

Various resources exist to help homeowners who are struggling to pay property taxes. As enabled by State statute, homeowners who are 65 years of age or older are eligible for property tax freezes if they fall below certain income thresholds. In addition, they are eligible to have their property tax payments reduced, rather than capped at current levels, if they fall below lower income thresholds. These income eligibility thresholds are set by the Tennessee State Legislature. In 2023, Davidson County's income eligibility for the Property Tax Freeze was raised to \$60,000 annually, following State law changes, while eligibility for the Property Tax Relief was raised to \$36,370. These programs, however, are underutilized: the Davidson County Trustee's Office found that while roughly 6,000 households utilized the County's Property Tax Freeze and Property Tax Relief programs, an estimated 22,819 households were eligible in Fiscal Year 2024 based on age and income.

While there are many homeowners facing financial strain who do not qualify for either the Property Tax Relief or Freeze programs, there are many who do qualify—nearly 17,000 according to the Davidson County Trustee's office—but many do not use the program. Proactive, targeted marketing and outreach is critical to increase utilization. This outreach should focus on eligible populations—for example, individuals who are 65 years of age and older, with annual income below \$60,000. Outreach should be multi-channel, including in-person events with partner organizations, traditional and digital/social media, and direct outreach, and targeted to people who need the resources that are available. The Trustee's Office in partnership with grassroots nonprofits and other public partners should lead such outreach efforts.

Some stakeholders expressed an interest in raising the income limits for property relief or freeze programs or removing them and creating a program specifically for seniors, regardless of income. Changing the terms of these programs requires action by the State Legislature, which occurred in recent years. Additionally, in February 2025, the comptroller informed the State Legislature that the property tax relief program lacked the current funds needed to meet demand and the program only had enough reserve to cover anticipates costs for one more year. Given the program's underutilization and potential threats to its sustainability, Metro should prioritize increased participation under its current terms while also supporting statewide efforts to ensure its continuity.

## Action 27: Support programs that help keep homeowners stably housed through home repairs, accessibility modifications, and opportunities to create passive income

Between MDHA and the Housing Division, Nashville currently provides a suite of programs supporting existing homeowners, including home repair programs, weatherization programs, and a new homesharing program. Utilizing Community Development Block Grant (CDBG) funds, MDHA makes 0% interest loans for owner-occupied home rehab at 80% AMI and below. Individual homes are eligible for up to \$35,000 in home repair funds. Over the past five years, MDHA has built a strong pipeline of applicants, contractors, and awards, averaging 170 owner-occupied homes served per year. Meanwhile, the Barnes Fund supports nonprofit organizations who provide owner-occupied home rehab for homeowners at 80% AMI and below, with similar scopes of rehabilitation, but without corresponding federal regulations tied to CDBG funding.

MDHA's homeowner rehab program represents a pillar of Nashville's support for low-income homeowners and is operating with a high degree of sophistication across its marketing, bidding, and contracting operations. The program's waitlist is roughly equivalent to one year of program production. The average AMI for homeowners on the waitlist is 40% AMI. Fully funding the waitlist would be an important anti-displacement measure to help low-income homeowners stay securely and safely housed. The home improvements often increase energy efficiency which can lower utility bills and ease economic pressures.

In addition, it is worth noting that MDHA administers the federally-funded Weatherization Assistance Program. Weatherization funds support home rehabilitations that promote energy efficiency, such as insulation, HVAC replacement, caulking, and weather stripping. The program is available for homeowners and renters earning below 200% of the federal poverty rate. However, owing to federal program regulations, the program is largely utilized by homeowners. Nashville is disbursing its federal weatherization funds efficiently, and no changes are recommended to its administration of the program at this time.

In 2024, the Housing Division awarded funding to Nesterly, Inc., to launch a Homesharing Program, which aims to help match people who have extra space in their homes with a guest who is seeking long-term, affordable, healthy and safe housing. Nesterly provides a user-friendly technology platform to match hosts (homeowners) with potential guests (renters) that ensures a safe, comfortable, and productive living arrangement for all participants. Across the country, homesharing programs have shown to have positive impacts on older adults who may benefit from making extra income while addressing social isolation.

However, the long-term sustainability of these programs is at risk due to potential federal funding cuts. HUD-funded initiatives, including CDBG and the Weatherization Assistance Program, could face reductions, threatening the availability of critical home repair and energy efficiency programs for low-income and vulnerable homeowners. Additionally, the Homesharing Program is currently funded through ARPA, which is set to expire in 2026. Without new sources of funding, these programs may struggle to continue at their current capacity. Given the demonstrated value of these initiatives in keeping homeowners housed and financially stable, there is a growing opportunity for philanthropic organizations to step in and support their continuity. Investing in these programs would help ensure that Nashville can maintain and expand its efforts to stabilize homeowners and prevent displacement.

Finally, home repair programs not only help homeowners become more resilient to economic pressures but can help mitigate the impacts of a natural disaster. Unfortunately, low-income families are least likely to be prepared for a natural disaster and have the most difficulty recovering, and federal and state funding is not immediate and often does not fully cover the loss. Metro and its partners must be ready to quickly respond to residents affected by natural disasters. This may include ongoing preparedness of the Nashville Volunteer Organizations Active in Disaster (VOAD) group and allocation/redirection of resources for disaster recovery.