

# Unified Housing Strategy

## Key Findings, Strategies, and Actions

July 2025



# Acknowledgements

## **Metro Planning Team**

Lucy Kempf  
*Executive Director*  
Angela Hubbard  
*Housing Division Director*  
Kaycee Ensign  
*Project Manager*  
Richel Albright  
Gregory Claxton  
Hannah Davis  
Daryl Hill  
Travis Miller

## **Consultant Team**

HR&A Advisors  
MEPR Agency  
Pillars Development, LLC  
Spencer Rose Consulting, LLC

## **Technical Advisory Committee**

Metro Action Commission  
Metropolitan Development and Housing Agency  
Metro Social Services  
Metro Courts  
Office of Homeless Services  
Planning Department

## **Community Ambassadors**

AgeWell Middle Tennessee  
Monroe Harding  
Nashville Organized for Action and Hope (NOAH)  
Neighbor 2 Neighbor  
Stand Up Nashville  
Tennessee Disability Coalition  
Tennessee Immigrant and Refugee Rights Coalition  
The Contributor  
Urban League of Middle Tennessee

## **Metro Departments and Agencies**

Davidson County Trustee's Office  
Health and Educational Facilities Board  
Industrial Development Board  
Metro Action Commission  
Metropolitan Development and Housing Agency  
Metro Finance  
Metro Human Resources  
Metro Legal  
Metro Office of Diversity, Equity, and Inclusion  
Metro Office of Homeless Services  
Metro Public Health Department  
Metro Social Services

## **Other Organizations**

Affordable Housing Resources  
Amazon  
Bristol Development Group  
CA South  
Community ConneXor  
Community Foundation of Middle Tennessee  
Department of Human and Organizational Development, Vanderbilt University  
Dismas House  
Giarratana  
Greater Nashville Realtors  
Greater Nashville Regional Council  
Habitat for Humanity of Greater Nashville  
Hawkins Partners  
HND Craighead Development  
Holladay Ventures  
JP Morgan Chase

LDG Development  
Legal Aid Society  
Love-Hart Enterprises  
MarketStreet Enterprises  
Nashville Hispanic Bar Association  
Nelson Community Partners  
Pathway Affordable Housing Corporation  
Pathway Housing Fund  
Pinnacle Financial Partners  
Pizzuti  
Powell  
Project Return  
R.E.D. Academy, Urban League of Middle Tennessee  
Regions Bank  
Republic Bank  
ROC USA  
Tennessee Affordable Housing Coalition

Tennessee Fair Housing Council  
Tennessee Housing Development Agency  
Tennessee State University  
The Catalyst Fund  
The Clear Blue Company  
Trent Development Group  
Urban Campus and Core  
Urban Housing Solutions

### **A Special Thank You**

*We extend our sincere appreciation to all the community members who contributed their time, insights, and stories to the development of the Unified Housing Strategy. Whether you attended a community listening session, responded to the survey, or both, you were instrumental in shaping a plan that reflects the needs and aspirations of our city.*

---

# Table of Contents

1. Introduction and Background
2. Historic Trends and Current Conditions
  - A. Key Findings
  - B. How Much Housing Do We Need
  - C. Ecosystem Analysis
  - D. Resource Analysis
  - E. Regulatory Analysis
3. How Nashville Can Advance Housing Security
4. UHS Strategies and Actions
5. Moving Forward: Implementing the Unified Housing Strategy
6. 10-Year Implementation Plan
7. Appendices
  - A. Glossary
  - B. Methodologies, Data Sources, and Case Studies
  - C. UHS Development Community Engagement Summary
  - D. Housing Agency Overviews
  - E. Program Inventory and Profiles
  - F. Affordable Housing Finance 101
  - G. Analysis of Potential Revenue Sources
  - H. New or Underutilized Funding Sources
  - I. The Barnes Fund Recommended Policy and Organizational Changes
  - J. Philanthropic Contribution Opportunities
  - K. Summary of Public Feedback on Draft UHS

---

# Introduction and Background

Nashville is a vibrant community that many wish to call home. The very nature of our city and the values we share make Nashville a great place to live. However, its growth has also presented challenges, particularly in housing affordability. Home prices have steadily increased, often outpacing wage growth making it difficult for many Nashvillians to find safe and stable housing. From young families to retirees, many residents struggle to afford homes in an increasingly competitive market. To address these challenges, Nashville has taken significant steps to make housing more affordable. Metro Nashville has created its first standalone Housing Division, focused entirely on expanding access to affordable housing. Additionally, the city has established the Office of Homeless Services (OHS) to better support our unhoused community. The Metropolitan Development and Housing Agency (MDHA) continues to transform its portfolio into vibrant mixed-income neighborhoods while deploying critical rental assistance and funding for housing and community development projects. Private partners, such as the Amazon Housing Equity Fund, have invested in local affordable housing initiatives, while local nonprofits are stepping up to increase housing development and train future developers with a focus on affordability. These collective efforts reflect Nashville's commitment to ensuring that all residents have access to stable, affordable housing as the city continues to grow and thrive.

Many have voiced that without an effective strategy, Nashvillians who embody the city's character and provide critical services in the community will continue to be priced out. In April 2024, Metro set out to create a comprehensive, community-driven housing strategy focused on advancing housing security for all Nashvillians. Metro Nashville's Housing Division led the development of the Unified Housing Strategy (UHS) alongside the support of multiple public and private partners. This effort is but one part of a broader platform of the Division's policy and program accomplishments, since its establishment in 2022 within the Metro Nashville Planning Department. These accomplishments include:

1. Establishing three new programs,
2. Securing new federal funding,
3. Supporting the creation and preservation of 3,000 affordable homes.

Since April 2024, the Housing Division and its partners have participated in meaningful community and stakeholder engagement and conducted robust analyses to produce a UHS that not only directs Metro's approach to meeting Nashville's housing needs but also offers a call to action for private participation. The most important contributions to the UHS were from the residents of Nashville who shared their housing journeys. Ultimately, the UHS is for you.

### **How will the UHS respond to unexpected challenges like political changes, economic downturns, or natural disasters?**

The UHS is a living document, designed to be recalibrated annually. As conditions change—whether due to economic shifts, policy changes, or other challenges—our actions and priorities will adapt to ensure continued progress on housing affordability and stability.

# A Vision for Housing Security for All

The Metro Housing Division believes that every Nashvillian, regardless of race, age, economic status or physical ability, deserves a safe and affordable place to call home, which is why this is at the core of the division's vision statement. Key partners have similar visions and missions. For example, the Metro Office of Homeless Services has a vision to secure attainable and accessible housing for all Nashvillians, and MDHA's mission is to create quality affordable housing opportunities, support neighborhoods, strengthen communities, and help build a greater Nashville. Yet, the ability to secure and maintain an affordable and quality home has become increasingly challenging for many in our community. As is discussed in the Key Findings, despite Nashville's progress to develop housing options, rental and homeownership prices continue to rise and too many Nashvillians are forced to choose between paying for rent or medicine or healthy foods. These findings reflect current and projected housing challenges based on recent trends, but deep shifts in our economic and political landscape will exacerbate these challenges.

Nashville requires an ambitious, comprehensive strategy that addresses the root cause of issues of affordability and acknowledges the importance of equality in our housing policies, where history illustrates deep failures. Our goal is to create long-term solutions for increasing housing supply and preserving existing affordable homes, and strengthening tenant protections through a coordinated housing ecosystem that is equipped to meet the needs of our community. Nashvillians deserve a housing strategy that ensures older adults who wish to remain in their homes are able to do so, persons with disabilities have housing that meets their accessibility needs, children have spaces to learn and thrive, and all – including Black and Brown families – have the same opportunity to build wealth.

The vision, strategies, and actions outlined in the UHS are a collective call to action – Metro government cannot advance this work alone. Achieving housing security for all Nashvillians requires resources from all levels of government (local, state, and federal), greater participation from the philanthropic and corporate sectors as well as improved coordination and efficiency from housing agencies, nonprofits and developers. The strategies and actions were crafted based on what is truly needed - not merely what is currently achievable. However, our ability to accomplish these goals is intrinsically tied to our economic environment and the growing uncertainty around economic conditions and federally funded programs necessitate that these strategies and actions be continuously revisited. Shifts in funding availability, policy changes, and economic challenges could have sweeping impacts on the ability of public, private, and nonprofit partners to sustain efforts at their current levels and implement new initiatives. For example, loss of federal funding puts a greater strain on Metro to deliver critical services and stretch its dollars. What is feasible today may not be feasible tomorrow, and adaptability will be key to ensuring long-term success.

# Objectives of the Unified Housing Strategy

While several studies, plans, and initiatives have been conducted to understand and address Nashville's housing needs, no comprehensive strategy or plan existed. Rather than duplicating previous efforts, Metro sought to build upon this work, including the initial recommendations offered in the [2021 Affordable Housing Task Force Report](#), to create a single direction to guide Metro's approach to advancing housing security. The Unified Housing Strategy (UHS) informs local decisions on resource allocation and systems delivery, housing types, tenure, and affordability targets throughout the city, as well as land use and other local policies. Further, the UHS highlights the crucial role of private partners in the housing ecosystem. Informed by local voices and best practices, the UHS provides comprehensive and specific strategies, goals, and action items needed to effectively organize and mobilize key leaders and partners around the shared vision of advancing housing security for all.

Objectives of the Unified Housing Strategy include:

1. Expand permanent housing options affordable to Nashvillians at all income levels, therefore reducing the percentage of Nashvillians who are cost-burdened;
2. Increase access to housing for all protected classes;
3. Support residents with resources and policies to achieve and maintain housing security and stability; and
4. Ensure that Nashville's housing stock and systems are resilient and sustainable.

In developing a housing strategy, it is important to understand how current challenges came to exist. Data shows that in Nashville, like many other American cities, Black and Brown families, do not have equal access to the housing market, such as current home ownership rates, for example. This is but one part of the legacy of the discriminatory redlining practices of the last century. Misalignment in the income and labor market further drives outcomes.

All Nashvillians should be afforded the opportunity to participate in and benefit from our city's economy today and in the future. Nashville's The best research shows that economically integrated neighborhoods and communities position residents best for educational and job market outcomes. In producing this Unified Housing Strategy, Nashville pursued multiple paths and a collective approach towards advancing these goals by creating housing at the price points that meet Nashvillians' needs, broadening the housing choices available to residents, and reducing barriers to accessing and maintaining dignified, stable housing.

In 2021, Nashville's Affordable Housing Task Force identified four principles that guide Metro's approach to affordable housing, which the Housing Division defines as housing in which households with incomes at or below 80% of the area median income (AMI, an official measure of income relative to the housing marketing as a whole) pay no more than 30% of their incomes for housing costs. (See Figure 1 for the current AMI levels for the Metro Nashville region.<sup>1</sup>) These principles, which focus on racial equality, innovation, connectivity, and accessibility, and economic resilience and risk education, are the foundation on which the Unified Housing Strategy is built.

---

<sup>1</sup> The U.S. Department of Housing and Urban Development (HUD) releases updated AMI data annually. The Housing Division maintains the most recent AMI info on the Affordable Housing Dashboard that can be found on the [State of Housing in Nashville web page](#).

Figure 1: 2024 Area Median Income (AMI) for Nashville-Davidson County (Source: US Department of Housing and Urban Development, 2024)

Housing Category	30% of AMI	50% of AMI	60% of AMI	75% of AMI	80% of AMI	AMI of All Households
1-Person Household	\$22,450	\$37,450	\$44,940	\$56,150	\$59,850	\$74,850
2-Person Household	\$25,650	\$42,800	\$51,360	\$64,150	\$68,400	\$85,550
3-Person Household	\$28,850	\$42,800	\$51,360	\$64,150	\$68,400	\$85,550
4-Person Household	\$32,050	\$53,450	\$64,140	\$80,200	\$85,500	\$106,900

NOTE: The AMI for Nashville includes a ten-county census with the following areas: Cannon County, TN; Cheatham County, TN; Davidson County, TN; Dickson County, TN; Robertson County, TN; Rutherford County, TN; Sumner County, TN; Trousdale County, TN; Williamson County, TN; and Wilson County, TN.

In addition to the guiding principles, the Unified Housing Strategy also complements Metro’s efforts to prevent and end homelessness, support climate resiliency, improve infrastructure and mobility options, and bolster economic development. Implementation incorporates and supports the [Homelessness Planning Council Strategic Plan](#), [Choose How You Move initiatives](#), MDHA’s [Five-Year Consolidated Plan for Housing and Community Development](#), [NashvilleNext](#), Metro Housing Division and Urban Land Institute’s [Technical Assistance Panel Report – Sustaining Nashville: Building Sustainability and Resilience into Affordable Housing](#), and the forthcoming [Housing and Infrastructure Study](#).

The UHS will be a living document, with public-facing performance metrics showing the collective progress in meeting the UHS strategies. It sets forth actions to increase housing security over the next ten years but is also positioned to respond to Nashville’s dynamic housing market and unpredictable disrupters.

## Who needs affordable housing?

The Housing Division defines affordable housing as housing that is restricted to households earning ≤80% of the Area Median Income (AMI).



An employee working full time (40 hours) earning minimum wage earns on average \$22k/year (<30% AMI)

Affordable housing costs would be ~\$550/mo.



Hotel clerks earn on average \$33k/year. (<50% of the AMI)

Affordable housing costs would be ~\$825/mo



Hairstylists earn on average \$43k/year (<60% of the AMI)

Affordable housing costs would be ~\$1,075/mo



Family social worker earns on average \$57k/year (<80% of the AMI)

Affordable housing costs would be ~\$1425/mo.

Source: Bureau of Labor Statics

# Unified Housing Strategy Development

## UHS Development

Work on the UHS began in April 2024 and its development was informed by input from various stakeholders, analyses of market trends, socioeconomic data, evaluation of programs and policies, and research on best practices from across the nation. Metro Nashville's Housing Division oversaw development of the strategy with the support of HR&A Advisors, a public policy and real estate advisory firm that has robust experience developing similar strategies and solutions for cities across the country; MEPR Agency, a Nashville-based communications and community engagement boutique that develops comprehensive, strategic, and inclusive communications; Pillars Development, LLC, a Nashville-based boutique real estate management firm that engages in all phases of development; and Spencer Rose Consulting, LLC, a woman-owned advisory firm that provides community-centered analysis and management solutions for mixed-used, mixed-income, mixed-finance public housing redevelopment and affordable housing development.

## Building the UHS – Comprehensive Engagement & Analysis

The UHS was informed by input from various stakeholders, analysis of market trends, socioeconomic data, evaluation of programs and policies, and research on best practices from across the nation. The UHS builds upon existing studies and prior analyses, including a Market Value Analysis (MVA) - a data-based, field-validated examination of Nashville's real-estate market, prepared by the Reinvestment Fund, and the Affordable Housing Task Force Report.

The development of the UHS began with an extensive community and stakeholder engagement process to ensure the plan was inclusive and reflective of community needs. Additional details on the community engagement process can be found in Appendix C: "UHS Development Community Engagement Summary." This process included:



- Reviewing results from relevant, recent stakeholder engagement, including Imagine Nashville;
- Community listening sessions hosted in partnership with Community Ambassadors, organizations that serve and represent communities particularly affected by housing insecurity in Nashville;
- Roundtable discussions with practitioners, including housing developers and operators of various types (i.e. nonprofit, for-profit) and sizes, service providers, fair housing attorneys, researchers, and funders;
- Interviews with government officials and non-government practitioners;
- A public survey that ran from June to September 2024; and
- A technical committee of staff from numerous government and quasi-governmental entities that provided expert guidance.

Notably, over Summer 2024, the Housing Division and MEPR Agency hosted 12 community listening sessions to learn more about the unique housing journeys of our community. Four sessions were held that were open to all Nashville residents. As mentioned above, the Housing Division partnered with several community-based organizations – "UHS Community Ambassadors" – to hold listening sessions with an emphasis on hearing from communities that are disproportionately impacted by housing insecurity. Input from community listening sessions and the survey results will be included as appendices to the draft UHS.

Thanks to Metro's partners, the Housing Division offered translated materials, including presentation materials, the public survey, and handouts, in Spanish, Arabic, and Swahili, ensuring broader accessibility for our diverse

community. On-site translation and other accommodations were provided as requested at the listening sessions to enable all community members to fully participate.

A comprehensive housing needs assessment and market analysis was conducted in parallel with the stakeholder engagement process to understand the current state of Nashville’s housing market and both current and future housing needs. This analysis provided a clear picture of the gaps and opportunities within the housing market.

Next, an analysis was undertaken of Nashville’s prior plans, existing housing programs and policies, and housing ecosystem. Programs were analyzed for efficacy in achieving stated goals, possible gaps in service, and the potential for increasing impact. The analysis was based on review of existing reports and documents, including the Market Value Analysis and Affordable Housing Task Force Report, as well as interviews with program administrators, participants and partner organizations.

Finally, this strategy is informed by insights and tested practices from comparable jurisdictions. By integrating tested methods and cutting-edge approaches, the UHS aims to create a robust framework for addressing Nashville’s housing challenges and ensuring long-term housing security for all residents. The prominent themes from the community engagement and analyses are discussed further in the “Key Findings” section.

<b>Community Ambassador Organization</b>	<b>Populations Served</b>
AgeWell Middle Tennessee	Older Adults
The Contributor	People who are unhoused, including people who have lived experience of being unhoused
Monroe Harding	Opportunity youth (ages 16-26) who may be homeless, housing insecure, or in subsidized housing
Nashville Organized for Action and Hope (NOAH)	Historically underserved communities, including low-income and low wage workers, individuals experiencing housing challenges, and African-Americans
Neighbor 2 Neighbor	Neighborhood leaders and neighborhood associations
Stand Up Nashville	Working Class
Tennessee Disability Coalition	All Tennesseans with disabilities
Tennessee Immigrant and Refugee Rights Coalition (TIRRC)	Immigrants and Refugees
Urban League of Middle Tennessee	African-Americans and other historically underserved groups

## Recent and Upcoming Housing Plans and Studies

The Unified Housing Strategy is intended to build on precedent plans and studies and inform those that may follow. These include the following:

- The Five-Year Consolidated Plan is submitted every five years to the UHS Department of Housing and Urban Development (HUD) and is developed by MDHA on behalf of Metro. The purpose of the Five-Year Plan is to assess affordable housing needs, community development opportunities, and market conditions in Davidson County to establish data-driven priorities for the use of federal funds .
- 2021 Nashville Affordable Housing Task Force Report is the foundation that the UHS is building on. It lays out a series of actions, many of which have been implemented, and a longer-term vision for how Nashville's capacity to create and preserve affordable homes might grow.
- [Market Value Analysis \(The Reinvestment Fund\)](#) served as initial research for the UHS and provides insight into market conditions and how different housing actions and programs might be targeted to the most appropriate neighborhoods.
- NashvilleNext is the general plan for Metro that provides the foundational values and vision that shape the UHS.
- The Metro-owned land report (EY) and Metro-Owned Land Steering Committee (ongoing) informed the development of Action 15: “Leverage publicly owned land portfolio by advancing infill development, co-location, and policy changes to ensure strong management of land assets” and is critical to its implementation.
- Imagine Nashville is the shared vision for the future of Nashville that informed the larger goals about the need for more homes to accommodate Nashville's growing economy and long-term residents.
- [Sustaining Nashville: Building Sustainability and Resilience into Affordable Housing \(Urban Land Institute Nashville Technical Advisory Panel Report\)](#)
- [Development Capacity Analysis Under Existing Zoning \(forthcoming, Planning Department\)](#) and [Metro Housing & Infrastructure Study \(forthcoming, Planning Department\)](#) will be instrumental in Metro's ability to advance Strategy C: “Create a range of new and affordable housing choices for all Nashvillians as appropriate across the county.”

# Key Findings

The development of the Unified Housing Strategy was informed by a robust process of community engagement, stakeholder input, and comprehensive data analysis. From this process, six prominent themes emerged that highlight the key housing challenges facing Nashville. These themes, outlined below, were echoed in both the community feedback and the data analysis, which combined deepened Nashville's understanding of our housing needs and the broader housing landscape. This insight enables Nashville to develop strategies and actions tailored to the unique needs of those who call Nashville home.

## Key Findings

- **Increased Housing Demand**
- **Lack of Affordability**
- **Lack of Housing Choice**
- **Inaccessibility of Homeownership**
- **Risk of Housing Loss**
- **Difficulty Navigating Programs and Resources**

## Increased Housing Demand

Since 2012, Nashville's growth in people and jobs has exceeded expectations forecasted in our general plan, NashvilleNext. This growth has put pressure on Nashville's housing market. Despite robust housing growth, this pressure has overwhelmed what Nashville's current approach to zoning and land use can accommodate.

The core driver of demand for living in Nashville is our strong economy and the opportunities it brings. The rate of job growth in Nashville has exceeded the country as a whole by a factor of almost 3:1 (33% from 2010 to 2023, compared with 13% for the U.S.). During this time, unemployment in Davidson County and Middle Tennessee declined to an astonishing low of 2.4%.<sup>2</sup> Not only has Nashville seen strong job growth, the county's economy has also shifted to higher wage jobs with increasing demand for highly educated workers. Beyond the increase of the number of homes needed, this also adds demand for higher cost homes, whether through larger home sizes, in higher demand locations, with greater amenities, or a combination of all three.

One way that this demand appears is through increased household formation. Household formation happens when a member of one household, such as an adult child living at home, leaves to start another, such as moving into their own apartment. Since the pandemic, household formation has increased, due to both higher incomes and to more people working from home. The average number of people living in each household in Nashville is now at its lowest recorded level. This means each unit is home to fewer people than ever before, which means our growing population needs more homes per person.

While the level of housing production in Nashville has been robust, it has not kept up with demand. In part, because new construction has largely been constrained to the most costly kinds of housing to build. Single family homes, especially those with larger lots, cost more due to the consumption of land and because of the utilities and infrastructure that must be built to serve new subdivisions. Meanwhile, dense multifamily construction in Downtown and Midtown have higher construction costs, both for the steel and concrete buildings themselves and the land on which the building is constructed. While new construction has responded to higher demand, this response has been incomplete and has not served households across different income levels as well as it could.

<sup>2</sup> Bureau of Labor Statistics, 2010 - 2023.

In the most extreme case, the supply of lower cost rental units (priced for households earning 30 – 60% of the Area Median Income ranging from \$675 to \$1,100 in 2023) dropped precipitously from 2010 to 2015 and has never recovered.<sup>3</sup> During this time, moderately priced units “filtered upward” and became more expensive. In well-functioning housing markets, new homes are added for wealthier households and older homes gradually become more affordable over time. Over the last fifteen years, however, Nashville’s market shift has put pressure on these moderately priced units to become more expensive, removing the primary source of housing for low and moderate-income households.

At the same time, rapidly increasing home values have put ownership further and further out of reach for Nashvillians, with the cost of purchasing a home increasing faster than the incomes for renters who may be interested in purchasing a home. As amenities in Nashville continue to improve, many residents are finding themselves having to move further away from their jobs and the city’s center in search of affordable housing – often at the cost of longer commutes and reduced quality of life.

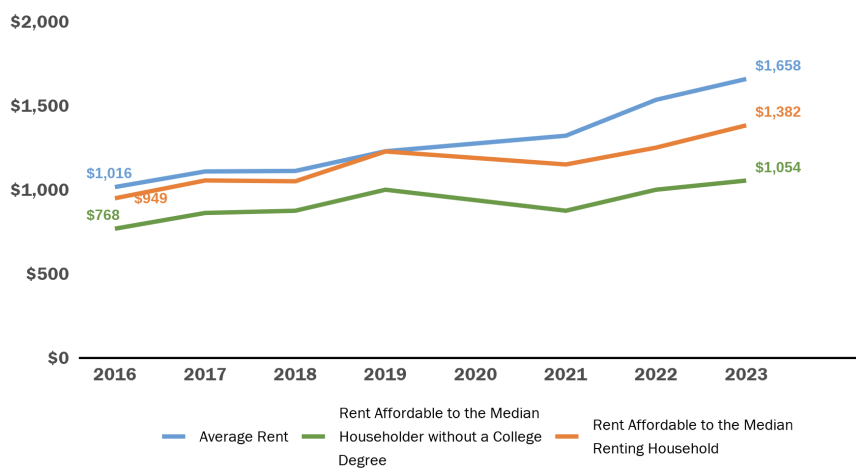
Prior job, population, and housing forecasts underestimated Nashville’s growth over the past 15 years. Because of the risk of underestimating future growth, the UHS developed an independent estimate of housing demand for Nashville over the next five and ten years. The UHS recommends that Nashville plan for sustained housing demand in line with recent trends. Based on national estimates of job sector growth, aligned with Nashville’s job base, the UHS estimates that Nashville needs 9,000 additional housing units per year (net housing creation after demolitions). Continuing to underestimate demand for homes in general and for ownership options in particular will continue to exacerbate the affordability concerns across income levels, and most especially the crisis for lower and moderate-income households

## Lack of Affordability

**Lack of housing affordability** was identified as a primary concern across all stakeholder groups. Participants consistently pointed to the rising costs of both rental and homeownership opportunities, which are becoming increasingly out of reach for low- and moderate-income residents. Many community members expressed that they are struggling to secure housing that fits within their budgets, forcing difficult trade offs between housing costs and other essential needs, such as food and healthcare.

These sentiments are reflected in the most recent data showing the changes in housing prices over time compared to the median household income. As shown in Figure 2, rents in Davidson County have grown faster than incomes over the past five years leading to reduced affordability overall. Affordability challenges are most acute for households without a college degree who face more than a \$600 gap between the average rent and what they can afford to pay.

Figure 2: Rental Affordability by Cohort in Davidson County



Source: Zillow, American Community Survey (ACS) 5- Year; Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouweiler (IPUMS US: Version 15.0, Minneapolis, MN: IPUMS, 2024).

<sup>3</sup> Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouweiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024/ U.S. Department of Housing and Urban Development (30%, 50%, 60%, and 80% calculations); Tennessee Housing Development Agency (75% and 100% calculations)

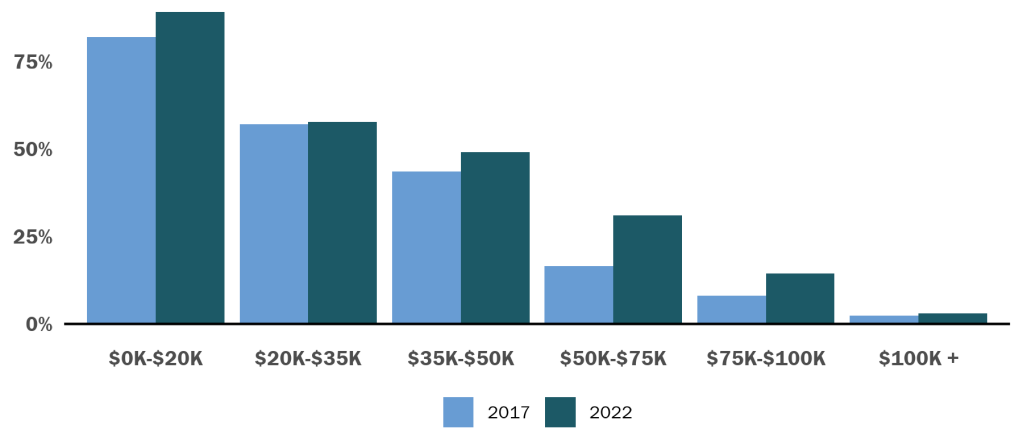
In addition to housing prices, another key measure of housing affordability is cost-burdened data. A household is considered cost burdened when more than 30% of their household income is spent on housing costs.

Across Nashville, renters are cost burdened at higher rates compared to homeowners. According to Census data, in 2023, 49% of all renters in Nashville were cost burdened compared to 22% of homeowners. However, when looking at the cost burden rate of homeowners broken down by income bracket the story is more nuanced. In 2022, nearly 50% of Nashville homeowners earning less than \$50,000 a year were cost burdened. Moreover, between 2017 and 2022, the percentage of homeowners cost burdened earning \$50-75,000 increased by nearly 15 percent. The data suggests that households earning higher incomes are not immune from housing unaffordability.

Across both homeowners and renters, certain cohorts, including seniors, single-parent households, and Black and Brown households, were cost burdened at higher rates. According to Census data, an alarming 74% of single-parent household renters are cost-burdened. In several of the listening sessions, single parents shared challenges affording rent alongside other necessary expenses. The data also revealed the uneven impacts of housing prices on minority communities. Black and Hispanic/Latino renters are also cost burdened at higher rates with 54% of Black households and 52% of Hispanic households being cost burdened compared to 47% of white households. While owners generally have lower cost burdens than renters, Hispanic owners have higher cost burdens than their white and Black counterparts (29% compared with 21% and 22%, respectively). Finally, Black (39%) and Hispanic households (37%) are much less likely to be homeowners than white households (62%).

While the data provides valuable insights, it does not fully capture the complex intersections of populations facing high levels of cost burden. This was especially evident in the listening sessions where personal stories highlighted these overlaps. For example, during a listening session hosted in partnership with AgeWell, older adult residents shared the unique financial constraints faced by those caring for young children, underscoring the compounded pressures many in this group experience.

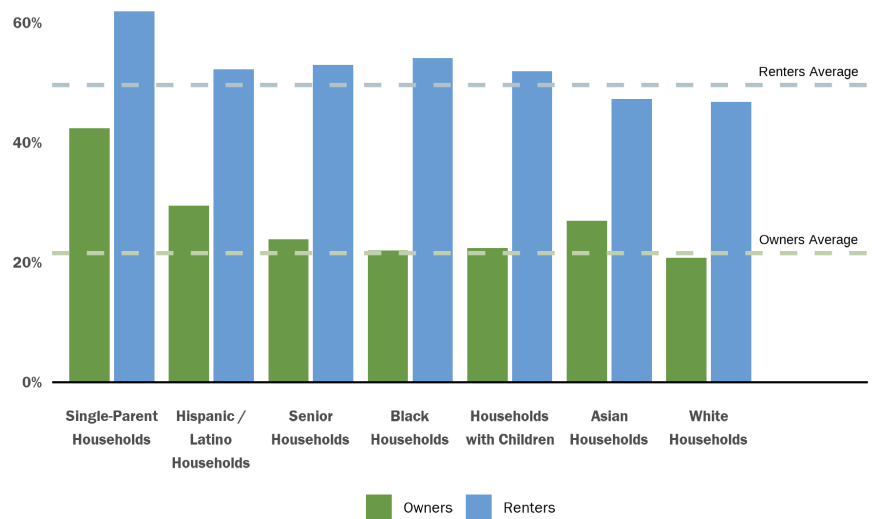
Figure 3: Comparison of Homeowner Cost Burden Rate by Income Bracket



Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouwiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024.

*“I would like to continue to live in Nashville, but the cost of housing and other necessities has me considering moving to another county which would increase my commute time and gas expense.”*

Figure 4: Renter and Owner Cost Burden by Cohort (2022)



Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouwiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024.

Housing pricing is influenced by a variety of factors, including the supply compared to the demand. The Unified Housing Strategy seeks to address the factors inhibiting housing affordability and strives to reduce the number of households cost burdened across the city.

## Lack of Housing Choice

During the community listening sessions, participants were asked about their housing needs and priorities. Interestingly, when the facilitator posed the question, “What do you want in your housing?” The response was often met with a noticeable silence. This pause, lasting several moments, highlighted a significant underlying issue: many community members had become so accustomed to prioritizing the affordability of housing that they struggled to articulate broader housing needs. It often took multiple follow-up questions to encourage participants to express their desires and priorities beyond price point. This pattern underscored a critical theme that emerged across all listening sessions: **the lack of housing choice in the community.**

The financial constraints imposed by rising rents and limited affordable housing options has led community members to focus almost exclusively on cost, often at the expense of other critical housing factors such as safety, space, maintenance, and community amenities. This narrow focus on price reflected a larger reality for many: the concept of “choice” in housing had been largely reduced to finding a place that could be afforded, rather than one that met all of their needs.

*“I would really just love and be thankful for an opportunity to give my kids their own place with their own rooms in a peaceful home. I live with my parents but it’s not the best for me or my kids but I have no choice. Please do something to help us single moms trying to provide a better life for our kids! Affordable rent is what we need.”*

Though lack of choice was shared by many in our community, the choices for certain populations are more severely limited. For example, several particularly vulnerable groups in the community, including individuals with a history of incarceration, shared their difficult experience trying to access safe, stable housing. Despite many of these individuals having non-violent convictions or offenses that occurred decades ago, the stigma of their criminal records continued to present significant barriers to housing. Even when individuals were otherwise qualified for housing, landlords and property managers often rejected them outright based on background checks. Additionally, individuals with specific mobility-related disabilities shared the challenges with finding housing that met their accessibility needs. One participant who is a wheelchair user shared that her current housing had plumbing issues that triggered her to look elsewhere. Her housing search involved countless hours riding around on the bus and looking at listings yet coming up with no housing leads. Finding housing that was in close proximity to transit and provided the necessary accommodations proved to be particularly challenging.

*“My mother-in-law is going to be looking to move soon, and she will struggle to find housing that will accommodate her declining mobility. She will need a single-story house or condo, and these seem hard to find, especially in the neighborhoods she would prefer to live in... Accessibility is an issue that I don’t hear discussed often in the affordable housing conversation, but it is important for policy makers to consider.”*

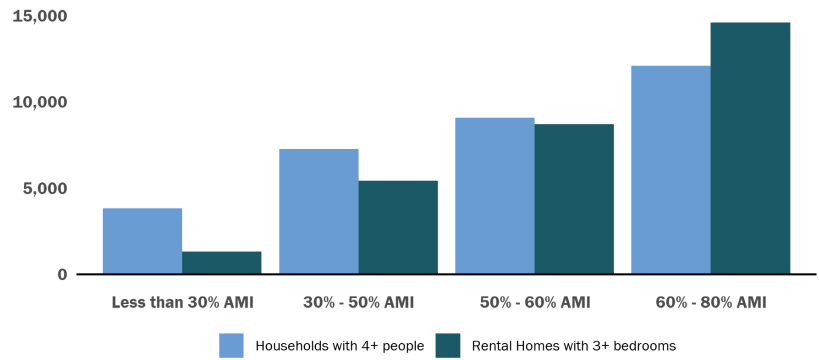
As revealed in these individual stories, a lack of housing choice can lead to living in substandard conditions. Reports from community members described living situations that included hazardous conditions such as persistent mold, faulty plumbing, and unreliable heating or cooling systems. Many residents in substandard housing were either unaware of or hesitant to use formal mechanisms for reporting unsafe living conditions, such as filing a code complaint. Many participants expressed fear of retaliation from landlords if they were to raise concerns about the condition of their housing. There was a widespread fear that speaking up would result in eviction, further displacement, and a continued lack of housing options.

The limited housing choices expressed in the listening sessions is validated by the data. Despite our progress in housing production, Nashville’s housing supply has not kept up with demand and this is particularly true for low- to moderate-income individuals. Additionally, when analyzing the housing that has been produced over the last few years, the type of housing most commonly produced does not fully align with our community’s needs in terms of price, type, and tenure (i.e. rental or ownership). For example, much of our housing supply gains have been

located in the downtown core where the cost to build is high and in turn results in often high rents.

A geographical analysis of our affordable housing, both income-restricted housing and naturally occurring affordable housing, also reveals the lack of geographic diversity in where affordable housing is currently located. Much of the naturally occurring affordable housing stock is located outside of the urban core in Antioch, Madison, and Donelson. Moreover, income-restricted housing tends to be clustered in certain areas of the city, with a high percentage of homes located far north and south of downtown. This analysis suggests the need to further affordable housing development in more geographically diverse neighborhoods with an emphasis on prioritizing areas of opportunity.

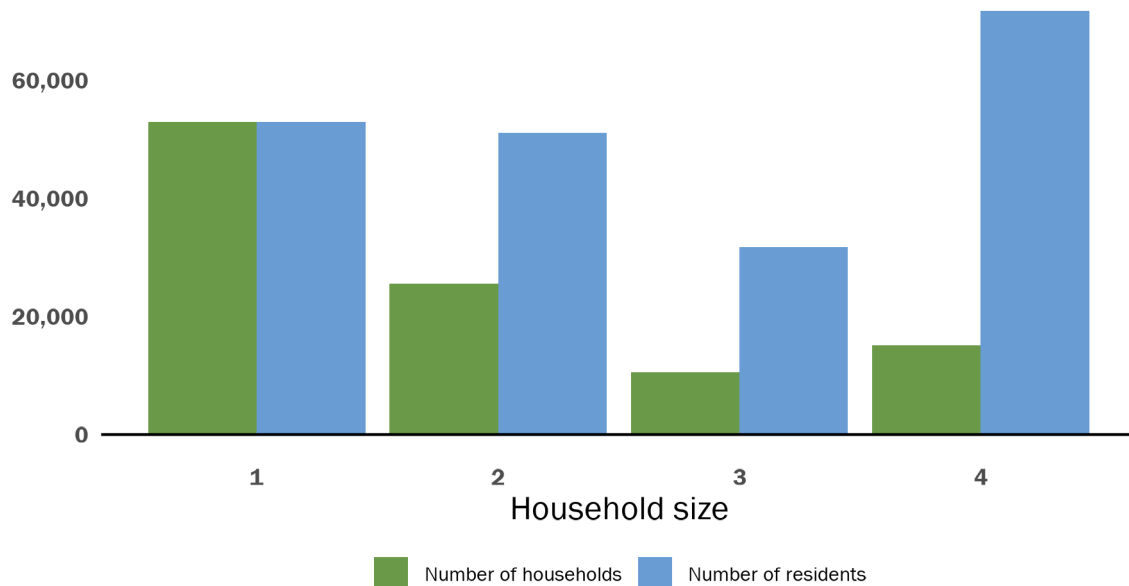
Figure 5: Supply and Demand for Homes with 3+ Bedrooms by AMI



Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouwiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024.

Additionally, there remains a lack of choice for larger families needing homes with three or more bedrooms. As indicated in Figure 5, the number of rental homes with 3 or more bedrooms has not kept up with the demand particularly for households earning less than 50% of the Area Median Income. Figure 6 further shows that while most households that are cost burdened are individuals living alone, most people who are living in cost-burdened households have four or more people. Figure 6 shows the number of households at each household size that are cost burdened in green, alongside the number of residents living in cost-burdened households in blue. Providing more housing options priced affordably is only one part of the story. To provide more robust housing choice, Metro must commit to advancing housing options that are geographically diverse, accessible, accommodate smaller and larger families, and encourage holistic tenant application reviews.

Figure 6: Number of Cost Burdened Households by Household Size



Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouwiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024.

# Inaccessibility of Homeownership

Related to lack of housing choice, a theme also emerged highlighting growing barriers to homeownership, which has become increasingly inaccessible for many Nashvillians, particularly first-time home buyers. In community listening sessions, many participants shared their frustration with the rising costs of purchasing a home in the city. Despite a strong desire to settle down and build families within Nashville, these would-be homeowners found themselves priced out of the market. Limited inventory and skyrocketing prices have created a situation where buying a home in the city is no longer a feasible option for many, particularly for young families and individuals looking to enter the housing market. As a result, some began to consider leaving Nashville altogether, seeking more affordable living in nearby communities, a painful choice for those who have long considered the city their home.

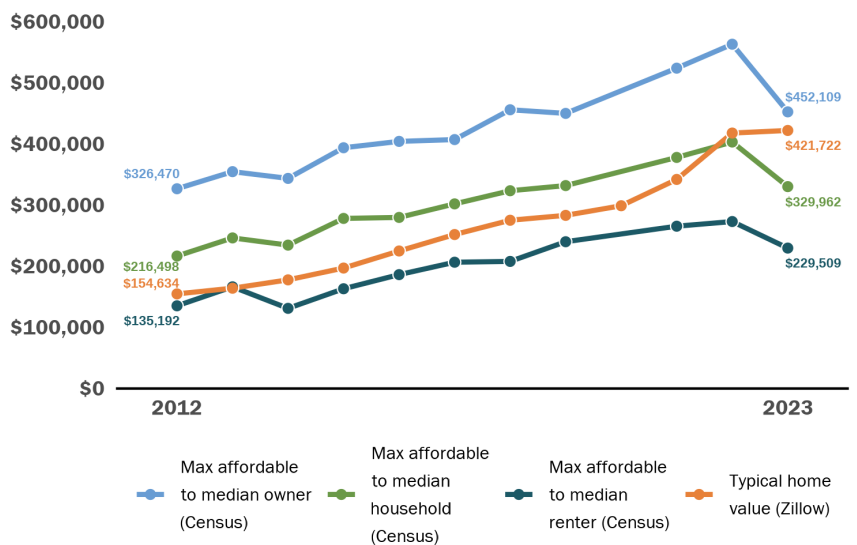
*“My spouse is becoming increasingly disabled. We are going to need a ramp, and perhaps wider doorways and a walk in shower. This may be a few years off, but I think about those issues and while I know we need to plan ahead, I find it difficult to do that. We bought this house when it was in foreclosure over 10 years ago. It has more than tripled in value since we bought it. We don’t owe a lot. However, the amount we need for insurance and taxes totals more than the payments on the principal....Selling and buying another smaller, more disability friendly home does not seem possible. While we might get a great price on this house, how would we afford a new one?”*

At the same time, older adult homeowners voiced their concerns about being “stuck” in homes that no longer suit their needs, either due to physical limitations or the high cost of relocation. Many expressed a desire to downsize or find a more accessible property, but the financial burden of moving—whether due to high home prices, insufficient market options, or the cost of maintenance—left them feeling trapped. For some, the homes they’ve lived in for decades have become increasingly difficult to maintain, both financially and physically, as they age. There is growing anxiety among older adults about the lack of viable options to age in place or transition to a more suitable living situation without financial hardship. This disconnect between what is available in the housing market and the diverse needs of Nashville’s residents is contributing to a sense of uncertainty about the future for many.

Recent data on homeownership mirrors what was shared in the listening sessions. Although affordable homeownership has historically been an advantage for Davidson County, home values have risen 40% since 2019 while incomes grew by only 19%, increasingly pushing ownership out of reach for households earning below \$100K. Existing homeowners are also under pressure. The county is losing owner households earning below \$75K, and cost burden rates are rising across all income levels.<sup>4</sup> This is driven in part by the fact that the vast majority (91%) of homeownership units added in the market in recent years are single family, which are generally more costly to build and therefore delivered at a higher price point, and by an influx of higher-income buyers.<sup>5</sup>

As shown in Figure 7, home values now exceed what is affordable to the median household in Davidson County. There is more than a \$90,000 gap between the average home value (\$421,722) and the price affordable to the median household in 2023 (\$329,962). Since 2019, homeownership affordability has deteriorated rapidly, driven by rising interest rates, increased home prices, and a lower overall supply of existing and new homes available for sale.

Figure 7: Davidson County Home Affordability



Source: Zillow; US. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouwiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024.

<sup>4</sup> American Community Survey (2017, 2022).

<sup>5</sup> Redfin (May 2024).

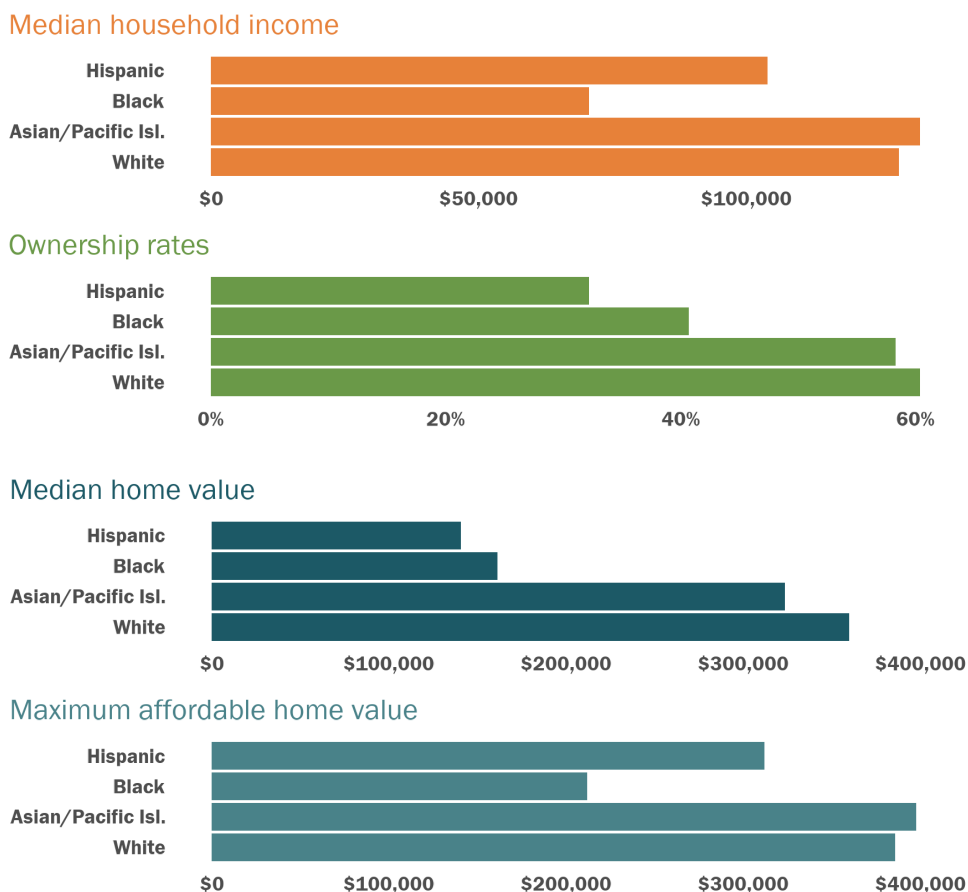
Despite considerable gains in median income (estimated to reach \$82,000 by 2024), only one in three homes is affordable to the median household (1,862 homes). As of May 2024, across the entire county, there were only 350 homeownership listings on Redfin affordable to the median household.

While homeownership has become increasingly difficult for a growing number of Nashvillians, data suggests that barriers to homeownership for certain groups persist. As Figure 8 reveals, homeownership rates for Black and Hispanic families are significantly lower compared to white families. Moreover, the median household income of Hispanic and Black families continues to be lower than white families posing additional barriers to affording homeownership opportunities. Analysis of Home Mortgage Disclosure Act data found that even at higher incomes, racial disparities persist. The highest white income borrower had a mortgage origination rate of 72% compared to just 56% for Black borrowers.<sup>6</sup> Furthermore, Black households are more likely to be denied a loan for their mortgage. Debt to income ratio is the leading cause of denials with the second highest cause being credit history.

Homeownership remains a primary pathway to wealth generation, offering families the opportunity to build wealth and financial stability over time. For many, particularly those that have historically been excluded from economic opportunities, homeownership serves as a crucial tool for closing the wealth gap. Elevating the focus on homeownership within the UHS is vital because it empowers individuals and families to build economic mobility and long-term stability.

**Figure 8: Incomes, Ownership Rates, Home Values, and Maximum Affordable Home Values by Race and Ethnicity**

Median values for each category are shown for major race/ethnic groups in Nashville. The maximum affordable home value reflects three times that group's median household income, an approximate measure of home affordability used in the Market Value Analysis.



Source: U.S. Census Bureau, American Community Survey (2023; 1-year estimates).

<sup>6</sup> Home Mortgage Disclosure Act (2023), Aggregated Across Lenders

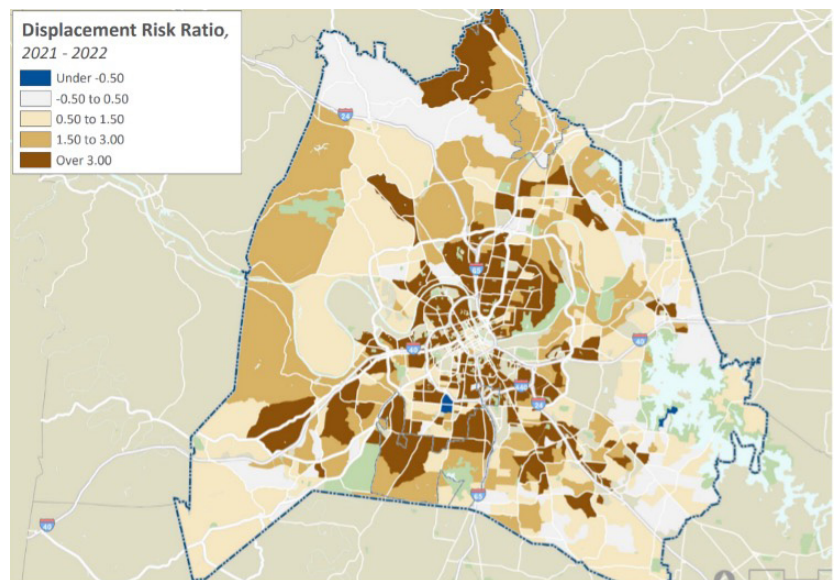
## Risk of Housing Loss

The market pressures and affordability challenges described throughout contribute to the theme of risk of housing loss. Both homeowners and renters shared concerns about losing their home – either through forced housing loss, such as eviction, or through economic pressures, and being forced to move to a different neighborhood or even outside of the city.

According to data produced by the Eviction Lab through March 2024, eviction filings in Davidson County in the past year were up nearly 45% compared to pre-pandemic averages. Looking at April 2023 through March 2024, February 2024 saw the highest eviction filings at 1,478.<sup>7</sup> The filing rate is the ratio of the number of evictions filed in an area over the number of renter-occupied homes in that area. Notably, not all households filed with an eviction will ultimately be forced to leave their home, and current available eviction data does not include the reason for such filings. Regardless of these limitations, the increase in the filing rate suggests that there is a growing need for interventions to mitigate and prevent evictions. As was shared in the listening sessions, an eviction judgment not only results in the immediate trauma of needing to find a new home but has lasting impacts. Eviction proceedings can become part of a tenant’s housing record, even in cases in which the tenant wins, so households experiencing eviction have greater difficulty finding future housing that is both safe and affordable. Participants shared first-hand experience with the difficulties finding housing after an eviction, the impact on employment opportunities, and the detriments to their physical and mental health further emphasizing the urgent need to address displacement.

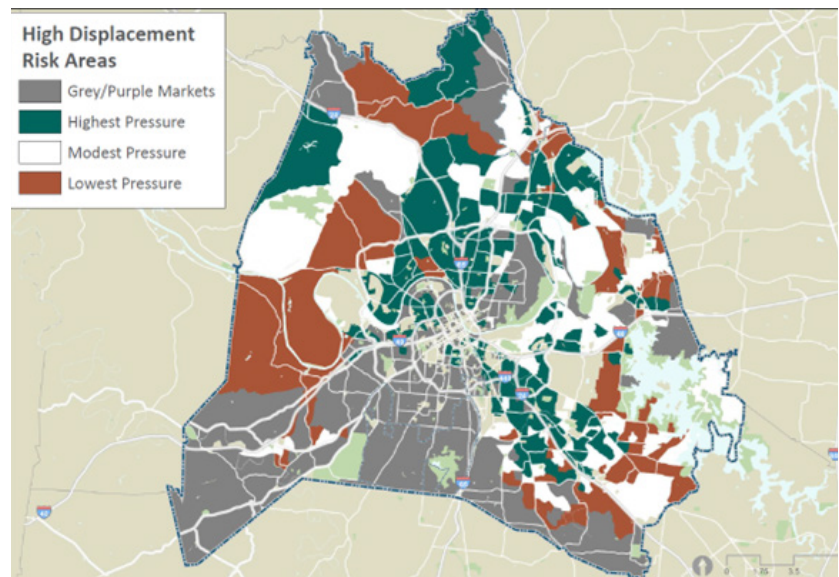
While evictions are a forced type of displacement, displacement can also occur for both homeowners and renters through economic pressures as housing costs rise and/or property is redeveloped. The Reinvestment Fund’s Market Value Analysis (MVA), which included a Displacement Risk Ratio (DRR) helped us to better understand where housing loss may be most acute across the city. The DRR compares changing residential sales prices over time with the inflation-adjusted median income of residents at a fixed starting point. The ratio is a test of whether the typical household living there at the outset could afford to buy a home there at a later time. A score of 3.0 is considered unaffordable and a negative value, which can result from the index’s adjustment for citywide price trends, indicates deep affordability. As can be seen on the maps above, areas with highest and modest

Figure 9: Displacement Risk Ratio, 2021-2022



Source: Reinvestment Fund

Figure 10: High Displacement Risk Areas



Source: Reinvestment Fund. NOTE: Grey and purple markets are considered strong markets with minimal signs of distress. Grey markets have large, well-maintained properties with highest home values, and purple markets are a mix of owner and renter neighborhoods with above average prices.

<sup>7</sup> Eviction Tracking System: Version 2.0. Princeton: Princeton University, 2020. [www.evictionlab.org](http://www.evictionlab.org)

pressure are generally located north and south of the downtown core. Notably, the Reinvestment Fund found that the proportion of block groups with DRR values over 3.0 has grown sharply since 2015.

Generally, the MVA found that housing demand across the county was such that the majority of neighborhoods were strong enough to attract private investments on their own. Furthermore, “there is a strong need in Davidson County to relieve, rather than stimulate, the investment pressure in the county’s weakest housing markets. New development in these areas often leads to loss of older and more moderately priced homes and the creation of new, more expensive housing that is priced out of reach of the typical long-term neighborhood residents or other families with similar incomes.”

These findings suggest the strong need to have related strategies and actions that address the risk of housing loss through creating new housing opportunities in existing strong markets, preserving existing affordable housing, improving coordination and delivery of services, and utilizing the full array of housing security tools, such as home repair and property tax assistance programs, in vulnerable areas to avoid market-related displacement. See the *Program Utilization* section on page 37 to learn how current tools can be used to avoid market-related displacement. Further, Metro has the ability to implement strong mechanisms to protect housing security in projects it funds.

## Difficulty Navigating Programs & Resources

One of the final themes that emerged from the community engagement sessions was the significant difficulty residents face when navigating housing resources and programs. Despite Metro offering a variety of assistance programs for individuals facing housing insecurity - such as emergency rental assistance, the Eviction Right to Counsel program, and the property tax freeze program - many community members were unaware of these resources or found them difficult to access. There is no singular, centralized place where individuals can easily access information or receive guidance about the resources they need, and for those who did know about them, the process was often slow, confusing, and discouraging.

Many individuals who had successfully accessed resources did so through their personal networks—family members, friends, or neighbors who were familiar with the programs. However, for those without these personal connections, the process of finding help was much more difficult. It often involved making numerous phone calls to various agencies, which became time-consuming and frustrating. The sheer number of agencies and the lack of coordination between them meant that people often spent hours, if not days, just trying to identify the appropriate point of contact. This was particularly problematic for those experiencing housing crises or homelessness, as the mental and emotional toll of such situations made it even more challenging to navigate this complex web of resources.

*“I have reached out to numerous resources throughout Davidson County, (including the Disaster Recovery Connection, Urban Housing Solutions, Affordable Housing Resources, Nashville Conflict Resolution Center, MDHA (applied for two properties), TDHA, Rooftop, NeedLink, Project Connect, Martha O’Bryan Center, Catholic Charities, Metro Action Commission, the Community Resource Center, Legal Aid Society, West Nashville Dream Center, St. Luke’s Community House, the Community Foundation, Second Harvest, and several local churches). My housing search has been very slow and difficult. There seems to be a long process with no time frame. I have no idea on waitlist procedures. Please improve the application processes and give more options for safe and affordable housing.”*

A powerful example shared during the community engagement sessions highlighted the frustration with this fragmentation. An advocate, working to assist a tenant who had lost their income following the March 2020 tornado, reached out to 15 local nonprofits, two government agencies, one state agency, and several churches in an attempt to secure housing assistance. This exhausting search for support is a clear indication of the time-intensive nature of navigating housing resources. In a housing crisis, where time is often of the essence, being able to quickly access necessary support is crucial to mitigating further harm. Therefore, it is clear that more education,

marketing of available resources, and the creation of a cohesive, easy-to-navigate system are essential to ensure individuals facing housing insecurity can get the help they need without unnecessary delays or confusion.

## How Much Housing Do We Need?

The development of the UHS involved an updated demand analysis. This section elaborates on the findings shared under the “Increased Housing Demand” theme and provides additional information on the overall housing needs, both market-rate and affordable housing, prepared by the UHS team.

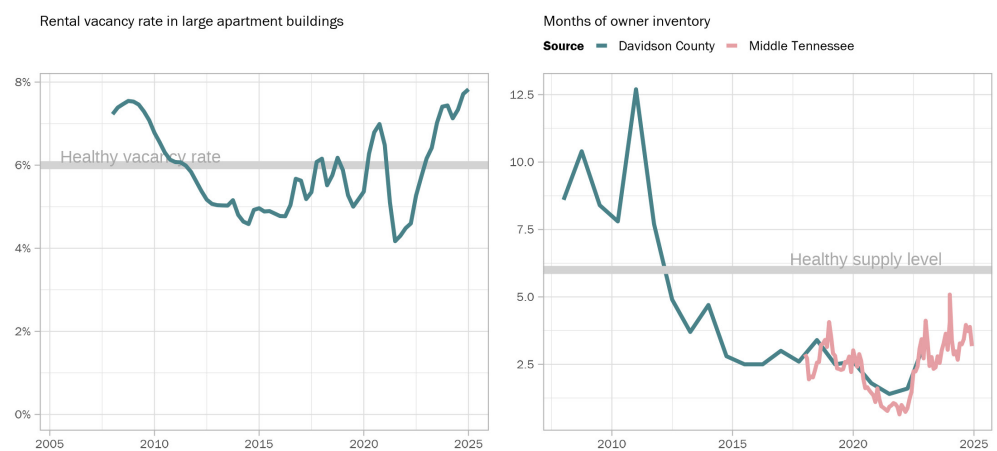
### Overall Housing Needs

HR&A Advisors provided estimates on how many new homes Nashville could anticipate needing over the next 10 years. This involved estimating how many people would like to live in Nashville or the residential demand. HR&A estimated that by 2034, Nashville could see a residential demand of 175,000 additional residents – driving the need for an increase in new housing over the next 10 years. They based these estimates on job growth, analyzing past employment data from sources like the Bureau of Labor Statistics (BLS). To estimate housing needs, HR&A forecasted job growth by industry and used these forecasts to predict income and demographic details, such as age, sex, and household size. They then applied data from the Census and other sources to project how households would form, accounting for both natural population growth and migration. From this and assuming a healthy vacancy rate, HR&A estimated that the county will need over 90,000 new homes in the next ten years. This translates to an annual production goal of around 9,000 new homes. (The full methodology and data sources can be found in Appendix B: “Methodologies, Data Sources, and Case Studies”.) This is not a prediction of what will happen or an exact target that must be met. Instead, it is intended to help Metro anticipate how much housing people may seek in Nashville over the next ten years.

HR&A further estimated that there may be demand for over half of these new homes to be for sale, as opposed to for rent. If future demand reflects the tenure preferences of recent in-movers, about 56% of the 90,000 new homes created would need to be homeownership opportunities. As shown in Figure 11, the availability of homes for-sale in Nashville has been well below what is considered a healthy supply since the years following the Great Recession. The opposite is true for Nashville’s rental supply which has seen significant gains in recent years largely due to dense construction in Downtown and Midtown. The shift to a majority of new homes being for-sale will accommodate the preference and capacity for homeownership and would reflect a significant shift in the tenure of homes being built.

This forecast of housing demand reflects the overall market, including both private development, subsidized non-profit and for-profit developments, and public-private partnerships. Most new housing demand will be met by the private market, without subsidy for income restrictions. As portrayed in

Figure 11: Supply Availability of Owners and Renters



Source: Rental vacancy rate; CoStar, Stabilized Vacancy Rate, Multifamily, Davidson County. Owner inventory: GNAR, Market Research. <https://www.greaternashvillerealtors.org/pages/market-data-news/>

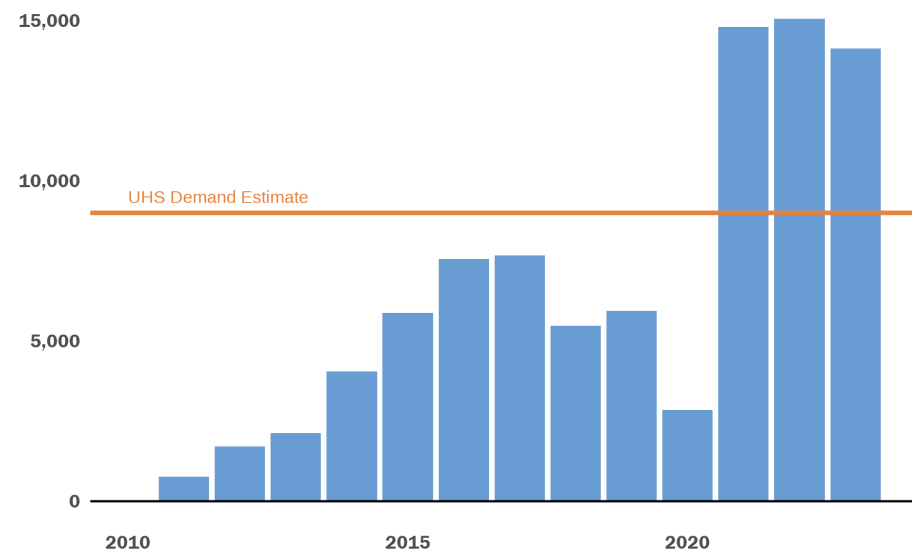
Figure 12, this demand estimate is higher than housing growth since 2015 (an average of 7,000 additional units per year), but lower than the spike in construction since the pandemic (more than 14,000 units per year).

## Affordable Housing Needs

The analysis also took into account different income levels and household types to inform the scale, type, and tenure of affordable housing needed over the next decade. As shown below in Figure 13, Nashville faces the biggest rental housing gaps for households earning 30% of the Area Median Income (AMI, an official measure of income relative to the housing market as a whole) or below. While there appears to be a better balance between housing supply and demand for households earning 50% of the AMI or above, the shortage of affordable options for those earning 50% AMI or below creates a ripple effect. Many households in the lowest income brackets are forced to rent homes that are priced for higher income levels, which in turn limits the availability of affordable rental housing for households earning 60% of the AMI or below. The situation constrains the supply of rental homes across multiple income brackets, making it harder for low and moderate-income households to find suitable and affordable housing. The greatest rental housing gaps are among the lowest-income households earning 30% of the AMI or below. Though there seems to be a greater balance between the number of homes and households when looking at 50% of the AMI and above, the shortage of supply for households earning 50% AMI or below means a sizable number of households earning up to 50% AMI are having to rent in housing that is beyond what they can afford, further straining the supply of rental homes affordable to households earning 60% of the AMI or below.

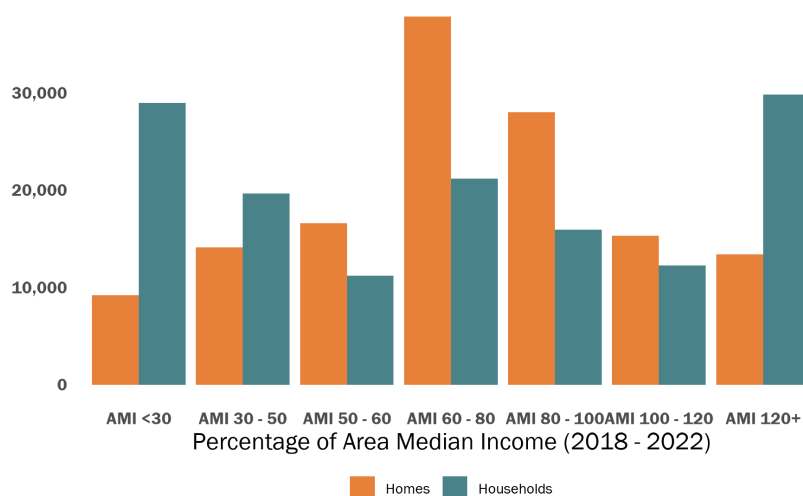
While Figure 13 shows 2023 data, Figure 14 reveals how the supply and demand across incomes has evolved over time. Figure 14 shows the number of units affordable for households earning between 30-60% of the area median income, declining sharply from 70,000 homes to 43,000 homes.

Figure 12: Annual Growth in Housing Units



Source: U.S. Census. American Community Survey (1-yr; 2010 - 2019 and 2021 - 2023); Decennial Census (2020)

Figure 13: Rental Housing Gaps

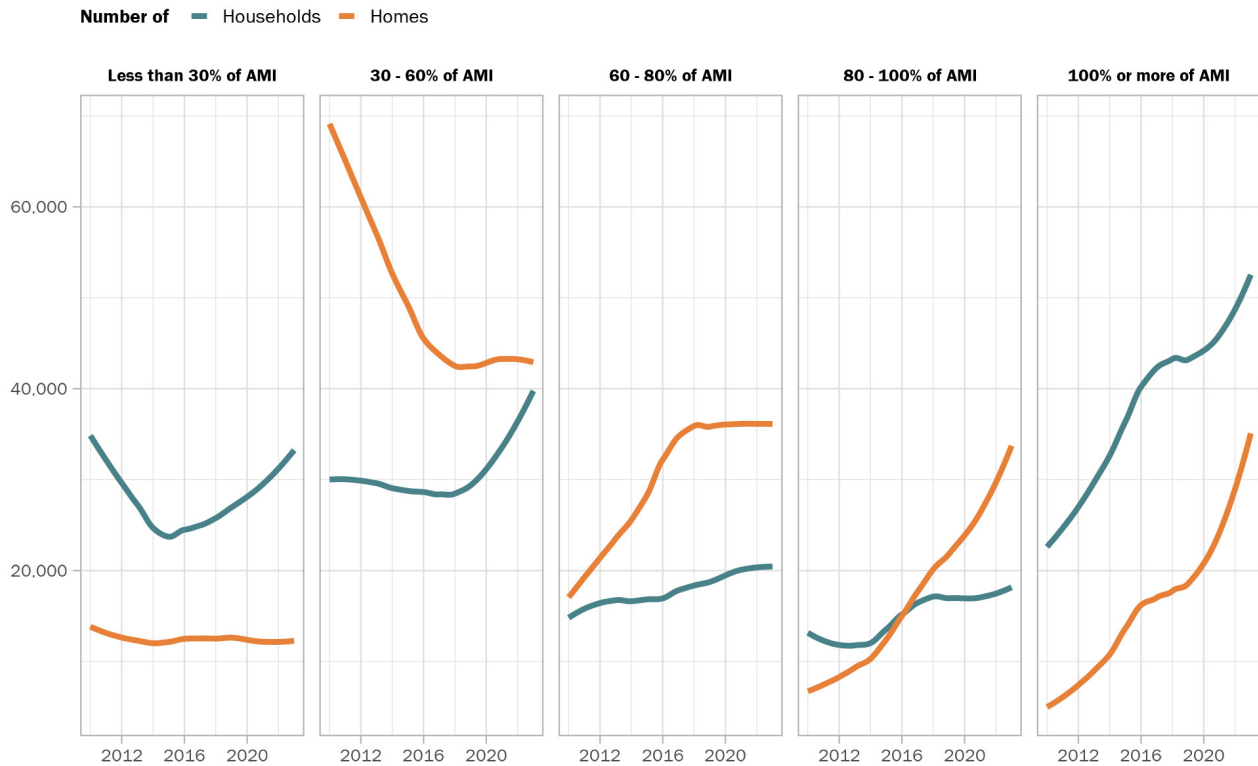


Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouweiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024/ U.S. Department of Housing and Urban Development (30%, 50%, 60%, and 80% calculations); Tennessee Housing Development Agency (75% and 100% calculations)

At the same time, the number of more expensive homes rose sharply – from 18,000 to 35,000 homes for those earning between 60% and 80% of AMI, and from 8,000 to 35,000 homes for those earning between 80% and 100% of AMI. This likely reflects older units becoming more expensive due to an overall lack of supply.

**Figure 14: The Supply of Rentals Affordable by Income Level**

The middle three panels show change in homes available at each income level, primarily due to rent changes (filtering). While these panels show excess supply (more homes than households), excess demand (more households than homes) in the first and last panels rolls up and down to absorb this. In the process, households who earn below 30% of the Area Median Income (AMI) become cost burdened. Households earning more than 100% of AMI put pressure on lower rents to rise



Source: U.S. Census American Community Survey (ACS) 5-year; Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouweiler. IPUMS USA: Version 15.0. Minneapolis, MN: IPUMS, 2024/ U.S. Department of Housing and Urban Development (30%, 50%, 60%, and 80% calculations); Tennessee Housing Development Agency (75% and 100% calculations)

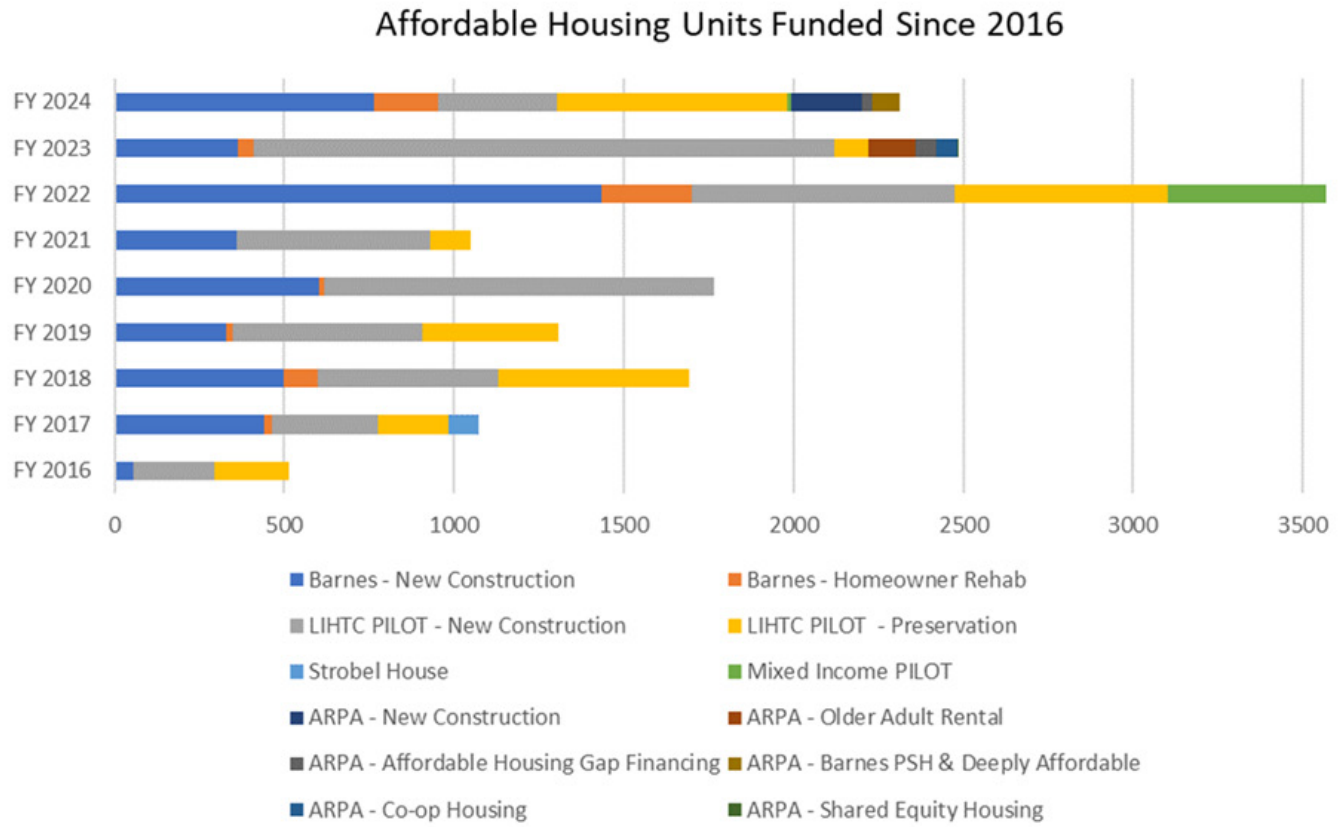
Taking into account the demand for affordable rental housing compared to the existing inventory and recent deliveries of rental housing by AMI level, HR&A estimated that Nashville would benefit from adding an additional 20,000 homes affordable to households earning 60% of the AMI or below over the next 10 years, with a particular focus on prioritizing homes for those earning 50% AMI or below and especially for those earning 30% AMI or below.

As described in the “Lack of Housing Choice” section, producing housing that is priced affordably is not sufficient in addressing the housing needs of our community. Figure 5 in the “Lack of Housing Choice” section revealed the need for more rental homes with 3 or more bedrooms for households earning 50% of the Area Median Income. Conversely, additional data has also shown the need for studio or one-bedroom apartments especially for individuals experiencing chronic homelessness. In evaluating policy and program changes, Metro shall strive to encourage development of affordable housing that provides more robust housing choice.

Notably, over the last few years, Nashville has largely been on track to produce around 2,000 affordable units per year. Figure 15 shows the number of affordable housing units that have been funded since 2016 using just local tools. In FY 2022, 2023, and 2024, over 1,800 affordable housing units (deduplicated) were funded for

preservation or new construction. Thanks to the influx of ARPA dollars and the creation of new tools, Nashville has seen significant gains in its affordable housing production since FY 2016. Maintaining high levels of production, however, will be partially dependent on market factors and the continued financial support from private, federal, state, and local partners.

Figure 15: Affordable Housing Units Funded Since 2016



Source: Metro Housing Division. Note: Units may have been supported by more than one program. The unduplicated count is 14,093 units.

# Ecosystem, Resource, and Regulatory Analyses

In addition to the community engagement and market analysis, the UHS team conducted a comprehensive ecosystem, resource, and regulatory analysis to further inform the development of UHS strategies and actions. This multi-faceted analysis aimed to provide a deeper understanding of the broader housing landscape, identifying the key players, available resources, and existing regulatory frameworks that shape the housing environment. By examining these critical components, the team was able to uncover key insights and challenges that directly impact the accessibility and effectiveness of housing support systems, including potential duplicative efforts and resource gaps. Below, we outline the summaries and key takeaways from these essential analyses:






## Ecosystem Analysis

A housing ecosystem is comprised of the key actors working across the housing continuum, from homelessness to subsidized rental and homeownership housing to market rate housing.



Source: Tennessee Housing Development Agency

These actors include non- and for-profit developers, service providers, advocates, government agencies, funders such as lenders and philanthropies, and landowners. A high-functioning ecosystem is necessary to achieve the housing strategies outlined in the UHS as no single entity, industry sector, or resource can address the magnitude and complexity of the issue alone. To create a high functioning ecosystem, Nashville will need to strengthen alignment and coordination among key housing actors, grow essential capacities and expertise, and optimize and leverage existing housing resources, as well as grow new ones.

 <p><b>Public Sector</b></p>	 <p><b>Owners/Developers</b></p>	 <p><b>Lenders/Funders</b></p>	 <p><b>Service Providers</b></p>	 <p><b>Advocates</b></p>
<p>The public sector sets and administers policy, deploys funding, and coordinates the larger ecosystem.</p>	<p>Developers create and preserve housing across the income spectrum. They may be nonprofits, for profits, or public.</p>	<p>Lenders such as banks and funders such as philanthropy and CDFIs finance housing development and fund services providers.</p>	<p>Service providers offer support across the housing spectrum, from homeownership counseling to emergency assistance.</p>	<p>Advocates organize for change, hold other actors accountable, and bring community voices to the table.</p>

*Note: These are broad categories of actors intended to highlight the key roles in a housing ecosystem. Many individual organizations and agencies fulfill multiple roles, such as nonprofit developers that also provide services. There also may be organizations that do not neatly align with these categories, but nevertheless are key actors in the housing ecosystem, such as property managers that are not owners or developers.*

## Public Sector

High-functioning housing ecosystems require strong public sector actors. Critically, the public sector must maintain the capabilities to effectively set policy, deploy resources, monitor those resources after deployment, and bring new resources into the ecosystem through expertise and strong communication and partnerships. Coordination and alignment between key housing actors is essential to ecosystem effectiveness, the efficient deployment of public resources, and advancing a city's housing goals. In peer cities, overall policy direction and coordination is usually delegated to a single agency. For example:

**Atlanta, GA:** A strong mayor jurisdiction like Nashville, the Chief Policy Officer (CPO) in the Mayor's Office is responsible for aligning key actors around the mayor's housing goals. The CPO and their staff regularly convene executive leadership of other key housing agencies including the planning department and the housing authority.

**Austin, TX:** In Austin, the Housing Department reports directly to the city manager who oversees the executive agencies. The direct reporting structure supports alignment on housing goals and priorities. The Housing Department also has broad control over the city's housing resources through the Austin Housing Finance Corporation, which increases the agency's power.

**Charlotte, NC:** In Charlotte, the Department of Housing and Neighborhood Services is largely responsible for coordinating other housing actors with direction from the mayor. Like in Austin, the department controls the Housing Trust Fund and other key resources.

**Denver, CO:** The mayor of Denver appointed senior policy advisors to bring the Department of Housing Stability, Department of Human Services, and Department of Community Planning and Development into alignment around ambitious new homelessness goals for the consolidated city-county metro government.

**Washington, DC:** In DC, a strong mayor jurisdiction that both set and achieved ambitious housing goals, the Deputy Mayor for Planning and Economic Development (DMPED) oversees all key housing agencies including the housing authority and the housing finance agency.

**In Nashville, however, there is no single person or agency tasked with providing leadership or coordinating housing activities, and lines of authority overseeing resources are fragmented.** The Housing Division was created in 2022 following the recommendations of the Affordable Housing Task Force. This action consolidated oversight of some key programs, including the Barnes Fund, under one roof, and led to the creation of new tools. The Office of Homelessness Services coordinates the homelessness response, while Metro Social Services, the Metro Action Commission, and the Courts offer housing-related services and interventions. However, MDHA is responsible for many of the other housing activities such as administration of federal entitlement programs on behalf of Metro Nashville, voucher programs, the Low-Income Housing Tax Credit Payment in Lieu of Taxes (LIHTC PILOT) program, and a large housing portfolio. In addition, MDHA has tax increment financing (TIF) authority in redevelopment districts and transit-oriented redevelopment districts. Both the Industrial Development Board (IDB) and the newly created East Bank Development Authority (EBDA) have TIF authority. Metro Government, MDHA, the IDB, Health and Education Facilities Board (HEFB), and the EBDA have bond authority. Currently, there is no overarching policy requirement, alignment, or coordination of these resources to advance Nashville's housing goals within and beyond Metro government. See Appendix D: "Housing Agency Overviews" for an overview of public and quasi-public entity housing functions.

The ecosystem analysis, further informed by comparative research and stakeholder engagement, revealed several areas where there are gaps in responsibility or opportunity to improve clarity about agency roles. These include the following:

- **Fragmentation and coordination:** Nashville's housing ecosystem is fragmented, without a clear lead for setting housing policy and ensuring relevant entities, including those with responsibility related to but beyond housing, are working in concert to make progress toward housing goals. Decisions about specific allocations of particular resources are made in the absence of awareness of other resources or viable projects or how a project advances Nashville's housing goals.
- **Structure and coordination:** The leaders of the local public entities with influence over housing resources have different governing authorities, such as independent boards and commissions, sometimes creating challenges to coordination when there is tension and disconnect about direction. This highlights the need for a unified structure that fosters collaboration and alignment to ensure greater transparency in the stewardship of public resources.
- **Permanent Supportive Housing (PSH):** Permanent supportive housing is the pathway to addressing homelessness through the provision of long-term affordable housing combined with supportive services and rental/operating assistance. In Nashville, each of these components are managed by three public agencies: OHS (homelessness response); Housing Division (housing development and preservation programs and policy); and MDHA (rental assistance). In addition, supportive services are delivered through partnerships with service providers. Therefore, creating PSH requires resources and expertise from multiple agencies and the responsibility for determining the approach to creating PSH needs to be defined, with a clear lead agency and formalized partnerships with other agencies.
- **Resident outreach and resource centralization:** Various resources are available to address residents' housing needs, and they are administered by various agencies. While that is not inherently problematic, stakeholder engagement made clear that residents lack awareness of resources; agencies lack full awareness of who is responsible for which resources; outreach about resources could be more robust, targeted, and coordinated; and the resident experience of accessing resources needs to be easier and smoother.
- **Developer community outreach and communication:** To achieve its housing goals, Metro must rely on strong public-private partnerships. However, the development community expressed limited awareness of Metro's priorities for housing and the tools that are available for affordable housing as well as needing support to access these tools.
- **Fair Housing:** Fair Housing violations continue to persist. Education of housing providers, the judicial system, and residents is needed, and capacity for education and addressing violations is limited.
- **Data Tracking and Reporting:** Housing programs are administered across multiple agencies and there lacks consistent protocols on what data is being collected and to whom it is being reported. Further, the Housing Division's dashboard does not include data for all public housing-related programs despite a legislative requirement.

- **Capacity:** Based on interviews with internal and external stakeholders and assessment of program administration practices, Nashville’s public sector housing ecosystem would benefit from strengthening the following capacities in order to more effectively attract, retain, and deploy housing resources:
  - ◇ Underwriting,
  - ◇ Federal/state policy and program expertise,
  - ◇ Data management and analysis,
  - ◇ Narrative development,
  - ◇ Asset management systems and expertise,
  - ◇ Monitoring and compliance systems.

Nashville is facing a challenging set of housing issues and it is necessary to scale up its capacity to match the challenges it faces. Strategy A: “Enhance and align Nashville’s housing ecosystem to comprehensive and collectively address Nashville’s housing needs” includes actions to strengthen the public sector role in Nashville’s housing ecosystem. A summary of several of these actions are outlined below.

**Figure 16: Ecosystem Challenges, Solutions and Anticipated Results**

Challenge	Solutions	Anticipated Results
<p>No clear lead for setting housing policy and ensuring relevant entities are working in concert to advance progress toward housing goals.</p>	<p>Create a role in the Mayor’s Office to over-see and advance the policies and solutions facing Nashville’s housing and homelessness crisis (Action 1).</p> <p>Create an interdepartmental leadership group to coordinate housing funding and services and execute MOUs with key public partners to formalize responsibilities and reporting requirements (Action 1a).</p> <p>Position existing housing tools to align with UHS priorities (Action 12).</p>	<p>Housing partners will have more clarity on roles. Metro will be able to more efficiently advance progress, utilize resources, and capitalize on opportunities.</p>
<p>Limited ability to leverage non-housing agencies to advance progress toward housing objectives.</p>	<p>Create an interdepartmental leadership group to coordinate housing funding and services and execute MOUs with key public partners to formalize responsibilities and reporting requirements (Action 1a).</p>	<p>Metro will be able to more swiftly facilitate inter-agency collaboration to resolve challenges and leverage available tools (including subsidy, regulation, etc.) to maximize impact toward housing goals and objectives.</p>
<p>Decisions about specific allocations of particular resources are made in the absence of awareness of other resources or viable projects.</p>	<p>Coordinate request-for-proposals or intake processes for allocating resources and align reporting requirements (Action 5).</p>	<p>Metro will be able to better assess highest and best use of available resources.</p> <p>Development community will have a streamlined point for accessing resources, resulting in a simpler process for accessing and increased awareness of available resources.</p>
<p>Lack of clarity about roles and responsibilities for developing Permanent Supportive Housing (PSH).</p>	<p>Develop a strategic plan for Permanent Supportive Housing to support annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness (Action 29).</p>	<p>The Mayor’s Office shall designate a lead agency to develop and implement a PSH strategic plan for Nashville and formalize roles among relevant Metro agencies and partners.</p>
<p>Residents lack awareness of resources, agencies lack full awareness of who is responsible for which resources, outreach about resources could be more robust, targeted and coordinated.</p>	<p>Strengthen and expand hubNashville to centralize and improve access to housing resources for residents (Action 41).</p> <p>Ensure information about housing resources is easily accessible and translated into the most widely spoken languages in Nashville (Action 42).</p>	<p>Agencies will pursue coordinated out-reach and resources will be easier to find.</p> <p>More residents in need of resources (financial, informational, etc.) will be able to take advantage, more easily.</p>
<p>Development community has limited awareness of Metro’s priorities for housing and the tools that are available for affordable housing and needs support to access these tools.</p>	<p>Continue support for development partners through streamlined reviews and increased communication and marketing (Action 4).</p> <p>Enhance support of emerging developers and diverse business enterprises (Action 6).</p>	<p>Development community will be better equipped to address Nashville’s housing priorities.</p>
<p>Education of housing providers, the judicial system and residents is needed, and capacity for education and addressing violations is limited.</p>	<p>Support the Eviction Right to Counsel program (Action 36).</p> <p>Support the Tennessee Fair Housing Council (Action 39).</p> <p>Require recipients of public funds/incentives to participate in annual Fair Housing training (Action 40).</p>	<p>Residents, housing providers, and the justice system will be better attuned to policies and requirements, and incidence of discrimination and housing instability will lessen.</p>
<p>Nashville’s public sector housing ecosystem would benefit from strengthening capacity for underwriting, federal/state policy and program expertise, data management, analysis and related narrative development, asset management systems and expertise, monitoring and compliance systems.</p>	<p>Increase capacity and expertise of Metro agencies, either internally or through external partners (Action 2).</p> <p>Establish underwriting capacity, requirements, and criteria to maximize public investments in housing (Action 11).</p>	<p>Metro will be better positioned to produce and preserve affordable housing and support residents’ housing stability.</p>

## Private Sector

In addition to Metro and other public entities, the private sector plays an important role in addressing housing needs. Almost all affordable housing development and preservation is necessarily a public-private partnership, with contributions of both resources and expertise from the private and public sector necessary for successful affordable housing.

Key takeaways from mapping of ecosystem functions showed several trends.

**In Nashville, nonprofit developers have advocated for new tools and policy changes and led the creation and preservation of affordable housing for decades,** on their own and through partnerships with for-profit developers. In the 11 years of the Barnes Fund, nonprofits have leveraged \$1 dollar of Metro funds with \$9 of other funds, resulting in \$1.4 billion in leveraged funds for \$160 million in Barnes Fund grants that will result in over 6,000 new and preserved rental and for-sale homes. Despite these extraordinary outcomes, Nashville continues to have a deep deficit of affordable housing. Recognizing their critical role, nonprofits continue to champion affordable housing, with 10 longstanding nonprofit organizations forming the Alliance for an Affordable Nashville to collectively address issues and pursue solutions.

**Nashville has a significant number of Community Development Corporations (CDCs),** many with long histories of advancing important community development work in their neighborhoods and across Nashville. Because CDCs are deeply rooted in the communities they serve, they play a vital role in tailoring housing solutions to local needs. The capacity and business model of these organizations vary, with some focusing more on services and dabbling in development or rehabilitation to cover costs, while others are equipped to take on sophisticated for-sale and Low Income Housing Tax Credit (LIHTC) development projects. As Nashville seeks to scale its housing supply, strengthening capacities of CDCs not only leads to the creation and preservation of affordable housing but to the economic stability of communities.

**Many nonprofit developers in Nashville are also service providers,** offering financial education, counseling, childcare, and other forms of support to households. While this can result in more holistically serving an individual or family, it can also stretch resources thin. Because nonprofits often rely on grants and donations for both development and services, they often find themselves with funding constraints to sufficiently support their efforts and in competition with other nonprofit developers and services providers for the same funding.

**While Nashville has local affordable housing developers, it has attracted few national affordable housing developers to the market.** Local developers have a strong track record, but a market of Nashville's size will require additional capacity in order to address the scale of the need. Based on interviews, the lack of national partners appears to be in part because local public funding is largely awarded to nonprofits and in part because the State of Tennessee's Low-Income Housing Tax Credit (LIHTC) scoring process benefits developers with pre-existing experience developing LIHTC in Tennessee. Another challenge has been the historically limited engagement by Metro with national nonprofits to date. National nonprofits bring additional capacity and funding with them to projects and can expand Nashville's capacity to build affordable homes and advance unique models.

Metropolitan Development and Housing Agency (MDHA) is in the process of engaging a national affordable housing developer to partner with it on the redevelopment of one of its housing sites. A strong and balanced partnership between a housing authority and a private developer can bring additional capital and capacity to the table to move the redevelopment of MDHA's housing portfolio along at a faster pace. MDHA is taking the right approach to partnership and that will help build capacity in Nashville.

**Private sector actors are primarily active in the production of new market-rate homeownership opportunities and high-rise multi-family housing,** although the magnitude of involvement may differ by actor type. While these efforts contribute to increasing overall housing supply, tools and policies to expand building typologies and create mixed-income housing would allow Nashville to better scale production and achieve affordability goals.

**Private sector actors have limited involvement in homelessness activities outside of service provision.**

Private sector partners play an essential role in operating shelters and providing services; however, the private sector has been slow in creating permanent housing options for persons experiencing homelessness. This is largely attributed to the lack of resources to make these projects viable, such as ongoing rental/operational assistance and supportive services. Additionally, the lack of affordable long-term skilled for residents with more intense needs puts pressure on service providers. Recently, private sector partners have begun including some permanent supportive housing in new construction projects and converting motels to housing with the influx of ARPA funds. Motel conversions for PSH is a faster and more financially feasible option than new construction.

**While Nashville has strong regional Community Development Financial Institutions (CDFIs), no national CDFI currently has an office based in Nashville,** which may limit Nashville's ability to access federal programs and capital. National CDFIs partner with national funders and capital partners which could bring additional, innovative funding to Nashville. CDFIs often act as intermediaries, providing avenues for communities to tap into federal resources to affordable housing and economic development. Further CDFIs can attract significant private investment. According to the CDFI Coalition, CDFIs leverage over \$12 in private capital for every \$1 in federal support. In addition, national CDFIs could expand the utilization of New Market Tax Credits (NMTCs) in Nashville, which are underutilized in the area. Working across markets and implementing products and programs across the country can also bring much needed expertise on emerging best practices. Enterprise Community Partners has hired a policy staff person focused on Tennessee and based in Nashville, which is a step toward a larger presence, but a larger presence of national CDFIs could bridge resource gaps.

**Corporate and philanthropic participation in affordable housing is not as robust as in other markets,** despite investments from the Amazon Equity Fund in local projects and investments in the Catalyst Fund led by the Community Foundation. Stakeholder interviews and research into peer jurisdictions revealed that the network of corporate and philanthropic investment in Nashville is less robust than in high-capacity housing ecosystems. This may be due in part to a lack of an overall housing strategy to identify areas where corporate and philanthropic investments have the most impact. Because public sources are constrained, drawing more philanthropic investment to meet Nashville's housing objectives, urging new and existing developers to explore more creative financing, and proactively designing new public-private partnerships are necessary for building capacity in the ecosystem.

There are several examples of how local governments in other places have effectively engaged corporate, philanthropic, and CDFI partners to collaboratively address housing and expand ecosystem capacity.

- **Flexible rental subsidy:** The Los Angeles County Flexible Housing Subsidy Pool (FHSP) is a permanent rental subsidy program that provides flexible rental subsidies alongside ongoing Intensive Case Management Services (ICMS) for people with complex health needs, including physical and behavioral health conditions, who are frequently heavy utilizers of county medical services. The FHSP was launched in 2014 through a partnership of the LA County Department of Health Services (DHS), the Conrad N. Hilton Foundation, and other governmental partners, in order to supplement existing federal and local housing subsidies and programs that had proved too restrictive to effectively house and service people with complex needs experiencing chronic homelessness.
- **Home repair:** The City of Detroit launched the 0% Interest Home Repair Loan Program in April 2015. The Program offers 10-year interest-free loans between \$5,000 and \$25,000 to help homeowners invest in the repair of their homes. The program is led by the City of Detroit, in partnership with LISC, Bank of America, and HUD.
- **Preservation fund:** The Washington Housing Initiative was launched by the JBG Smith Impact Fund ("Impact Pool") and the Washington Housing Conservancy (WHC), in partnership with the Federal City Council to promote preservation of affordable workforce housing. The Initiative finances the acquisition and development of mixed-income multifamily properties, investing in projects with tax-exempt junior mortgages and mezzanine loans.

See Action 9: "Attract mission-motivated capital and corporate partners" for details on action that will be taken.

## Resource Analysis

As already discussed, Nashville faces significant housing affordability challenges, and there is no single resource to financially advance housing security. It is imperative that the public sector utilize its available resources strategically and efficiently, both because of the scale of the challenges and because of waning federal funding for housing programs. However, existing local public resources are not enough and must be leveraged with state, federal, private, and philanthropic funds.

In recent years, Metro has increased its investments in affordable housing. The Barnes Fund, established in 2013 as Nashville's first housing trust fund, has awarded over \$160 million to 40 nonprofit developers, resulting in the creation or preservation of over 6,000 affordable housing units. Initially funded at \$2 million annually, the fund received an annual \$30 million in the past three years bolstered by American Rescue Plan Act (ARPA) funds. Metro, in fact, utilized more than half of its ARPA funds to address housing and homelessness, such as allocating \$50 million in 2022 to OHS for homeless services, shelter operations, and eviction prevention, and deploying nearly \$67 million in emergency rental and utility assistance between 2021 and 2023. With ARPA funds running out and future federal support uncertain, Metro must now focus on optimizing resources to expand housing choices and affordability for more residents. Metro must balance its housing needs in the same budget that supports essential government functions.

Programs funded by ARPA led to new programs and may offer insights for future approaches and continued support. The Low Barrier Housing Collective, for example, substantially expanded Nashville's ability to serve the hardest-to-house populations, while offering an approach for engaging more landlords and property managers in the future. In addition, the Temporary Interim Housing program and Housing First Supportive Services programs expanded crucially needed services — discontinuation of which would come with significant human consequences. Nashville also successfully funded its first- ever limited equity cooperative housing development which will provide residents, who might otherwise be excluded from homeownership opportunities a chance to purchase a share in the development. This innovative model encourages more permanent affordability while allowing residents to build equity without requiring a large down payment or traditional home loan.

Metro-funded housing programs cover a broad range of housing activities (housing construction, housing rehabilitation, direct service to households, etc.). In some instances, Metro will have multiple programs with overlapping purposes; for new rental construction, for example, Metro has one program deploying federal funds (through MDHA using HOME funding) and one program deploying local funds (Metro Housing Division using Barnes funding), while both programs interface with THDA's administration of federal LIHTC funds within Davidson County. In addition, MDHA has authority to grant a Payment-in-Lieu of Taxes (PILOT) to a LIHTC project.

While administering resources across multiple entities and programs is not necessarily problematic, fragmentation can foster inefficiencies, and it increases the importance of establishing effective systems, policies and practices for cultivating efficiency and alignment of strategic functions. Various actions within the UHS will help to create this coordination and alignment—primarily those nested under Strategy A, “Enhance and align Nashville's housing ecosystem to comprehensively and collectively address Nashville's housing needs,” and Strategy B, “Optimize and grow financial and resource support for affordable housing across public, private and philanthropic sectors.”

Metro also has opportunities to tap into new resources. Metro has historically left existing federal resources on the table and should explore new resources available at the federal and state levels, though availability of such resources will vary across administrations, such as Community Development Block Grant (CDBG) funding. Finally, while Nashville is a low-tax city with limited public support to increase its tax burden, Metro could strategically explore new, targeted local revenue sources for housing, such as user fees, and collaborate with partners to encourage state actors to more efficiently use federal resources. The 2021 Affordable Housing Task Force Report provided a menu of potential resources for affordable housing, but each of these potential sources requires State law action. Drawing from that report, Action 7 provides additional information on potential local and state funding sources that could be pursued, while Appendix G: “Affordable Housing Finance 101” provides a deeper analysis of revenue options elevated in the 2021 Affordable Housing Task Force Report.

## **Current Tools**

Metro and MDHA use various tools to support affordable housing development and other housing needs for residents, including the Barnes Fund, gap financing programs, Payments in Lieu of Taxes (PILOTs), homeowner rehab programs, Property Tax Relief and Property Tax Freeze, services contracts with community-based organizations, etc. The Barnes Fund is largely funded from the Metro operating budget, while PILOT programs impact revenue collections to fund the operating budget. MDHA's affordable housing finance, rehab, and voucher programs are solely dependent on federal appropriations. See Figure 17 for an overview of the tools that exist along Nashville's housing continuum and Appendix E: "Program Inventory and Profiles" for profiles of all current programs.

## **Subsidy Tools**

Income-restricted affordable housing is more expensive and difficult to construct than typical residential construction due to the complicated and necessary layering of subsidies to make these projects financially feasible. Because rents in these projects are restricted, affordable housing developments cannot support much, if any, debt. See Appendix F: "Affordable Housing Finance 101" for more information. Subsidy tools close the gap between what households can afford to pay and the substantial cost to develop and operate housing. Public subsidy is costly, but often necessary to make the development and preservation of homes affordable to households earning less than 80% of the AMI feasible. Subsidy also supports programs and services that support housing access and stability for residents, such as street outreach, rent assistance, and owner-occupied repair programs for homeowners. Without local public funding dedicated to households with the greatest needs (e.g. elderly persons, children), then it is impossible to avoid significant harm from housing insecurity and, in extreme cases, homelessness.

Metro has the ability to allocate resources from its operating budget, to issue bonds, as well as to use resources received through the federal government, such as entitlement funds.<sup>8</sup> Metro (and partners such as MDHA) deploy public subsidy (including tax benefits, loans, grants and discounted land) directly to build homes or indirectly to reduce costs by building infrastructure for new homes. To address Nashville's housing needs effectively, limited local public funding must target households that the market does not serve and development projects that leverage state, federal, philanthropic, and private capital to achieve the greatest impact.

## **Highly Utilized Resources**

As shown in Figure 15, Nashville has built thousands of affordable rental homes in the past ten years. This surge in development was driven by a confluence of supportive conditions – low interest rates, winning a large share of the State's 4% LIHTC allocation (which require utilization of private activity bonds issued by Health and Education Facilities Board (HEFB) and Industrial Development Board (IDB), strong funding through the State's Community Investment Tax Credit (CITC) by local banks, influx of ARPA dollars, and expanded Barnes funding. In FY 2022, almost 1,400 affordable rental homes were funded for development or preservation with LIHTC, a federal tax credit awarded to development projects by states or their designee. Moreover, it is estimated that in FY 2022 over 3,100 homes were funded for new construction or preservation with LIHTC and local tools, including the Barnes Fund. Action 17. "Continue strong production of affordable housing using Low-Income Housing Tax Credit (LIHTC)" is focused on sustaining and expanding the level of LIHTC equity being invested in building and preserving affordable rental homes in Nashville. The \$193 million of LIHTC equity dwarfs the Barnes Fund and the Federal entitlement funding Metro receives to build affordable homes. While the possibility of corporate tax liability reduction advanced by a federal administration could negatively affect tax credit demand and subsequently pricing, this tool is by far the most important source of funding to create affordable rental homes in Nashville.

Moving forward, it will be important for the Nashville housing community to expand its utilization of available housing finance tools. Tennessee, like many states, has reached its volume cap for private activity bonds, which

---

<sup>8</sup> There are limitations on Metro's ability to allocate resources from its General Fund and issue bonds. For example, Metro generally cannot give taxpayer funds directly to private, for-profit entities. Additionally, Metro cannot issue bonds for the benefit of private entities without satisfying state Constitution's requirement that three-fourth of voters approve in a referendum election. However, instrumentalities such as IDB and HEFB can issue revenue bonds for certain projects delineated under State law.)

effectively constrains the supply of 4% LIHTC. Options like 501(c)(3)bonds, the federal Section 108 program, and new federal funding sources could provide opportunities, but their availability remains uncertain. While these tools may be worth pursuing, it is unclear how accessible they will be in the future, making it essential to remain flexible in funding strategies. Action 7: “Explore new, dedicated local and state funding for affordable housing and homelessness services” and Action 9: “Attract mission-motivated capital and corporate partners” are focused on expanding the funding sources available to support the creation and preservation of affordable homes in Nashville.

### **Federal Entitlement Funds**

Federal funds, including both entitlement funds and ARPA funds, support a significant share of programs and services available for homeowners, renters, and people experiencing homelessness. Sustaining the level of service of existing programs will be a challenge in some cases due to the upcoming expiration of federal funds made available following the pandemic (ARPA) and the potential of reduced or eliminated federal funding. Working together to ensure that budgets are aligning with key strategies, programs are delivering efficiently on intended outcomes, and that available federal resources, such as vouchers, are being fully and effectively utilized, will be key.

While federal funds are referred to as entitlements—because all local governments over a certain population are entitled to receive them—the funding levels have fluctuated over time. Over the past five years, funding has increased, but prior to that, it had been declining since the 1990s. Nashville should be prepared for significant reductions or the elimination of entitlement funding for affordable homes in the coming years. Further, ongoing continuing resolutions, instead of annual budget appropriations, create additional uncertainty and delays or gaps in programming.

Federal entitlement funds and competitive funding have long been the primary source for homelessness resources and programming in Nashville, making it critical to optimize existing resources and seek new funding opportunities should there be future funding cuts or delays. Strategy E: Create permanent housing options for persons experiencing or at-risk of homelessness includes key actions on how to support homelessness prevention efforts.

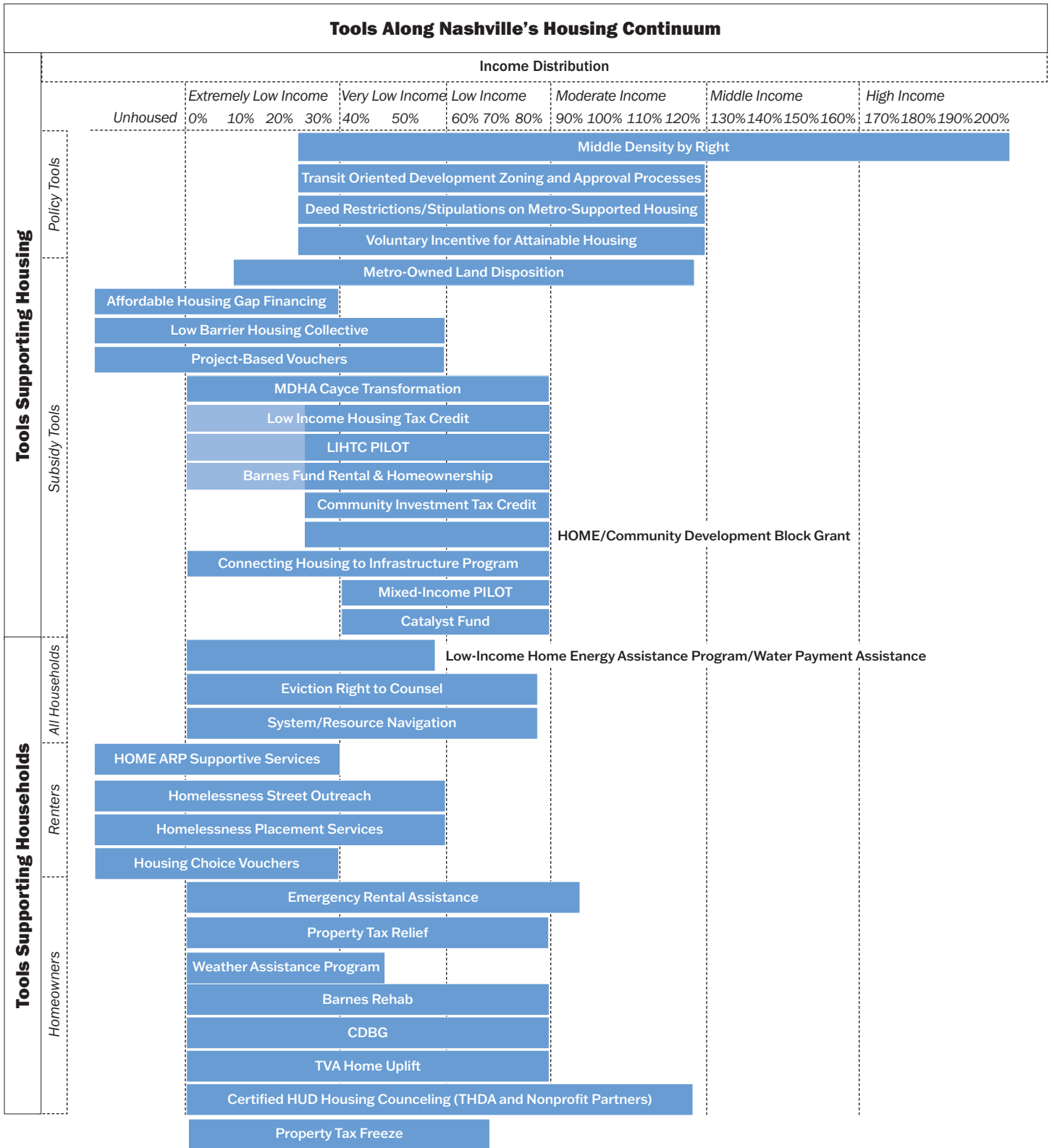
**Figure 18: Davidson County FY 2023 Federal Entitlement Allocations**

<b>Federal Entitlements (FY23)</b>	<b>\$130,764,819</b>
Section 8 HCV	\$69,812,906
Section 8 Five Year Mainstream Vouchers	\$2,223,956
Housing Assistance Payments Program	\$32,213,294
Continuum of Care	\$2,317,539
CDBG / Entitlement Grants	\$14,676,870
HOME Investment Partnerships Program	\$3,237,491
Housing Opportunities for Persons with AIDS	\$1,051,011
Weatherization Assistance for Low-Income Persons	\$368,327
Section 8 Moderate Rehabilitation - Single Room Occupancy	\$407,039
Family Self-Sufficiency Program	\$341,818
Community-Based Crime Reduction	\$62,033
Low Income Housing Assistance Program	\$117,277
Emergency Shelter Grants Program	\$2,610,343
Federal Communications Commission Programs	\$369
Coronavirus State & Local Fiscal Recovery Program	\$822,480
Americorps Program	\$1,495
Community Health Worker Program	\$294,907
Low Income Home Energy Assistance Program	\$205,664

Figure 19: Federal Entitlement Program for Housing and Community Development

<p><b>Community Development Block Grant (CDBG)</b></p>	<p>CDBG is the largest and most flexible entitlement fund. It can be used for activities that provide decent housing and a suitable living environment or that expand economic opportunities. Nashville received \$4.9 million in FY 2023, with MDHA administering these funds on behalf of Metro. These funds were split between economic development, infrastructure, public services, and administration. Approximately \$2.3 million was deployed by MDHA for home repair programs to promote housing stability.</p>
<p><b>CDBG Disaster Recovery</b></p>	<p>Nashville-Davidson sometimes receives CDBG funding from to specifically address long-term recovery needs following a natural disaster. Currently, MDHA is administering a CDBG-DR grant in the amount of \$5,151,000 to support recovery efforts resulting from flooding in 2021. The Metro Housing Division is awaiting final approval of its Action Plan to utilize \$10,827,467 for recovery efforts resulting from the March 2020 tornadoes. These disaster funds pass from HUD through the State of Tennessee to Metro.</p>
<p><b>HOME Investment Partnerships Program (HOME)</b></p>	<p>The largest federal block grant exclusively to create affordable housing, HOME funds may be used to construct, acquire, or rehabilitate affordable homes or to provide housing assistance. Nashville received \$2.3 million in FY 2024, deployed by MDHA through an RFP. A portion of these funds went towards gap financing for new affordable rental homes, while the remainder went towards financing new homes for affordable homeownership.</p>
<p><b>HOME ARP</b></p>	<p>HOME ARP is a one-time allocation of \$9,298,780 of American Rescue Plan Act funds to assist “qualified population” - individuals and families experiencing or at-risk homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking; other populations where providing supportive services or assistance would prevent the family’s homelessness or would serve those with the greatest risk of housing instability; and veterans and families that include a veteran family members that meet one of the preceding the criteria. MDHA initially planned to direct most of the funding for the development of affordable rental housing but since has amended the plan to direct 85% of the allocation (\$7,904,430) to supportive services. Funds must be expended by September 30, 2030.</p>
<p><b>Emergency Solutions Grant (ESG)</b></p>	<p>The ESG Program helps those who have experienced homelessness or other housing crises regain permanent housing. Nashville received \$453K in FY 2023, administered by MDHA. ESG funds supported homelessness street outreach, shelter operating support, and financial support to persons experiencing homelessness.</p>
<p><b>Housing Opportunities for Persons with AIDS (HOPWA)</b></p>	<p>HOPWA is the only Federal program dedicated to the housing needs of people living with HIV/AIDS. Nashville received \$2.4 million in FY 2023. The funds are administered by MDHA; HOPWA funds supported short-term rentals for persons with HIV/AIDs as well as support services through a network of organizations throughout the Nashville region.</p>

Figure 20: Tools to Support Affordability, Access, and Stability Along Nashville’s Housing Continuum



## **Program Utilization**

According to analysis conducted by HR&A, in recent years, among homeowners, energy efficiency upgrades were the most commonly used program, followed by down payment assistance and property tax relief. Renters most frequently used utility and emergency rental assistance programs. However, more than half of the survey respondents facing housing instability reported not using any housing support programs, with voucher assistance and case management being the most frequently used among those who did.

As Metro considers how to most effectively utilize its existing tools and limited resources, neighborhood categorizations provided by the Market Value Analysis can provide helpful guidance on where to prioritize or target funding. As shown in the figures below, the MVA used Davidson County Census block groups to identify markets with similar characteristics. The underlying characteristics analyzed are shown in Figure 22. The MVA identified eight distinct housing markets, which were labeled with letters “A” through “H”. Although each market type has unique characteristics, they fall into four pairings (categorized as Regional, Strong, Developing, and Vulnerable) that each share similar opportunities and needs. Figure 21 provides a map which indicates where each market type is located across the county. The MVA has been used in cities across the country to help inform what strategic interventions are appropriate based on the underlying market conditions. Figure 23 describes how federal and local housing tools could be prioritized in geographies based on the MVA categories.

## **Regulatory Analysis**

Policies and regulations are an important component of Metro’s housing toolkit, and they can also function as consequential barriers to addressing housing goals. Three primary categories of policy/regulatory tools include land use, resident protections, and subsidy.

### **Land Use**

Land use regulations shape where homes can be located, what types of homes can be built, and how many homes are built. Land use tools, and more broadly building codes and the development approval process, are the most powerful lever available to local governments to shape their housing market. When deployed effectively, these tools can reduce displacement, increase housing supply, stabilize rents and sale prices, and address racial segregation. However, land use tools alone cannot meet the needs of Nashville’s extremely low-income households (i.e. those earning below approximately \$30,000 annually). Those are the lowest-income households whose incomes are not enough to cover the cost to build and maintain a home and require public subsidy.

To address Nashville’s housing challenges, land use and development approval processes must allow for enough homes to be built to accommodate job and population growth in a diversity of types--townhomes, accessory dwelling units, duplexes, triplexes, etc.--to reflect the range of households that make up Nashville.

Metro determines the land use, building codes and development approval processes in which developers make investment decisions (e.g. zoning and development review, information dissemination) within the constraints of state law, which imposes some significant limits. For example, Tennessee municipalities are prohibited from instituting affordability requirements or impact fees as preconditions for rental housing development. Affordability requirements, like those traditionally known as “inclusionary zoning,” mandate that a certain percentage of newly built apartments be restricted to occupants making below a set income, ensuring that lower-income residents have access to new housing stock. While Tennessee law does not allow for an affordability requirement, the legislature did approve a 2024 bill that allows municipalities to create voluntary programs. Impact fees, meanwhile, are used in many places to fund infrastructure improvements necessitated by new developments. The inability to charge these fees or set affordability requirements, however, means Nashville must largely rely on subsidy, land use incentives, and voluntary programs to encourage the development of affordable housing.

## Market Value Analysis Categories

- Regional Markets
  - ◇ “A” markets represent the most expensive neighborhoods in the county. They are predominantly owner occupied (80% own their homes). These markets have some of the highest rates of housing investment, measured by permits for renovation and new construction, in the county.
  - ◇ “B” markets also have sale prices well above the county median but contain a mix of homeowners and renters. On average, only 50% of households in “B” markets own their homes.
- Strong Markets
  - ◇ “C” markets have housing values close to the regional average. Most households own their homes and signs of vacancy, financial stress, or maintenance issues are rare.
  - ◇ “D” markets contain homes priced just above the regional average and are among the most demographically diverse in Davidson County. Many households rent with just one-quarter (24%) of households owning their homes. These markets contain a meaningful amount of the county’s subsidized housing units, with 11% of renters living in a publicly subsidized development or using a housing choice voucher.
- Developing Markets
  - ◇ “E” markets contain a mix of owner and renter occupied households and the highest concentration of subsidized affordable housing in the county. Eighty-one percent of renters in “E” markets live in subsidized developments (including LIHTC-financed buildings) or are using a housing choice voucher.
  - ◇ “F” markets are predominantly home to owners. These communities contain a mix of owner homes and older housing stock and are less uniformly residential than other communities in Davidson County.
- Vulnerable Markets
  - ◇ “G” markets contain a stock of older, moderately priced, owner-occupied homes with visible deferred maintenance and higher rates of housing vacancy than other areas of the county. The rate of housing investment, measured by permitting for renovation or new construction, is low compared to other markets.
  - ◇ “H” markets contain moderately priced renter-occupied homes. Like “G” markets, deferred maintenance is more common. These markets also contain a sizeable share of subsidized housing units, with nearly one in ten renters living in a subsidized development or using a housing choice voucher.

### Figure 21: Davidson County Market Types

The Market Value Analysis classified Census block groups by market strength based on administrative data, such as property sales, building permits, code violations, and affordable housing locations.

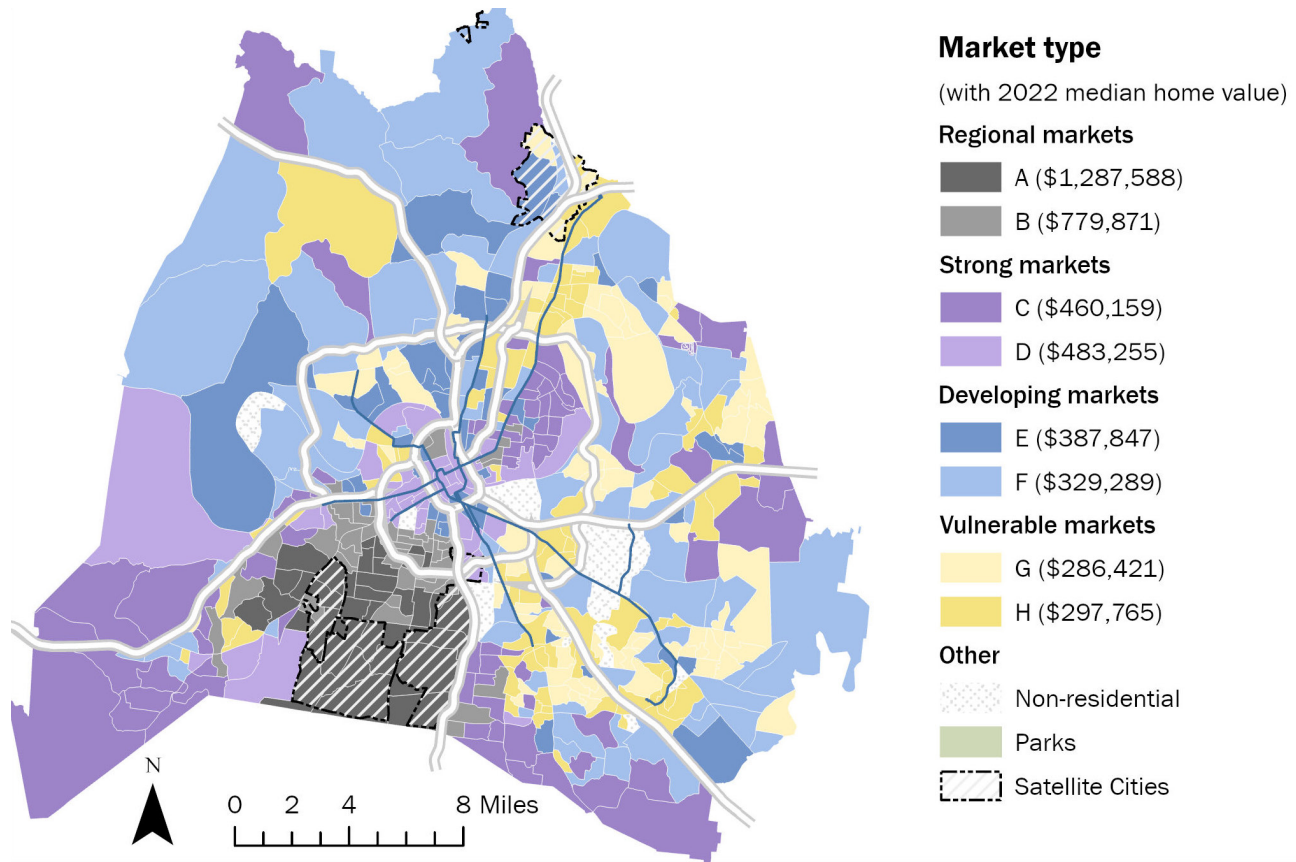


Figure 22: Davidson County Markets with Underlying Characteristics (2028-2022)

n=	Media Sales Price (Adj)	Coeff. Var. Sales	Home-owners	Financial Distress	Code Violations	USPS Vacancy	Housing Permits	Subsidized Units	Res. Land Uses
A 34	\$1,287,588	0.69	90%	1%	1%	1%	17%	0%	81%
B 46	\$779,871	0.62	50%	1%	3%	2%	13%	2%	63%
C 78	\$460,159	0.45	78%	1%	4%	1%	13%	2%	77%
D 38	\$483,255	0.64	24%	1%	3%	3%	10%	11%	27%
E 45	\$387,847	0.67	40%	2%	8%	2%	14%	81%	59%
F 72	\$329,289	0.45	69%	2%	5%	2%	11%	6%	49%
G 80	\$286,421	0.37	73%	3%	10%	1%	6%	8%	82%
H 88	\$297,765	0.49	26%	2%	10%	2%	9%	10%	66%
Total 493	\$468,520	0.51	54%	1%	6%	2%	12%	19%	58%

Source: Reinvestment Fund. Note: Results exclude 12 block groups that were unclassified due to insufficient sales data.

**Figure 23: Tools to Utilize Based on Market Value Assessment Category**

Program Name	Recommended Geographic Targets
Affordable Housing Gap Financing	The geography of units produced by this program will be primarily driven by the location of LIHTC awards, a process governed independently by the State QAP and developer decisions. However, it may be possible to prioritize projects seeking 4% LIHTC through the tax-exemp bond application process managed by HEFB. Projects that are located in neighborhoods categorized A-D should be a higher priority for funding.
Temporary Interim Housing	OHS and Metro should seek to limit the concentration of facilities in neighborhoods categorized as E-H in the MVA.
Low Barrier Housing Collective	As the program evolves, OHS has an opportunity to reach into all of Nashville's communities. Expanding into neighborhoods with fewer rental units will be proportionally more difficult and will also face barriers in neighborhoods where market rate rents are highest. A priority should be placed on expanding the number of lower barrier homes in neighborhoods categorized A-D. This may require expanding or adjusting the incentives offered to offset the higher rents in these areas. Consideration should also be given to avoid concentrating the number of participating rental homes in a given building. Excessive clusters can undermine the benefits of locating in neighborhoods that offer greater opportunity
Low Barrier Housing Competitive Grants	Given the range of factors OHS is likely to evaluate for competitive grants proposals, and given that only a handful of organizations are likely to be awarded in each funding round, geographic dispersal of awards should not be the top priority. Where there is an opportunity to secure homes in neighborhoods labeled A-D in the MVA, that should be a priority, and concentrating low barrier rental homes in any building should be avoided, particularly neighborhoods E-H on the MVA.
Eviction Right to Counsel	Eviction right to counsel should be a countywide service, and a focus should be on neighborhoods that have seen a shift in the MVA from E-H to A-D, and neighborhoods with higher displacement ratios.
Rental Rehab (MDHA)	Given that only a handful of households are likely to be awarded each year, geographic dispersal of awards should not be considered a top priority. Where rehabilitation occurs in stronger markets (A-D on the MVA), additional consideration should be given to the commitment of the property owner to maintaining affordability beyond what is required by the funding.
Homeowner Rehab (MDHA)	Homeownership rehabilitation should be provided countywide. Given the long backlog of households, the primary driver of prioritization should be the circumstances of individual households e.g. health and safety concerns, etc. When location is considered, deployment should focus on areas with high displacement scores in the MVA.
MDHA HOME Rental Program	The geography of units produced by this program will be dictated by the location of LIHTC properties and existing subsidized housing, a process governed independently by the State QAP and developer decisions. Consideration should also be given to whether the project already has federal requirements imposed upon it. Those projects that already have federal requirements should be a priority because HOME funding will not create additional costs and will be more efficient to invest. After these considerations, projects that are located in neighborhoods categorized A-D should be a higher priority for funding.
MDHA HOME Homeownership	Homeownership should be supported countywide. In neighborhoods categorized as A-D in the MVA, homeownership should be supported that expands opportunity for first generation homeowners. In neighborhoods E-H, homeownership should be supported for households earning up to 100% AMI.

Program Name	Recommended Geographic Targets
Low Income Home Energy Assistance Program (LIHEAP) Renters & Homeowners	A concentration of LIHEAP assistance to households in low-income neighborhoods does not pose equity concerns in the same way that concentration of subsidized housing might. This program should have a household needs-based focus as opposed to geographic focus. Neighborhoods categorized with a high displacement coefficient in the MVA could be targeted for outreach.
Barnes Fund Homeownership Rehab	Homeownership rehabilitation should be provided countywide. Given the long backlog of households, the primary driver of prioritization should be around the circumstances of individual households e.g., health and safety concerns. When location is considered, the focus should be on areas with high displacement scores in the MVA.
Barnes Fund Rental	The geography of units produced by this program may be partially driven by the location of LIHTC awards, a process governed independently by the State QAP and developer decisions. Projects that are located in neighborhoods categorized A-D should be a higher priority for funding.
Barnes Fund Homeownership Creation	Homeownership should be supported countywide. In neighborhoods categorized as A-D by the MVA, homeownership should be supported that expands opportunity for first generation homeowners. In neighborhoods E-H, homeownership should be supported for households earning up to 100% AMI.
Mixed-Income PILOT	By the nature of market-rate development, the mixed-income PILOT will favor neighborhoods with stronger market conditions because those are the areas that will attract market-rate development. Metro should not place additional geographic restrictions.
LIHTC PILOT	The geography of units produced by this program will be driven by the location of LIHTC awards, a process governed independently by the State QAP and developer decisions. Metro should not impose additional restrictions on location.
Connecting Housing to Infrastructure Program (CHIP)	CHIP should prioritize neighborhoods that have higher rates of traffic-related fatalities and/or lower levels of infrastructure and amenities. The MVA does not provide an effective measurement of this need. It will need to be assessed on a project-by-project basis or through a countywide inventory of infrastructure and amenities. The current countywide lens is Vision Zero.
Property Tax Freeze Program: Seniors	Property tax freeze should be a countywide offering, but outreach could focus on neighborhoods that have seen the greatest property value increases and neighborhoods with higher displacement ratios in the MVA.
Property Tax Relief Program: Seniors, Disabled, Veterans	Property tax freeze should be a countywide offering, but outreach could focus on neighborhoods that have seen the greatest property value increases and neighborhoods with higher displacement ratios in the MVA.
Property Tax Deferral Program: Seniors, Disabled	Property tax deferral should continue to be a countywide offering, but outreach could focus on neighborhoods that have seen the greatest property value increases and neighborhoods with higher displacement ratios in the MVA.
Section 8 Vouchers Administered by MDHA	Increasing the number of vouchers in neighborhoods categorized as A-D by the MVA should be a priority.
Weatherization Assistance Program (Renters & Homeowners)	A concentration of weatherization assistance to households in low-income neighborhoods does not pose equity concerns in the same way that concentration of subsidized housing might. This program should have a household needs-based focused as opposed to geographic focus. Neighborhoods categorized as E-H could be targeted for outreach.

Program Name	Recommended Geographic Targets
Catalyst Fund	The Catalyst Fund should target properties in neighborhoods categorized as A-H by the MVA and those with a high displacement coefficient.
Emergency Rental Assistance	A concentration of Emergency Rental Assistance to households in low-income neighborhoods does not pose equity concerns in the same way that concentration of subsidized housing might. This program should be based on household needs as opposed to a geographic focus. Neighborhoods categorized with a high displacement coefficient in the MVA could be targeted for outreach and education.
Disaster Recovery Grants	Disaster recovery grants should focus on areas impacted by natural disasters, especially areas at risk of housing loss if homeowners are not able to make repairs to their homes.

## Building Code

Building codes significantly shape the number of homes built and the cost to build those homes by dictating the material and labor costs of construction, which places limitations on design and approval processes. These requirements are put in place to protect health and safety, and while aesthetics are not their focus, they can impact the look and feel of a building. Metro must adhere to the minimum standard established by the State, but Metro has the ability to adopt more prescriptive standards.

Increasingly sustainability and resilience considerations are driving refinements to building codes. In June 2024, the Housing Division partnered with the Urban Land Institute's (ULI) Terwilliger Center for Housing and ULI Nashville to host a Technical Assistance Panel (TAP) that investigated ways the Housing Division could promote sustainable and resilient housing. The panel's final report *Sustaining Nashville: Building Sustainability and Resilience into Affordable Housing* provided recommendations related to building standards and performance. Notably, the panel recommended updating building codes to meet *Phius Passive House* standards or the 2021 International Energy Conservation Code (IECC) for new construction and performing a comprehensive building performance assessment for building retrofits to enhance building energy performance. More information on the TAP and the full report can be found on [ULI Nashville's web page](#).

In 2024, the Tennessee General Assembly took action allowing municipalities new flexibility in building code requirements including the option to allow taller single-stair residential buildings and eliminating sprinkler requirements for three- and four-family residential buildings, which can make small-scale multi-family buildings more affordable while keeping them safe. The Tennessee General Assembly amended Tennessee Code Annotated, Section 68-102-101, to allow six-story single egress stair residential buildings, with a maximum of four units per story, provided they meet specific safety requirements. Previously single egress stair buildings were limited to three stories. In an effort to reduce construction costs for three-family and four-family dwellings, the State also amended the Tennessee Code Annotated to prohibit the State Fire Marshal from requiring automatic fire sprinkler systems in buildings under 5,000 square feet and fewer than three stories, as long as the structure meets a two-hour fire-resistance rating for wall, floor, and ceiling separation assemblies. It grants local governments the ability to still adopt mandatory sprinkler requirements by local ordinance. Metro Planning's Housing and Infrastructure Study provides an in-depth assessment of these opportunities and recommendations.

## Short-Term Rentals

Short-term rentals have a significant impact on Nashville's housing market. There are over 7,500 active short-term rentals registered with Metro. Approximately 2,285 of the 7,535 registered short-term rentals are owner-occupied. These are furnished properties in which the owner rents their home or part of their home when they are away or while they live there. Of the active short-term rental permits in Nashville, nearly 70 percent are not for owner-occupants. These properties have a direct impact on the availability of homes in Nashville and as a result, the cost of housing, displacement pressure, access to homeownership, and the availability of homes overall.<sup>9</sup> There is limited impact on the availability of homes in Nashville as a result of owner-occupied short-term rentals.

Metro has a limited ability to regulate short-term rentals under Tennessee State law. As Metro updates its land use and development approval requirements, it must consider what limitations are appropriate and allowed under State law. See Action 13: "Evaluate and adjust zoning and land use policies to unlock development opportunities, expand housing types, and increase annual housing production."

Short-term rental properties are also a source of funding for the creation and preservation of affordable homes. A portion of the local occupancy tax proceeds for short-term rentals provide funding to the Barnes Fund. This source added approximately \$4 million to the Barnes Fund in the 2023 fiscal year.<sup>10</sup>

---

<sup>9</sup> Nashville Open data portal

<sup>10</sup> Fiscal Year 2023 Short Term Rental Property Report includes Barnes Fund - <https://www.nashville.gov/departments/finance/reports/short-term-rental-property-tax-reports>

## Resident Protections

Resident protections tools include laws and policies that set guardrails on how renters and homeowners are treated by property owners and mortgage holders. These protections are critical to mitigating displacement and creating balance between the interests of residents and owners and investors. These protections do not create new homes, but they can soften market pressure that can lead to displacement.

Tennessee state law limits local policies to protect tenants' rights, leaving Nashville with fewer legal protections compared to other cities and states. Some tenant protections have even been reduced in recent years, such as the 2024 legislation cutting the time tenants can request an eviction delay from 15 days to just seven. This shortened timeline limits tenants' ability to address issues and avoid the eviction proceeding. Since Nashville cannot override state laws, its ability to advance countywide tenant protections is constrained, but coordination with private sector partners and other Tennessee cities could help advocate for changes in state policy.

Though limited in its ability to pursue countywide protections, Metro has greater flexibility in instituting protections and requirements in properties that are recipients of public funds. These requirements which are discussed further in Action 35: "Incorporate stronger tenant protections in publicly subsidized income-restricted affordable housing" can include just-cause eviction requirements, source of income protections, and other requirements. Such protections can be complemented by expansion of services like counsel for those facing eviction. Currently, the Eviction Right to Counsel programs have supported the expansion of legal assistance to tenants facing eviction but the program funding is set to expire, and additional resources and capacity are needed to support more tenants.

Similarly, protections for homeowners can include policies that prevent harassment or pressured sales tactics, along with property tax relief programs for longtime homeowners, such as Nashville's Property Tax Freeze and Property Tax Relief programs. These protections and programs could be complemented by subsidized programs like pro bono legal assistance for estate planning and foreclosure prevention.<sup>11</sup> Similar to tenant protections, the state holds authority over property rights and controls any expansion or adjustments to property tax freeze and relief programs. Although state legislative efforts to curb predatory practices against vulnerable homeowner have not been successful, one example is Sen. Charlane Oliver's bill, SB234, which aimed to limit the number of times an investor and their employees were permitted to contact a property owner with an unsolicited offer to buy the property owner's home or land. To date, there has been minimal progress in advancing such state protections or expanding property tax freeze and relief programs.

In 2022, leaders from multiple Metro departments, including the Codes Department, discussed ways to mitigate inequitable impacts in code enforcement following reports of lower-income residents being subjected to fines as a result of reports filed by neighbors. Action 43: "Leverage the Codes Department to support vulnerable homeowners and tenants and inform program outreach" discusses further ways in which code enforcement can be positioned to better serve vulnerable residents and avoid enabling predatory behavior targeted at lower-income residents who may face difficulties coming into code compliance.

### Type of Displacement

**Forced Displacement** - Circumstances in which a move is spurred by a physical or legal force that requires a household to vacate its current home/location.

**Pressured** - Circumstances in which a household or organization leaves their home/location because remaining is untenable.

<sup>11</sup> Property tax relief can take various forms. Caps on property taxes would require State action to amend the Tennessee Constitution. Property tax caps can have implications for a government's credit rating if ratings agencies believe the cap could appreciably affect Metro's ability to generate revenue necessary to make bonds payments.

## **Subsidy**

As discussed previously, land use tools are unable to fully meet the affordability needs of lower-income Nashvillians. Factors such as land costs, material costs, and labor costs all influence the pricing of housing. Unfortunately, the cost to produce housing has become increasingly expensive making it less financially feasible to develop properties that are affordable to households earning 60% of the AMI or below. Subsidy programs, as outlined in the “Resource Analysis” section, are crucial in bridging the affordability gap in housing development and operations. These public tools, including tax benefits, loans, grants, rental assistance, and discounted land, make it financially feasible to create and maintain affordable housing for lower-income households. Without subsidies, the rising costs of land, materials, and labor make it increasingly difficult to develop homes that are affordable to households earning 60% of the area median income (AMI) or below.

These subsidies primarily benefit vulnerable populations, such as low-income families, older adults, and individuals facing homelessness, who are often unable to access stable housing through the private market. By providing financial support, these programs ensure that households facing economic hardship can secure stable and affordable housing options, improving their overall quality of life.

To be effective, however, subsidy programs require sustained and increased funding at all levels of government. A reduction in funding at any level puts added pressure on others, making it harder to meet housing demands. Maximizing the impact of subsidy tools means optimizing available resources, ensuring responsible investment, and maintaining public trust through transparent performance metrics. These measures are essential to delivering meaningful results and ensuring that subsidies reach the households with the greatest needs.

## Land Use

- **What It Is:** Planning processes, land use, building regulations, development approval processes, and infrastructure investments (e.g., zoning, development review, and information dissemination) that govern where and what types of homes can be built. These tools are guided by Nashville's General Plan, *NashvilleNext*, department master plans, and the zoning and building code.
- **How it Advances Housing Security:** Shapes the housing market by determining where housing can be located, the types of homes built, and the overall supply of housing. It aims to reduce displacement, reduce the cost of new housing, increase housing supply, stabilize rents, and address racial segregation. Existing infrastructure, combined with new investments from the public and private sector, also shape housing security by limiting or providing access to daily needs like groceries, childcare, or park space, through a mobility network that can be more or less safe for different modes of travel.
- **Who it helps:** New, unsubsidized housing development primarily serves middle- to high-income households. New market-rate development also provides indirect benefits for lower-income households by increasing housing diversity and availability, putting less pressure on moderately-priced housing. However, it cannot fully address the needs of most households earning below \$60,000 annually without additional public subsidies. Improved land use processes also benefit the needs of lower-income households by expanding what land is available for new income-restricted housing.

## Resident Protections

- **What It Is:** Laws, policies, and interventions that protect renters and homeowners from unfair treatment by property owners or mortgage holders, including eviction protections, and to prevent harassment or pressured sales.
- **How It Advances Housing Security:** Mitigates displacement and creates a balance between residents, owners, and investors, ensuring that vulnerable populations are protected from market pressures and discriminatory practices.
- **Who It Helps:** Renters and homeowners, particularly those at risk of eviction, displacement, discrimination, or exploitation. Targeted protections can help prevent homelessness, stabilize tenants in their homes, and support longtime homeowners facing tax burdens or the threat of foreclosure. Education and outreach can empower residents on their Fair Housing rights and elevate responsibilities of the housing industry.

## Subsidy

- **What It Is:** Public subsidy tools - such as tax benefits, loans, grants, rental assistance, and discounted land - used to close the affordability gap in housing development and operations, help increase housing security, and support access to affordable housing options
- **How It Advances Housing Security:** Makes housing development and preservation affordable to lower-income households, supporting programs that aid housing access, stability, and affordability (e.g., rental assistance, street outreach, homeowner repair programs).
- **Who It Helps:** Primarily serves low-income households, including older adults, children, and those facing homelessness. It ensures that households with the greatest need have access to stable and affordable housing options, especially when the private market cannot meet those needs.

# How Nashville Can Advance Housing Security

The people of Nashville need housing security now more than ever. We want to strive to create a Nashville where every resident has access to a safe, quality home where they can flourish. To maximize our impact and deliver on our vision of housing security for all, Nashville must have a clear plan that is suited to the needs of our community and evolves with a changing housing market.

The following strategies and actions will guide Metro Nashville's Housing Division, other Metro agencies addressing housing and homelessness, and private partners for the next ten years. While Metro will lead the charge, the successful implementation of this strategy is not solely within Metro government's resource capacity. Advancing these strategies requires the collective efforts of both public and private stakeholders, with crucial support from state and federal governments. Metro Nashville recognizes that, without the sustained financial resources and policy support from these higher levels of government, achieving comprehensive housing security for all Nashvillians will not be possible. With that said, the Unified Housing Strategy is intended to foster needed collaboration and provide a shared plan that empowers philanthropists, developers, government partners, and advocates, to work together towards our shared vision of housing security.

Each of the strategies and related actions presented below, while ambitious, reflects what must be accomplished to collectively meet Nashville's housing security needs. Each strategy includes multiple action steps, an implementation plan outlining the resources and capacities required from the public and private sectors, and performance metrics to track progress.

Finally, as a call to action, each person reading the Unified Housing Strategy can play and needs to play a role, either as an individual or through a business or organization, in meeting the housing needs of our neighbors. These are Nashville's collective strategies and actions, and it will take all of us to achieve the vision that all Nashvillians have housing security.

---

STRATEGY A: ALIGN THE HOUSING ECOSYSTEM

**Enhance and align Nashville's housing ecosystem to comprehensively and collectively address Nashville's housing needs**

## What is the focus of this strategy?

This strategy focuses on creating a high-functioning ecosystem needed to more effectively address our housing needs outlined in the “Key Findings” and “Ecosystem Analysis” sections. Strategy A includes actions to establish clear lines of authority and alignment between key stakeholders, build out important capacities across the Mayor’s Office and Housing Division, and strengthen collaboration with private sector partners, such as developers, service providers, funders, and advocates.

## Why is this strategy important?

Following the recommendation of the Affordable Housing Task Force, Metro Nashville created the Housing Division in January 2022, the city’s first office dedicated to addressing Nashville’s housing needs and long-standing inequities. While the Task Force’s recommendation to establish a place within Metro to manage and champion housing efforts has been carried out, there is still room to improve coordination of housing efforts across Metro government and beyond. Metro’s housing ecosystem consists of multiple partners, including Metro departments, MDHA, developers, philanthropic organizations, corporations, lenders, and more. Addressing our housing needs and carrying out the actions laid out in the UHS require the support of all these entities. Therefore, Nashville’s housing ecosystem must be aligned with the UHS priorities; have champions from the public, private, and philanthropic sectors; and be effectively organized to ensure programs and resources are best serving Nashvillians.

This strategy ensures that Nashville’s housing ecosystem is equipped to respond to challenges, drive innovation, and support sustainable growth. With this coordinated approach, Nashville can move closer to making housing security a reality for all residents.

## Who will this strategy serve?

Though this strategy is focused on strengthening the capacities and organization of the housing partners, it ultimately seeks to better serve all those who wish to call Nashville home.

## How will we measure our progress?

The optimal outcome of the remaining strategies in the UHS cannot be achieved without a high-functioning ecosystem.

## What will it take to achieve?



**Staff Time,  
Capacity or  
Expertise**



**Underwriting  
Capacity**



**Advisory/  
Contractual  
Services or  
Technical  
Assistance**



**Technology,  
Marketing, or  
Digital Tools**



**Funding  
or Financing**



**Data**



**Executive  
Leadership**

# Strategy A Actions

## **Action 1: Create an executive-level role in the Mayor's office to oversee and advance policies and solutions to address Nashville's housing needs**

As described in the ecosystem analysis, many actors, both public and private sector, have roles to play in addressing housing supply objectives and housing service delivery. These actors are not limited to entities that have “housing” in their title—for example, Metro Social Services, Courts, Industrial Development Board (IDB), Health and Educational Facilities Board (HEFB), Codes, Department of Transportation, and others lead functions or administer resources that touch housing, even if that is not their primary focus.

To better align housing ecosystem actors, efforts, and resources, the Mayor should establish an executive-level position within the Mayor's Office to coordinate across departments and entities to deliver on housing priorities. This individual would be charged with coordinating relevant local public agencies, boards, and commissions with housing functions and overseeing policy, programs, strategy, and budget requests for the respective entities under the Executive.

This role is important both because of the interconnectedness of housing, social services, and development efforts—including economic development and transit-oriented development—and the significant leadership needed to achieve progress on goals such as permanent supportive housing or the development of new financing tools. This role would be well positioned to provide that leadership. This position could take several forms including the creation of a new Chief Policy Officer or other executive. Regardless of the title, this role must facilitate collaboration around strategy, policies, programs, and public-private partnerships that can advance development and housing goals and provide oversight to relevant Metro entities. This executive would report to the Mayor but would work closely with Metro's Chief Operating Officer, who oversees operational and administrative matters, and Metro's Chief Development Officer, who will be closest to many opportunities involving Metro assets..

### **Action 1a: Create an interdepartmental leadership group to coordinate housing funding and services and execute MOUs with key public partners to formalize responsibilities and reporting requirements**

While the Mayor and his team regularly meet with leaders of Metro departments and offices, as well as MDHA, on housing and homelessness issues, one of the primary functions of the executive-level role would be executing memoranda of understanding among key partners, including the Housing Division, OHS, MDHA, and other local public entities with a housing role, such as the IDB and HEFB. The MOU(s) would outline roles, responsibilities, priorities, and data coordination and reporting for the coming year as related to the implementation of the UHS. The purpose of the MOU is not punitive but rather to establish clarity on each entity's strategic focus and internal capacity while also coordinating delivery to meet the needs outlined in the UHS.

While each local public entity may have its own strategic plan and/or plans required by specific funding sources, the UHS should be the guiding document for identifying local housing priorities, setting strategic direction to meet those goals, establishing performance metrics, and prioritizing resources and policies related to the utilization of Metro resources and assets. The executive-level role is crucial to affecting this coordination, but Metro must designate a lead for undertaking strategic updates to the UHS and tracking and reporting implementation progress. This role should fall to the Housing Division.

It is common in other jurisdictions to convene key leadership monthly or quarterly to discuss ongoing initiatives, review high-level progress towards goals and housing pipelines, and plan for upcoming actions. Metro Nashville's Housing Division as the lead agency should organize these convenings with relevant agencies, including but not limited to OHS, MDHA, MSS, and MAC. As the lead agency, the Housing Division should also be responsible for and accountable to the UHS and for maintaining focus on the agreed upon strategic priorities.

Further, the Housing Division should work closely with MDHA on the development of the Five-Year Consolidated Plan and annual updates, which guides the utilization of federal entitlement funds for housing and community development. To access these federal entitlement funds, every jurisdiction must submit a five-year plan to the Department of Housing and Urban Development (HUD) that lays out goals for the deployment of the funds. These goals are based on an analysis of local housing and homelessness needs. Therefore, it is important for the UHS and the Consolidated Plan to align.

Historically, MDHA has been responsible for the development of the Consolidated Plan, administering its related programs, and producing the annual performance report on behalf of Metro Government. MDHA is an effective administrator with strong experience in the monitoring and compliance required for federal funds. However, for the Housing Division to effectively align key actors around the same housing goals, it should do its part too: The Housing Division should play a key role in the development of the 5-year plan alongside MDHA rather than serve as a stakeholder or provide comments on drafts, as well as assist MDHA in publicizing public meetings related to the Consolidated Plan, annual updates, and annual report. Given its experience, MDHA should continue to lead the drafting process and consultation and community engagement efforts, but the Housing Division, as Metro's representative, should approve drafts before released to the public. This is a common responsibility of housing departments in other jurisdictions.

In addition to the consolidated plan, the Housing Division should have this same approval role before annual action plans and the consolidated annual performance and evaluation report (CAPER) are released for public comment. Because the Consolidated Plan, annual updates, and the CAPER must be submitted by deadlines set by HUD, the Housing Division must ensure availability and capacity to support MDHA in meeting these deadlines.

## **Action 1b: Ensure operating and capital spending plan appropriations related to housing and homelessness further the strategies and actions of the UHS and support strong housing and service delivery**

Each year, Metro undertakes a budget development process that allocates resources from its General Fund across all agencies and establishes a Capital Spending Plan. It should be noted that housing programs, particularly the Barnes Fund, and homeless services are funded from the General Fund, while CSP funds can only be used for public works projects and capital expenses. With the adoption of clear goals in the UHS, agencies involved in addressing housing needs must align their budget requests with UHS strategies and actions. These requests must not only support progress toward housing goals but also quantify the anticipated impact of proposed investments.

This process extends beyond agencies explicitly focused on housing. All agencies that influence housing outcomes—such as Codes, which can promote housing stability through timely inspections— should be expected

to identify and justify their contributions. Metro’s broader budgeting framework should integrate this approach, including the use of the equity tool to prioritize investments that address systemic disparities. Additionally, the Office of the Chief Operating Officer (COO) should work with relevant agencies to embed housing objectives into agency performance plans, which guide and assess agency performance throughout the fiscal year.

In addition to requiring agencies to align budget requests with UHS goals, Metro must prepare operating and capital budgets that reflect the scale of Nashville’s housing needs while balancing other critical Metro needs. Using the UHS as a guide, Metro should prepare Annual Funding and Policy Priorities to address housing needs and advance UHS goals in each fiscal year.

To this end, Metro Finance will need to evaluate annually whether there is capacity to fund programs at these levels, while the Mayor’s Office—working with Finance, the Law Department, and Council—should assess the feasibility of pursuing new revenue-generating opportunities, as described in Action 7: “Explore new dedicated local and state funding sources for affordable housing and homelessness services” to provide more stability and continuity.

By aligning resources with the goals of the UHS, Metro can ensure a comprehensive, cross-agency commitment to addressing housing and homelessness. This coordinated approach strengthens service delivery, supports long-term housing stability, and fosters innovative solutions to meet the evolving needs of Nashvillians.

## Action 2: Increase capacity and expertise of Metro agencies, either internally or through external partners

In addition to strong leadership and coordination, the housing ecosystems of peer jurisdictions have a consistent set of capacities that allow actors to effectively deploy resources, track progress and impact, and manage specialized programs responsive to specific housing needs. In Nashville, limited underwriting, asset management, and compliance monitoring capacity constrains the ability of key agencies to deploy resources efficiently while data collection efforts are largely siloed within individual agencies. Finally, Nashville has specific housing needs including expanded homeownership support, PSH creation, and preservation of existing deed restricted properties. These focus areas require specific expertise and attention.

To manage the execution of larger and more sophisticated housing programs, ensure the efficacy of public funds, and to cover the full range of housing issues Nashville faces, Metro, particularly the Housing Division and OHS, needs to expand its capacity and deepen its expertise. This can be achieved through training and technical assistance for existing staff, revising position descriptions to reflect priority areas of responsibility, recruiting and hiring additional staff, procuring external expertise through contracts with specialized consultants or firms, and/or partnering with other housing ecosystem partners who currently manage a similar function and display expertise. The best approach will likely include a combination of the above.

There are at least three factors to be considered when weighing whether to train existing staff, hire new staff, or hire contractors to expand Metro's expertise and functions. These factors are cost, volume of demand for the functions, and relative value added by each alternative. In most markets, finding qualified staff is a challenge, and it can be costly. Salaries for staff vary considerably from local government to local government and by level of experience. Alternatives to hiring new staff include training existing staff or hiring external contractors to perform certain functions, the costs of which also will vary depending on the particular need. The relative costs of each of these three options (paying for new salaries, paying for training for existing staff, or hiring contractors) need to be considered when deciding which is best to enhance Metro's operations.

In addition to cost, the volume of demand is a significant factor in determining the best avenue for adding capacity. Some capacities will not be needed on a full-time, year-round basis. This is related to the relative value added in training or adding staff compared to partnering or contracting. For capacities that require a high level of expertise and are not needed full time, contracting with external partners can deliver a higher value to the ecosystem.

Areas of capacity and expertise to grow including the following:

1. **Underwriting capacity:** In order to effectively utilize the resources for affordable housing available through Metro (including funding, land, and other incentives) as well as tap resources currently being left on the table, it is critical that Metro have professional underwriting capacity at its disposal. The Housing Division should assess options to effectively build out this capacity, balancing both urgency to ramp up production and long-term capacity building. See Action 11: "Establish underwriting capacity, requirements, and criteria to maximize public investments in housing." This capacity does not override the legality of whether a particular tool or incentive is permissible under applicable law.

2. **Federal/state policy and programs:** Numerous federal resources exist to support affordable housing development and related objectives, such as transit-oriented development. The Departments of Housing and Urban Development (HUD) and Transportation (DOT), and the U.S. Environmental Protection Agency (EPA) have funding programs and policies that can help increase housing supply and sustainability. Metro must be able to navigate the latest developments in state and federal policy, leverage connections with technical experts to ensure Nashville is able to take advantage of new programs, share information and educational resources with the development community, and work with partners, including peer cities, community development financial institutions (CDFIs), and other stakeholders to advocate for federal and state policy changes when needed. See Action 8: “Tap new and underutilized resources” and Appendix H: “New or Underutilized Funding Sources” for details on funding opportunities.
3. **Data management and analysis:** Monitoring, analyzing and communicating about trends and progress is critical to achieving housing goals. The Housing Division has made notable progress towards enhancing affordable housing data management, including procuring a secure platform to store project data, developing a housing dashboard, and compiling and cleaning project data administered by the Division. However, multiple agencies are responsible for administering affordable housing programs and there lacks consistent and standardized reporting.

In April 2023, Metro Council passed ordinance BL2023-1742 directing the Metro Planning Department, through its Housing Division, to create a centralized dashboard to track funding and development and preservation of subsidized homeownership and rental housing. The ordinance defines subsidized units to include any unit funded or incentivized through Metro resources administered by a Metro agency, board, or commission, or an entity like MDHA which administers like local incentive programs and federal funds on behalf of Metro. The Housing Division has successfully created a public-facing dashboard that is updated quarterly and showcases housing market conditions as well as production of several affordable housing programs, including the Barnes Fund, Mixed Income PILOT, and LIHTC PILOT. However, partner agencies, such as OHS and MDHA largely run their own data and evaluation teams, and their analysis is not captured in the dashboard. Though there are publicly available sources, such as the National Housing Preservation Database, that provide information on affordable housing projects, such databases have limitations and adequate staffing capacity is needed to verify and clean data.

The Housing Division should collaborate with research and strategy staff in the Planning Department, at OHS, MDHA, and other key agencies to enhance tracking and analysis of market conditions and housing needs in Nashville. To be successful, Metro needs to establish data management and standardization processes and require that all relevant partners receiving General Fund allocations, or in the case of MDHA, administering federal funds and local incentive programs, are consistently sharing their data in a standard format. Gathering and cleaning this data requires significant staff time. Both requiring this reporting and adequately staffing this responsibility in each department are important first steps in improving this process. Currently, Housing Division staff focused on data collection and analysis also work several other programs and policy initiatives. To achieve this level of data management requires full-time, dedicated staff.

4. **Narrative development and communications:** Alongside the standardization and regularization of data management across the entities mentioned above, Metro will need to publicize updates on market conditions and housing needs regularly to keep momentum both internally and among key external stakeholders. This is a capacity that can be delegated to existing staff or that may be supported by an external contract such as the existing Housing Dashboard contract. Relatedly, some actions include a call for more marketing of existing programs. That capacity may be delegated to existing staff or may be best suited to experienced marketers. Contracting for services for marketing can also ensure the communications are completed in a timely manner without the challenge of staff capacity being redirected toward more urgent matters.
5. **Homeownership policy:** At least one staff member in the Housing Division should focus on expanding homeownership opportunities, including traditional ownership and Shared Equity ownership. This position should serve as the in-house expert on policies that support homeownership, facilitate collaboration and communication to and among key stakeholders, and spearhead new programs or initiatives to support access to or preservation of homeownership.

6. **Permanent supportive housing (PSH) strategy lead:** Permanent supportive housing combines affordable housing assistance with voluntary supportive services. PSH is intended to help those exiting homelessness obtain and maintain housing as well as improve health and connection with the community. Creating new PSH requires financing the property’s construction, operations, and associated services and can involve multiple partners from across Metro. However, Metro needs a dedicated lead agency to coordinate the overall strategy. See Action 29: “Develop a strategic plan for Permanent Supportive Housing to support annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness.”
7. **Housing preservation:** Housing preservation strategies focus on maintaining, protecting, and extending long-term affordability. Maintaining the affordability of currently regulated affordable housing can be attained through proactive outreach and support to properties to provide tools and assistance. One full-time new or existing staff member in the Housing Division could serve in this role and be the subject matter expert on long-term affordable housing models, such as Community Land Trusts. This individual may lead many of the activities described in Strategy F: Preserve and protect long-term housing affordability and stability.
8. **Monitoring and compliance systems:** The Housing Division should ensure monitoring and compliance for all projects that receive local subsidy, which includes ensuring adherence to property condition requirements, occupancy and income limits, and loan or financing terms. In some cases, this could mean coordinating with agencies like MDHA that already have robust systems, and in other cases, new systems will need to be created and staffed. Adding additional capacity for monitoring and compliance would both support the preservation strategy and allow the Housing Division to keep its dashboard up to date with accurate information.

## Action 3: Invest in infrastructure that supports affordable housing and safe communities

Investing in infrastructure alongside affordable housing is critical for creating healthy, thriving communities. Currently, the lack of infrastructure (transit, water, stormwater, wastewater, energy, etc.) in Nashville impedes housing goals by prohibiting future housing development and perpetuating unsafe, disconnected community environments. The absence of adequate infrastructure like transit and sidewalks can prevent the formation of healthy, vibrant communities. More fundamentally, a lack of infrastructure can prevent new homes from being built because infrastructure, especially water and sewer, does not exist and can be extremely costly for developers, who are required to fund standard infrastructure necessary to support their projects.

In November 2024, Nashvillians approved a dedicated funding mechanism to build connection across Davidson County. The Choose How You Move Initiative (CHYM) will expand residents' access to mobility opportunities, housing opportunities, parks, libraries, schools, and grocery stores. While CHYM cannot directly pay for new affordable housing, it will link existing and new affordable housing to jobs and other services and amenities. Currently, 41% of Nashville's subsidized, income-restricted housing is within ¼ mile of a transit service improvement in CHYM, and Metro has the potential to add 5,500 units of housing in these areas under existing zoning.

Another potential tool to fund infrastructure is the Residential Infrastructure Development Act of 2024, enabling the creation of Infrastructure Development Districts. This tool can help finance infrastructure that supports housing and other public needs. Planning, in partnership with Metro Finance and Legal, should assess this new tool to determine its viability and value for Nashville, informed by the forthcoming Housing & Infrastructure Study.

To support the creation of infrastructure that enables safety for pedestrians and ease of access for residents with disabilities, the Housing Division should continue to offer the Connecting Housing to Infrastructure Program (CHIP) program, a cross-departmental partnership between the Housing Division and Nashville Department of Transportation (NDOT), that funds investment in Vision Zero-supportive infrastructure improvements around affordable housing properties. This initiative specifically addresses the disproportionately high rates of traffic deaths and severe injuries experienced by Nashville residents living in areas with high poverty rates, high shares of renter households, and high housing cost burden rates. Housing should enhance outreach and marketing about CHIP to ensure that developers are aware of this resource and more communities can benefit from enhanced infrastructure.

As described in Action 19b. "Continue funding the Connecting Housing and Infrastructure Program (CHIP) and identify how it can support the viability of deeply affordable projects," the Housing Division should monitor the option of expanding eligible uses of CHIP for deeply affordable projects. Currently CHIP helps affordable housing projects to provide enhanced infrastructure, such as improved pedestrian crossings, that support critical Vision Zero and accessibility goals. To support the production of more deeply affordable housing, the Housing Division could expand the eligible uses of CHIP to include standard infrastructure such as sewer and water in addition to enhanced upgrades for projects that provide PSH or other deeply affordable homes. The Housing Division—through its underwriting capacity—could determine in the underwriting process the amount of standard infrastructure cost to cover, depending on the project gap, number of PSH units, and other available gap subsidies.

## Action 4: Continue support for development partners through streamlined reviews and increased communications and marketing

Since 2019, Metro Nashville has taken steps to streamline the permitting process for affordable housing developments to better address the urgent housing needs of our community and facilitate the timely placement of housing for low- and moderate-income residents. The city began providing priority review of building permits for income-restricted affordable housing projects, and over time, the scope of eligible permits and activities—including inspections—has expanded to further support these developments.

In 2023, the Urban Land Institute's Housing Action Council convened Metro Nashville departments to identify and resolve ongoing roadblocks in the affordable housing permitting and approval process. These discussions highlighted the importance of enhancing interdepartmental coordination to improve the expedited review process. In response, Metro Nashville's Planning Department partnered with the Departments of Codes and Building Safety and Information Technology Services (ITS) to create a dedicated Affordable Housing permit type. This new system streamlines the process by automatically generating a permit for eligible projects. Once the Affordable Housing permit is established for a project, any subsequent related permits, such as master or building permits, are automatically associated with the expedited review process. This eliminates an extra step for developers and ensures that all Metro reviewing agencies are aware of a project's priority status from the outset.

As a result of these improvements, Metro Nashville will now proactively set up permits for any project that received Metro subsidy, ensuring the process continues to improve.

Moving forward, Metro departments involved in permitting processes should continue to evaluate the effectiveness of these changes and work closely with the development community to refine and improve processes, ensuring the timely, safe, and high-quality development of affordable housing for Nashvillians. This should include exploring opportunities to advance cutting edge construction types and new materials for housing development.

In addition to direct support for emerging firms, stakeholder engagement revealed that even established developers can be unfamiliar with available programs and funding sources, possibly limiting access to the Mixed-Income PILOT program, the CHIP program, and resources available to support production of affordable homeownership options. The Housing Division should coordinate with other relevant agencies to ensure consistent marketing and outreach across all programs, opening the door to private partners, and seek to improve marketing and outreach to the development community for new and existing Metro programs.

As noted in the Ecosystem Analysis, Nashville has a limited number of national developers or nonprofits actively developing or managing properties and additional partners can help expand capacity. Regular engagement with the development community and consistent external communications can help to expand the pool of developers and the resources they bring to projects.

## Action 5: Coordinate request-for-proposals (RFP) or intake processes for allocating resources and align reporting requirements

Nashville’s available public funds for housing are administered across multiple agencies—such as the Housing Division and MDHA—through independent application and review processes. While there is some degree of collaboration on investment decisions, a more coordinated request for proposals (RFP) or application review process could help to support strategic investments and resource utilization by enabling relevant evaluators and decision makers to assess the highest and best use of available resources against a live set of opportunities.

Additionally, a coordinated RFP would help the development community deliver more housing, more quickly. Various practitioners expressed via stakeholder engagement sessions that it can be challenging to stay up to date on available resources for housing production and preservation. Establishing a single “front door” would mitigate that challenge.

The following are examples of cities with consolidated RFP or intake processes. These examples offer opportunities for Metro and MDHA to consider with regard to coordinating efforts.

- **Atlanta:** The city, housing authority, Invest Atlanta, and key private funders created a [common intake form](#) for developers seeking funds. Staff from each entity meet monthly to review the pipeline, coordinate allocations, and align on key priorities and underwriting criteria.
- **District of Columbia:** D.C. has had a longstanding [consolidated RFP process](#) with a focus on prioritizing projects based on existing policy guided by strategic documents like the District’s Consolidated Plan, LIHTC Qualified Allocation Plan (QAP) and local affordable housing priorities (such as housing targets for each planning area) articulated in the DC Housing Equity Report. When private activity bond capacity for LIHTC projections became more competitive, District agencies [further centralized the process](#) by requiring projects seeking bond cap to be approved through the consolidated RFP process to ensure alignment with District housing priorities. Of note in this example is that DC has powers more closely aligned to THDA with regard to the QAP, which do not apply to Nashville, but this example provides coordination strategies.

Metro, led by the Housing Division, and MDHA should explore a similar coordinated process that pulls together the federal entitlement funding administered by MDHA, Barnes Fund, the award of housing vouchers by MDHA, PSH supportive services awarded by OHS, and other housing finance tools into a coordinated process. This coordinated RFP would allow for careful underwriting of public investments in affordable housing.

Federal, state and local funding will have different requirements and timelines. However, where there is the opportunity to align, the Housing Division should lead this effort to establish fluid communication patterns with partners and coordinate alignment of reporting. This will not only strengthen reporting clarity but will also make tracking and dashboard updates more seamless. Part of this work could include publishing template versions of documents including deed restrictions so partners can easily access standard documentation.

## Action 6: Enhance support of emerging developers and small business enterprises

Several developer and contractor training programs exist in Nashville. Launched by the Urban League of Middle Tennessee and powered by Amazon, the R.E.D. (Real Estate Developers) Academy seeks to empower diverse developers with opportunities to grow their businesses. The MC3 (Music City Construction Careers) program focus on creating pathways to union craft building trade careers for Nashville residents, with an emphasis on serving populations historically under-represented in the construction industry. Pathway Lending hosts an emerging developers cohort to connect peers who are interested in impactful, community-focused projects. Despite these and other programs designed to create new workforce opportunities, many developers and contractors emerging from these programs and/or seeking to enter the market face challenges getting to that first project or contract or scaling their business model.

Metro Nashville's Housing Division should continue and expand efforts aimed at increasing and diversifying Nashville's development partners through various approaches including remaining committed to current Barnes Fund set-asides, launching new services, and exploring support for helpful models such as Joint Ownership Entities and exploring financing mechanisms for smaller projects.

Metro Nashville has already engaged in efforts to boost participation from minority-owned, women-owned, and small businesses in its affordable housing programming. The Barnes Fund, for example, has implemented policy changes to support this effort, including a 2017 collaboration with the Center for Nonprofit Management to provide one-time technical assistance to a group of 10 nonprofit affordable housing developers with a focus on strengthening organizational structure with attention to board development, financial reporting, and succession planning. This program is no longer in operation, but Action 12a "Focus the Barnes Fund to Maximize Impact" and Appendix I: "The Barnes Fund Recommended Policy and Organizational Changes" recommend a Capacity Building Track.

Additionally, to promote successful applications from small organizations, there is a specific set-aside for small organizations that Metro Council codified in Spring 2023 which requires 20% of the total Barnes Fund annual allocation be set-aside for nonprofit organizations with an annual operating budget of no more than \$4 million and a housing budget of no more than \$1 million.

In summer 2024, Metro Nashville was one of twenty-one communities to receive a Pathways to Removing Obstacles to Housing (PRO Housing) award from the U.S. Department of Housing and Urban Development. Metro Nashville's Housing Division received \$5 million to address barriers to affordable housing production. In developing the proposed grant activities, community leaders supporting emerging developers shared with the Division that some of the major supports needed for emerging and small developers to be successful are predevelopment costs support, capacity building, and a go-to network of partners to assist with development deals. A portion of the PRO Housing award will be used to create access to predevelopment services, providing emerging and small developers and contractors access to a network of experts such as lawyers, architects, and grant writers. Faith-based institutions interested in utilizing their land for affordable housing will also have access to these predevelopment services, which will help build their capacity and transform their assets into housing. For more information on how faith-based institutions can support affordable housing in Davidson County, see Strategy B.

Joint Ownership Entities (JOEs) allow for the possibility of consolidating ownership and operation of affordable housing projects owned by small Community Development Corporations (CDC)s. By consolidating these properties and achieving efficiencies of scale in operating costs, JOEs can yield improved cash flow. In addition, they act as a co-guarantor to CDC members in securing additional affordable housing transactions, eliminating the need for CDCs to co-venture with for-profit developers. The JOE model has been most notably scaled in New York Cit but has been endorsed by Local Initiative Support Corporation (LISC) as a [model to adapt](#) in communities across the country. As described in the ecosystem assessment section, Nashville's CDCs have mixed capacity

to take on development projects and the JOE structure could help build their capacity. Given JOE's focus on capacity building it may be best coordinated with the Capacity Building Track of the Barnes Fund or supported by philanthropy or community partners.

---

STRATEGY B: FORTIFY FUNDING AND RESOURCES

**Optimize and grow financial and resource support for affordable housing across public, private, and philanthropic sectors**

## What is the focus of this strategy?

This strategy focuses on increasing the assets, including land and financial resources, to support affordable housing initiatives. Strategy B includes actions for Metro to better utilize its own assets, as well as actions for securing additional funding and support from federal and state sources, philanthropy, employers, financial institutions, and other community partners.

## Why is this strategy important?

To advance affordable housing, a wide range of traditional and innovative resources are needed, not just funding, but also key factors like land availability and the optimal use of existing programs. The successful implementation of the UHS strategies depends on robust assets and financial support, particularly in Strategies C and E, which focus on expanding affordable housing for individuals earning 60% of the Area Median Income (AMI) and below. It is not financially feasible for the private market to provide housing that is affordable to Nashvillians earning these income levels, making it essential to secure sufficient public subsidies and fully leverage every available resource.

Federal, state, and local funding have not kept pace with the rising costs of providing affordable housing. Metro cannot shoulder the magnitude of funding to address Nashville's housing needs within its budget constraints. As a result, the need for additional funding sources has become more urgent. Metro Nashville's efforts to leverage American Rescue Plan Act (ARPA) funds since 2021 have helped support new and existing housing programs. However, with ARPA funds set to expire by 2026, it is critical that Metro maximize the impact of current housing tools, like the Barnes Fund, and identify new, sustainable funding sources to continue and expand these vital housing initiatives. Moreover, the uncertainty surrounding future federal funding further underscores the need to maximize local assets and explore additional financial resources.

While Metro Nashville has made strides in increasing local investments in housing initiatives, it's important to recognize that all local public funding comes from finite sources—whether through new fees, taxes, or the reallocation of funds from other essential services such as parks or mental health programs. Additionally, certain revenue sources are earmarked for specific uses, such as school improvements or road maintenance, and cannot be used for affordable housing. Given these constraints, the responsibility cannot fall solely on public funding. This strategy calls on Metro to leverage its assets and explore every possible avenue for support, while also urging new levels of collaboration with private partners – corporations, financial institutions, and philanthropic organizations – who must step up as equal partners in funding affordable housing and supportive services. Without their active involvement and financial commitment, many of the strategies and action items laid out will not be feasible. Strategy B and its related action items aim to secure and strengthen the resources necessary to ensure that all Nashvillians have a safe, affordable place to call home.

## Who will this strategy serve?

Strategy B will serve Nashvillians in need of affordable housing, particularly those earning 60% of the Area Median Income (AMI) and lower, who are most impacted by the lack of affordable options. By maximizing local resources and strengthening funding partnerships, this strategy will help ensure that more affordable housing opportunities are available to those who need them the most.

## How will we measure our progress?

Metric	Description	Source(s)
Local investments	Total local dollars invested in housing	Metro Departments
Federal investments	Total federal dollars invested in housing	Metro; MDHA
Partner investments	Total private sector dollars invested in housing	Private Organization
Philanthropic investments	Total philanthropic dollars invested in housing	Philanthropic Organizations

## What will it take to achieve?



**Staff Time, Capacity  
or Expertise**



**Underwriting  
Capacity**



**Funding and  
Financing**

# Strategy B Actions

## Action 7: Explore new dedicated local and state funding sources for affordable housing and homelessness services

Meeting Nashville's projected affordable housing needs over the next ten years would require approximately \$80 million annually in local funding annually under current conditions (i.e., policy environment, underwriting, and resources). Building an underwriting capacity to more efficiently deploy public funding will help to get the most out of all available resources, but it will not eliminate the need to increase public funding to fully address Nashville's housing needs.

All local public funding for affordable homes comes from somewhere—an increase in fee or tax, that residents or businesses must pay, subject to limitations in state law, or a reallocation of funding from another use such as parks, mental health services, or other areas. With this constraint in mind, Metro should give careful thought to which sources of funding it pursues and continue to engage with corporations, institutions, philanthropies, and others to be equal partners in the funding of affordable homes.

As described in the “Resource Analysis” section and Action 1b: “Ensure operating and capital spending plan appropriations related to housing and homelessness further the strategies and actions of the UHS and support strong housing and service delivery” and Appendix I: “Program Inventory and Profiles”, Metro and MDHA use various tools to support affordable housing development, including the Barnes Fund, gap financing programs and Payments in Lieu of Taxes (PILOTs) such as the LIHTC PILOT (administered by MDHA) and Mixed-Income PILOT (administered by Housing Division). The funding sources for the tools are varied. The Barnes Fund is almost exclusively supported by allocation from Metro's general fund drawn from Short Term Rental (STR) revenues and property taxes and, in recent years, American Rescue Plan Act (ARPA) funds. The allocation is done on a discretionary basis through the annual budget process, with Metro Council needing to approve funding each year. Federal entitlement funds such as Community Development Block Grant (CBDG) and HOME are deployed by MDHA, and the PILOTs are an abatement of property taxes, which impact revenue collection and, ultimately, the Metro budget.

In addition to funding affordable housing, there is also a growing need to support homelessness services. A critical funding source for homelessness services comes from the U.S. Department of Housing and Urban Development (HUD) which funds local initiatives to end homelessness through the Continuum of Care (CoC) Program Competition. The Office of Homeless Services (OHS) serves as the primary applicant to the CoC Program competition. The availability of CoC funding is subject to change dependent on the administration. Notably, ARPA funds have also been used in recent years to fund support services and shelter operations; local ARP funds are set to expire at the end of 2026, while the HOME ARP funds for supportive services ends September 30, 2030. As Metro seeks to advance permanent supportive housing, there will also be a growing need to identify sources to fund both operating costs and supportive services, both of which are essential components of PSH and work together to prevent individuals once chronically homeless from entering homelessness again. While Medicaid cannot pay for housing development or rent, it can support services for enrollees to find and sustain housing. To access such services for Tennessee Medicaid patients, though, the state would need to pursue a waiver, such as a 1115 Demonstration Waiver, which has been a critical resource in funding supportive services in other states across the county. Metro could work with other local governments and stakeholders to advocate for state involvement to pursue such a waiver.

Nashville's 2021 Affordable Housing Task Force Report proposed a number of dedicated sources for affordable housing, including an increase to the sales tax inside the Tourism Development Zone, redirecting a portion or all of the Real Estate Transfer Tax, a bond issuance fee, and increasing short-term rental (STR) fees and charges, among others. Some of these, like bond issuance fees and the STR fee, were put in place, and STR revenues now support the Barnes Fund in part. However, most of these are not viable paths. See Appendix H for the Analysis of Potential Revenue Sources.

Metro should explore a combination of discretionary funds approved by Metro Council annually while adding in a combination of housing bonds and dedicated sources to scale the level of local public funds to be in line with the level of challenges Nashville faces with the cost of homes. All potential revenue sources outlined in Appendix H require State Law change, and some are restricted for other uses.

In March 2025, Metro Council passed RS2025-1101 requesting the Department of Finance and the Housing Division to research and determine the feasibility of the creation of a revolving loan fund to issue loans for affordable housing that allow for smaller investments from members of the Nashville community. Metro will embark on this research in Fiscal Year 2026.

There are other sources that are not a viable or priority option for Metro at this point because of one or more of the considerations above. Unclaimed lottery winnings, construction excise tax, parking tax, vacancy tax, permit fees, motor vehicle registration fee, and others will not be prioritized by Metro because of limits of state law and the relatively modest amount of funding they are likely to generate.

Of the potential revenue sources, the Realty Transfer Tax and Realty Mortgage Tax are the strongest options, but each has limits and obstacles to supporting the development and preservation of affordable homes.

## Realty Transfer Tax

The State of Tennessee already collects a Realty Transfer Tax of 37 cents for every \$100 of real estate value transferred. This generates about \$14 million a year in tax revenue. Metro could work with the State to have a portion of this tax allocated to Metro, or it could work with the State to have a local Realty Transfer Tax added. Metro intends to focus on pursuing a local realty transfer tax. Such a tax has been considered by State policy makers before, and creating the option for a local Realty Transfer Tax would not require the State to give up funds it relies on.<sup>i</sup>

If Metro were to adopt a tax of 50 cents for every \$100 of real estate value for residential properties worth over \$500,000, it would generate around \$23 million a year at the average level of real estate activity from 2022 to 2023.<sup>ii</sup> This is a significant source of funding to support affordable housing. One weakness is that the amount of funding will ebb and flow with the real estate market. When there are fewer sales or prices are down, the amount of funding generated will decrease.

Many communities rely on a dedicated source of funding, a tax or fee that is dedicated to create and preserve affordable homes. Some examples include:

- The District of Columbia's Housing Production Trust Fund (HPTF) receives an annual deposit of dedicated deed recordation and deed transfer taxes collected by the District. In total, 15 percent of these tax revenues are dedicated to the HPTF, a portion of which is dedicated to repayment of revenue bonds, and the balance of which is deposited directly into the HPTF, without being transferred through the General Fund.<sup>vi</sup>
- The City and County of Denver, Colorado, dedicates a portion of its property taxes to housing and charges a one-time impact fee on development.
- Additionally, in November 2024, Los Angeles County voters approved a half-cent sales tax to fund homelessness and affordable housing. Generating over \$1 billion annually, Measure A funding will be shared by LA County, cities and councils of government, the Los Angeles County Development Authority (LACDA), and the Los Angeles County Affordable Housing Solutions Agency (LACAHS), a body made up of leaders including the LA County Supervisors, elected officials representing cities countywide, as well as nonprofit and community leaders.<sup>vii</sup>

By setting the threshold for the tax at \$500,000 and scaling it up based on property value, it has a more equitable impact, with more funding coming from those with greater means. This avoids creating a barrier to accessing homeownership for moderate income households. A home sold for \$625,000 would only require a one-time tax of \$625—hardly enough to impact a household’s ability to qualify for a mortgage.

Metro could also establish an exemption from this local tax for properties with an affordability requirement to ensure that it does not adversely impact the development or sale of affordable for-sale or rental homes.

Metro needs the State of Tennessee’s authorization to adopt such a local fee, and this is the key obstacle to this funding source. Tennessee’s State Assembly would have to approve Metro’s ability to establish this fee and the affordability exemption.

## Realty Mortgage Tax

Similar to the Realty Transfer Tax, the Realty Mortgage Tax is already in place and is under the control of the State and not Metro. Metro could choose to pursue a portion of this tax or push for an additional local tax. The important differences are that it could include refinancing of property, not just sales, allowing for a broader number of properties to be taxed. The drawback is that it will not cover cash purchases, since there is not a mortgage, so it would be less equitable. Metro could include the option of a local Realty Mortgage Tax as it engages with the State, but should favor the Realty Transfer Tax, all things being equal.

Figure 24: Evaluation of Potential Funding Sources

	Realty Transfer Tax	Realty Mortgage Tax
Scale	High – It is possible to generate tens of millions of dollars in revenue from this source with only a modest tax relative to the cost of homes.	High – the scale is smaller than the Realty Transfer Tax if restricted to new sales; if refinancing is included this is significantly larger.
Speed	High – this could be put in place immediately or phased in over a few years.	High – this could be put in place immediately or phased in over a few years.
Flexibility	Medium – restrictions are tied to overall state laws about how public funds are used and any requirements imposed as part of getting legislation passed to allow Metro to access this funding source for affordable housing.	Medium – restrictions are tied to overall state laws about how public funds are used and any requirements imposed as part of getting legislation passed to allow Metro to access this funding source for affordable housing.
Feasibility	Medium – this source appears to require new state law that would authorize a local add on to the Realty Transfer Tax.	Medium – this source appears to require new state law that would authorize a local add on to the Mortgage Recordation Tax.
Predictability	Medium – as property sales rise or fall the level of funding will move with them	Low- mortgage originations are closely tied to interest rates with dramatic peaks and troughs.
Equity Impacts	High – the price at which a home is covered by the fee can be set high to avoid creating a barrier to homeownership for lower- and moderate-income households.	High – the mortgage amount that is covered by the fee can be set high to avoid creating a barrier to homeownership or refinancing for lower- and moderate-income households.

## Revenue from Activated Public Land or Previously Exempted Property

For properties not already pledged or encumbered, Metro could direct a portion of property taxes collected on local, state, and federal property or on other non-exempt property added or returned to Metro's tax rolls toward affordable housing. Metro already directs proceeds from the sale of tax delinquent properties to the Barnes Fund and could direct a portion of proceeds from other property sales and revenue from ground leases for affordable housing initiatives.

## Action 8: Tap new and underutilized resources

Nashville has an opportunity to tap into new or underutilized resources, including sources of funding or land assets, that can support affordable housing production and preservation. Appendix H: "New or Underutilized Funding Sources" includes a table of potential federal funding sources that could be explored. These sources, which include HUD Section 108 Loan and Transportation Infrastructure Finance and Innovation Act loans, present varying levels of potential benefit and effort, and some may require education for the development community. Notably, there is uncertainty about the future of several of the federally funded sources and whether they will remain available under new administrations. Metro should assess the applicability and cost/benefit of these sources to ensure that it maximizes available resources that can be utilized for housing. The table in Appendix F describes the resources and the entities that could pursue them.

In addition to new funding sources, Metro should also seek other resources that can support housing production and preservation, such as partnerships with institutional land holders, including faith-based institutions. According to [a recent report](#) published by the Urban Institute, faith-based institutions are significant land holders in Nashville, owning over 3,000 acres of land – 57% of which could be converted into housing. There has been growing momentum among the faith community to explore whether their underutilized land could be repurposed to support affordable housing efforts. Following the release of the report, ThinkTennessee, in partnership with ULI Nashville, the Urban League of Middle Tennessee, Hawkins Partners, Inc., Urban Housing Solutions, ClearBlue Company, and others collaborated on a series of [three resource guides](#) intended to help congregations understand the basics of housing development and determine their potential and priorities. Building on these initial efforts, Metro's Housing Division was recently awarded a federal Pathways to Removing Obstacles to Housing (PRO Housing grant), which will enable the Division to identify and contract with a partner to provide targeted technical assistance to faith-based institutions interested in exploring how their properties can be leveraged to address housing needs. The Housing Division and other relevant partners should continue to support these institutions and engage in conversations and partnerships with others, such as academic and health care institutions, that also hold land assets. These partnerships represent a critical opportunity to expand the inventory of developable land for housing and build broader coalitions around housing solutions.

*Did you know that faith-based institutions own 3,491 acres of land in Davidson County? A recent report found that 57% of this land has potential to be utilized for new homes. The Housing Division recently received a federal PRO Housing grant to help faith-based institutions prepare to use their land for affordable housing.*

## Action 9: Attract mission-motivated capital and corporate partners

Every affordable housing development that Metro funds also involves private capital, with the exception of Strobel House. Metro solely financed the construction of 91 units, plus community spaces, on Metro-owned land. The project, which does not include structured parking, cost over \$28,000,000. The Barnes Fund projects leverage example of 9:1 could likely have leveraged Metro's funds by \$252,000,000 and resulted in 1,000 new homes. Therefore, increasing the amount of private capital being invested to build affordable homes in Nashville is necessary to scale up the number of homes being built.

A growing number of institutions and organizations are moving capital toward mission motivated investments. These sources of capital are able to support a public good, like affordable housing, while also earning a return on their investment. Organizations with mission-motivated capital are willing to accept a lower return for an investment in exchange for the public good that results. In practice this means the capital might be invested in a construction loan to build an apartment building in exchange for limiting the rent to a level that is affordable to a household earning \$50,000. To do so, they will charge an interest rate of 3% as opposed to the market rate of 6%. The discount on the cost of mission-motivated capital helps to make it possible to keep homes affordable and allow limited public funding to stretch further and achieve more impact. One local example of this type of investment is Vanderbilt University's investment in the Nashville Catalyst Fund. They invested \$5,000,000 and are accepting a lower return on their investment in order to support affordable housing in Nashville. The shared leadership by Metro and the Community Foundation of Middle Tennessee were essential to supporting Vanderbilt's investment and all parties should build on this collaboration and momentum to recruit additional mission-motivated investment into the sector.

Metro should engage with organizations who have mission-motivated capital and work with them to invest more of that capital to build and preserve affordable homes in Nashville. This could include banks who are motivated by the federal Community Reinvestment Act and the state Community Investment Tax Credit to invest in affordable housing as well as foundations, large corporations, universities, hospitals, and other community institutions.

The Housing Division should also work closely with Community Development Financial Institutions (CDFIs) whose purpose is to raise and invest mission motivated capital. Nashville has strong local and regional CDFIs such as Pathway Lending and The Housing Fund, but there are no local offices for a national CDFI in Nashville currently. Metro should work to engage national CDFIs and deepen its partnerships with local and regional CDFIs.

Partner organizations such as those listed above or CDFIs can bring the added advantage of being better able to raise private capital and secure philanthropic investments. The City of Charlotte entered into a partnership with the Local Initiative Support Corporation (LISC), a national CDFI, to operate the Charlotte Housing Opportunity Investment Fund and leverage both LISC's ability to bring private capital to invest in affordable housing and its abilities to underwrite and structure complicated affordable housing transactions. The City of Atlanta relies primarily on Invest Atlanta, its economic development authority, to raise private and mission driven capital for affordable housing and then underwrite and structure investments in affordable housing. The City of San Diego takes a similar approach, but relies on the San Diego Housing Commission, the public housing authority for the City. Metro should give close consideration to models employed in other jurisdictions as it assesses the best approach to take to build underwriting capacity.

## Action 10: Build strategic partnerships with philanthropic sector

The philanthropic sector in Nashville has historically focused their giving on grants for critical services. The foundations meet regularly and seek to collaborate on giving in order to maximize their impact. In addition to their essential grant making processes, a handful of foundations have sought to expand their impact through impact investing. The first impact investing collaboration for affordable housing in Nashville was a partnership between Urban Housing Solutions, Regions Bank, The Kharis Foundation, Memorial Foundation, the Healing Trust, and the James Stephen Turner Family Foundation. This process grew the knowledge and expertise of the philanthropic sector for affordable housing impact investment.

In 2023, Metro partnered with the Community Foundation of Middle Tennessee to launch the Nashville Catalyst Fund, which combines public funds with mission-motivated capital to offer loans to develop and preserve affordable homes. It is a proven model for partnership as Metro's initial \$20 million grant was joined by nine additional investors to create a total fund size of \$76.5 million. Metro's initial investment, strategic leadership, and expertise in housing were essential components to attract additional partners. Likewise, the partners worked diligently to develop an understanding of the model and impact and leveraged their relational capital and area expertise to join Metro in investing in affordable housing.

Metro should strengthen their partnership with the philanthropic sector and seek to collaborate on funding, knowledge sharing, and coordination. The philanthropic sector's grant funding should be focused on services and housing for the highest need and lowest income populations. As the foundations grow their comfort with impact investing, their return-generating investments can support affordable housing creation and provide critical funding to fill gaps in the capital stack.

Throughout the UHS, philanthropy's essential role is elevated to showcase specific areas and initiatives where their unique structure and expertise is needed. These areas can be found in the Appendix J: "Philanthropic Contribution Opportunities" as a reference tool that can be built on and expanded as the sector and the needs evolve.

# Action 11: Establish underwriting capacity, requirements, and criteria to maximize public investments in housing

Underwriting is an essential process used to evaluate whether and how public resources should be invested in a specific affordable housing project and a prerequisite to being able to access the more sophisticated financial tools Metro needs to explore to expand the number of affordable homes built and preserved. It should be noted that the legality of the use of a public resource or incentive must be considered before applying underwriting criteria.

The underwriting process involves due diligence to determine whether proposed developments actually require public funding, the form of public funding required, or whether the deal can secure financing from other sources. Underwriting professionals use their knowledge of real estate development and housing finance to size the appropriate amount and type of subsidy and identify and mitigate risks to project delivery (i.e., the success of the investment).

As Metro's underwriting capacity grows, it will be able to engage with partner organizations and explore accessing the bond market, mission-driven investment vehicles, and other tools that are not being used at scale in Nashville currently. Metro needs these more sophisticated tools to scale the development of affordable rental homes beyond what LIHTC can support.<sup>12</sup>

Building public sector underwriting capacity is a multi-year process, and Metro should move through the following stages as it builds this capacity up over time.

- Contract or hire staff with a background in affordable housing lending. Hiring for positions with these financial skills is often difficult for local governments because of the competition in the market for these skills, and Metro may choose to contract in the near-term while it establishes an appropriate position type for this role and conducts a search. This capacity will focus on supporting the allocation of Metro's existing housing tools—Barnes Fund, Mixed-Income PILOT, etc. Any MOU among Metro partners should establish who holds this contract.
- Partner with affiliated entities such as the MDHA, IDB, Catalyst Fund, and potentially other organizations to put under contract firms who are municipal financial advisors, lawyers, and fund managers that are familiar with structuring 501c3 bonds, FHA risk share products, and more complicated financial products. MDHA and the Catalyst Fund each already have some of this capacity under contract. The Housing Division should work with them to evaluate whether the existing firms under contract meet the needs to move forward the execution of more complicated tools.

Over the longer term and in coordination with any MOUs that increase Metro collaboration, the Housing Division can work to expand the underwriting capacity internally and to establish or identify a partner organization that can help it scale its capacity to underwrite and structure investments in affordable housing at the volume and level of sophistication needed to address Nashville's housing challenges.

<sup>12</sup> Metro's underwriting expands, Metro Legal will need to be consulted when determining which incentive tools are permissible under applicable law.

# Action 12: Position existing housing tools to align with UHS priorities

To most effectively address Nashville’s housing priorities, Metro will need to consider all available tools, including those that are not explicitly tools for housing. As a first priority, this will include refining tools that currently exist to ensure that they are designed to most effectively address housing priorities that they are well suited to serve. Second, Metro and partners such as MDHA, Health and Education Facilities Board (HEFB), East Bank Development Authority (EBDA), and Industrial Development Board (IDB), should assess economic development tools that can support housing, such as TIFs and PILOTs. Ultimately, however, the extent to which Metro deploys these tools depends upon fiscal and legal constraints.

## Action 12a: Focus the Barnes Fund to maximize its impact

In 2013, Metro Nashville established its first housing trust, the Barnes Housing Trust Fund, to expand affordable housing resources across the county. Since its creation, the Barnes Fund has awarded more than \$160 million to 40 nonprofit developers, resulting in the creation or preservation of over 6,000 affordable housing units. Named in honor of Rev. Bill Barnes, a dedicated community advocate for affordable housing, the Barnes Fund continues his mission of ensuring housing opportunities for all Nashvillians. The Metro Housing Trust Fund Commission oversees the fund to ensure its grants align with this mission and are administered responsibly. The Housing Division has dedicated staff who are responsible for administering the program and is responsive to the Commission.

As Nashville’s most significant and flexible source of local affordable housing subsidy, the Barnes Fund often plays a pivotal role in the funding process of affordable housing by contributing the first grant funds to a capital stack. While Barnes’ work has been impactful, review of past grants and project financials, agreement terms, and feedback from stakeholders suggest that these resources could be deployed more strategically and efficiently in order to make greater progress on affordable housing production and preservation objectives and build mission-driven affordable housing expertise within the Nashville ecosystem.

### Recommended Barnes Fund Allocation

- Year 1: \$30 Million
- Year 5: Scale up to \$55M

Stakeholder feedback shared to inform the UHS revealed that there are opportunities to better align the Fund’s strategic focus with Nashville’s housing priorities, and that many developers who could make an important contribution to Nashville’s affordable housing goals do not know how to or cannot access the Fund.

To address these challenges and maximize the impact of the Barnes Fund, the following changes are proposed:

1. Organize the Barnes Fund around the housing priorities established in the UHS by establishing three tracks: Affordable Rental Homes, Homeownership, Capacity Building;
2. Introduce a dedicated underwriting process that assesses request for funding;
3. Strengthen the public benefit terms required by Barnes Funding; and
4. Establish processes to coordinate Barnes Funding with Metro’s housing priorities and tools.

An overview of the three tracks is shown to the side. For additional details on the proposed changes included below as well as suggested budget allocations for each track, please refer to Appendix G: “The Barnes Fund Recommended Policy and Organizational Changes.” Please note, policy changes may require the approval of the Metropolitan Housing Trust Fund Commission and/or Metro Council.

## **Action 12b: Make affordable housing a threshold-eligibility requirement to access Tax Increment Financing and Payment-in-Lieu of Taxes for residential and mixed-use projects**

Tax Increment Financing (TIFs) is a funding mechanism where a local government uses anticipated future increases in tax revenues to finance current improvements, such as new or improved infrastructure, that are expected to generate those increased revenues. With a traditional TIF, a local government establishes a district and utilizes the funds from the tax increment generated in that district to either repay the debt incurred or reimburse a developer for the costs of public improvements required to enable private development in the district. TIF may be used to facilitate new rental and for-sale housing.

MDHA, IDB, and the new East Bank Development Authority have the ability to authorize TIFs. Metro should work with these entities and Council to ensure that projects seeking TIF support for residential and mixed-use development include some level of affordable housing. This practice was implemented in the 2000s by Mayor Bill Purcell to incentivize people to move to downtown. At that time, developers utilizing TIF for residential development were required to make 20% of homes affordable at 80% or below AMI for 5 years. With Nashville’s current housing needs, Metro should set minimum criteria in each TIF project involving residential development to further the UHS’s housing goals with affordability terms running for the period of the TIF loan.

### Affordable Rental Home Track

- Focus on producing rental homes for households earning up to 60% of the AMI and addressing supply gaps and invest in critical preservation projects.
- Prioritize developing housing for households earning 30% of the AMI or below and PSH units.
- Allow both nonprofit and for-profit developers with the necessary capabilities to compete for funding.
- Require stewardship plans for all awarded projects to ensure affordability.
- Projects fully underwritten to determine funding amounts and terms.
- Awards may include grants, soft-pay, and hard-pay debt, with for-profit organizations ineligible for grants.

### Homeownership Track

- Focus on developing for-sale homes, providing financial assistance to first-generation homeowners, and support rehabilitation of owner-occupied homes.
- Prioritize first-generation homeowners in neighborhoods of opportunity.
- Allow nonprofit organizations focused on affordable homeownership and rebuilding disinvested communities to compete for funding. Partnerships with for-profits to be allowed.
- Projects fully underwritten to determine funding amounts and terms.
- Awards may include grants, soft-pay, or hard-pay debt, with for-profit partner ineligible for grants.

### Capacity Building Track

- Focus on building the capacity and expertise of nonprofit affordable housing developers and operators.
- Allow nonprofit developers or affordable housing operators/managers with annual budgets up to \$4 million to apply.
- Projects may be subject to underwriting and impact metrics related to organizational capacity building.
- Awards will include reimbursable grants.

Payment-in-Lieu of Taxes (PILOT) is a financial arrangement in which a developer makes a payment to Metro instead of property taxes, at a reduced rate. Metro offers 2 PILOT programs specifically designed to create and preserve income-restricted affordable housing – LIHTC PILOT and Mixed-Income PILOT. However, where Metro seeks to utilize a PILOT to incentivize other economic development projects that include housing not through the LIHTC PILOT or Mixed-Income PILOT programs, Metro should require a percentage of the housing to be income-restricted for the term of the PILOT.

Metro should utilize underwriting to ensure TIFs and PILOTs are necessary and further Metro’s goals. See Action 11: “Establish underwriting capacity, requirements, and criteria to maximize public investments in housing.”

---

STRATEGY C: BUILD NEW HOUSING

**Create a range of new and affordable housing choices for all Nashvillians as appropriate across the county**

## What is the focus of this strategy?

Strategy C seeks to increase the total amount of housing in Nashville. The strategy includes actions to build more market-rate and affordable housing with a focus on building affordable rental housing that meets the needs of those with low to moderate-incomes. Housing options should be thought of as a continuum—with a variety of options that appeal to people at different income levels and life stages, from young adults to working families to seniors. These options should also be available across a range of neighborhoods and geographies, ensuring people can find housing near jobs, schools, transit, and other amenities. Actions proposed as part of Strategy C, in conjunction with the other strategies, seek to increase housing options in Nashville and serve the diverse needs of people who want to live in our community.

## Why is this strategy important?

Within the Nashville market, there is demand for additional homes at all income levels. When Nashville's demand exceeds supply, housing prices rise and affordability decreases. Many Nashvillians, including paramedics, childcare staff, restaurant employees, and teachers, can't afford the average rent. Those struggling to pay for housing often face tough choices between housing and other essentials, like food, transportation, and healthcare. For Nashville to have a healthy housing market, it must build enough homes to accommodate the increase in the number of households, and those homes need to be priced to reflect the wages that the jobs in Nashville's economy pay.

Despite recent efforts to add affordable housing, Nashville still faces a shortage. As discussed in the “How Much Housing Do We Need” section, HR&A estimated that Nashville would benefit from adding an additional 20,000 homes affordable to households earning 60% of the Area Median Income (AMI) or below over the next 10 years. By adding more affordable rental homes over the next 10 years while preserving existing affordable housing, Nashville will be on track to close the existing rental shortage affordable at 60% AMI. The actions in this strategy seek to expand affordable housing options, particularly for households earning less than 60% of the AMI, with a focus on those earning 0-30%. Creating more affordable housing will ensure that our neighbors who help us in an emergency, care for our children, provide us meals, and teach our students have a safe and affordable place to live in Nashville.

## Who will this strategy serve?

This strategy will serve all Nashvillians with a focus on those earning low to moderate incomes. Actions specific to building more affordable housing are focused on serving those earning 60% AMI or below and meeting the needs of vulnerable residents. Specific actions will focus on creating deeply affordable rental homes for those earning the lowest incomes.

## How will we measure our progress?

Metric	Description	Source(s)
Affordable Housing Production – Rental	Total number of new affordable rental homes funded for development by affordability level (i.e., Area Median Income (AMI) bracket)	Metro Housing Division; MDHA; Developer Community
Rental Housing Gap by Income	The number of housing units available by AMI level versus the number of rental units affordable at that income level	Census, American Community Survey; Public Use Microdata Sample
Housing Cost Burden	The percentage of renters by demographic and special populations that are cost burdened (i.e., spending more than 30% of gross income on housing costs)	Census, American Community Survey
Jobs: Homes Ratio	The ratio of net new jobs added in the market compared to the number of new homes added	Bureau of Labor Statistics; Metro Planning/Codes
Percentage of Homes Affordable to Median Renter	The percentage of homes that are affordable to a renter earning the median income	Census, American Community Survey; Public Use Microdata Sample
Vacancy Rate	The share of rental homes that are vacant and available to occupy	CoStar

## What will it take to achieve?



**Staff Time, Capacity  
or Expertise**



**Underwriting  
Capacity**



**Funding  
or Financing**



**Data**

# Strategy C Actions

## Action 13: Evaluate and adjust zoning and land use policies to unlock development opportunities, expand housing types, and increase annual housing production.

Land use policy is an important tool to support the creation of not only more homes but also more naturally affordable homes, a greater variety of housing types, and sustainable, resilient neighborhoods. Conversely, land use policies can function as an effective constraint on a city's overall supply of housing. When large land areas of a city are zoned as single-family, with a large minimum lot size, for example, this serves as a firm upper bound on the number of housing units that these neighborhoods can support, regardless of an area's overall population growth or underlying housing demand. Restrictive zoning also limits opportunities to develop housing near essential services and transit, reinforcing car dependency and increasing household transportation costs. At the same time, many areas in Nashville that are zoned for density, such as Downtown and Midtown, rely on expensive high-rise construction, making for more expensive multifamily in the places it is allowed.

Effective zoning and land use policies can unlock development opportunities by distributing land costs among multiple housing units, enabling lower-cost construction typologies, and meeting housing needs with less need for public subsidy. Transit-oriented development (TOD) is a particularly powerful approach to align land use with infrastructure investments by encouraging higher-density, mixed-use housing within half a mile walking distance to public transit. This model not only increases housing supply but also reduces forced reliance on cars, lowers transportation costs, and promotes more sustainable growth. Planning will identify the adjustments that are needed to land use policies through the Housing and Infrastructure study. Metro should prioritize zoning changes that reduce barriers to affordable housing, expand housing options, and align with infrastructure investments to foster equitable, connected, and resilient communities.

Expanding areas where multifamily housing is allowed, in alignment with the NashvilleNext Growth and Preservation Map, is a key strategy to support the development of more rental affordable homes and diversify housing types. Currently, most land available for affordable housing rental development is located along commercial corridors, where developers must compete with both commercial uses and market-rate multifamily projects. This competition drives up land costs, especially since commercially zoned property is often more expensive than residentially zoned land across much of the county. By encouraging multifamily development in transit-served areas and neighborhoods with existing infrastructure capacity, Metro can promote sustainable growth while increasing access to jobs, services, and public amenities.

In addition to supporting affordability more broadly, adjusting land use policies to allow middle multifamily housing on lower-cost residential land can reduce the cost of entitling projects and open new areas for affordable housing development. This approach not only enables affordable housing developers to pursue projects in a wider range of neighborhoods—reducing the concentration of affordable housing in any one community—but also allows public subsidies to stretch further and serve more residents.

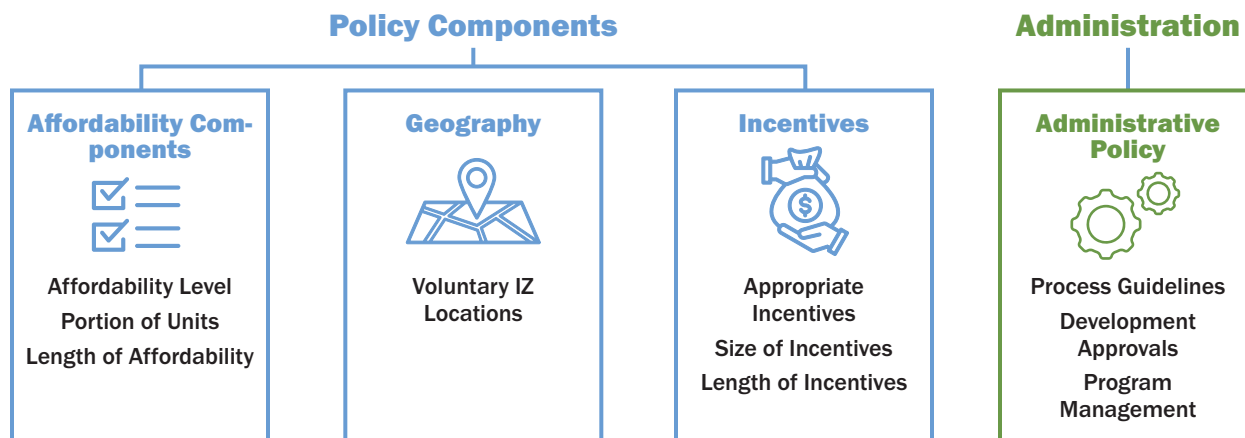
In addition to the zoning code, Metro will also look at specific areas of policy opportunity and concern. Additional adjustments to zoning and land use that impact housing include allowing accessory dwelling units (ADUs) which can create new, affordable opportunities for renters within a variety of neighborhoods and strongly regulating where short-term rentals are allowed.

While this action is primarily focused on the role of land use in advancing rental options, “Action 21: Leverage land use to expand the availability of entry-level homeownership” focuses on homeownership.

## Action 14: Implement voluntary zoning incentives for attainable housing

In Spring 2024, the Tennessee General Assembly approved legislation authorizing municipalities to provide voluntary zoning incentives to promote attainable housing development as a response to the stressed housing market. Voluntary incentive programs create affordable homes within new market rate developments by offering incentives in exchange. These incentives can enable developers to build a wider variety of housing types across the income spectrum. Examples of incentives include increases in density, reduced parking minimums, and reduced building setbacks in exchange for affordability requirements for housing. The design of a voluntary incentive program must consider various components, illustrated below, including the affordability of homes, the appropriate incentives to offset developer costs, and administrative needs and processes.

Figure 25: Voluntary Incentive Program Components

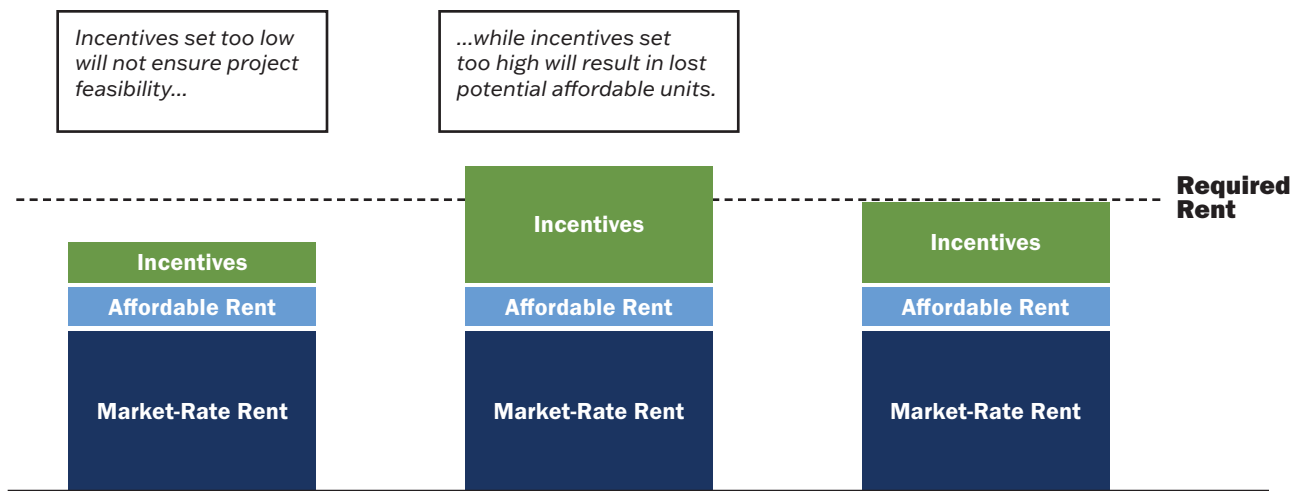


With voluntary incentive programs, if there is a gap between affordable rents and those required to keep a project financially feasible, then no developer will take the incentive, and no affordable rental homes will be built. Each of these components helps to ensure that voluntary incentive programs appropriately balance the cost to the developer of including affordable homes in the project and the benefit that they receive through the incentive. Adequately balancing the cost and incentives encourages developers to take advantage of the program, ensuring that affordable homes are delivered in the market. Because they are voluntary, the overall impact of these programs is limited, but they can be a powerful addition to leverage deeper or additional affordability, particularly when combined with other mixed-income financing tools, as the previous section illustrates. In that hypothetical project, a 10% density bonus combined with a PILOT, below-market senior debt, and must-pay subordinate debt transforms 150 market-rate homes to a project with 85 market-rate homes and 80 homes affordable at 60% AMI. While State law uses the term “attainable housing,” municipalities may define attainable; Metro should define “attainable” to be consistent with and advance the goals of the UHS.

Metro may want to look to Opportunity Zones (OZs) as areas to focus voluntary housing incentives. Enacted as part of the 2017 Tax Cuts and Jobs Act, OZs were designed to attract long-term private capital into distressed communities. While not a primary tool to create affordable housing, a working paper from Economic Innovation Group found that the OZ incentive roughly doubled the number of housing units in these areas between 2019 and 2024. It is expected that OZ's incentives are to be extended and renewed in 2025, but affordability requirements are not expected to be included. Therefore, providing voluntary housing incentives in OZs – where development is likely to come – is a way to achieve some level of affordability.

Finally, Metro should evaluate the degree to which the new law allows Metro to offer developers the option to pay into an affordable housing fund in exchange for the zoning incentive. It is often possible to create more affordable homes when they are not located in high-cost new construction buildings, and this option might be a useful source of funding to create and preserve affordable homes.

**Figure 26: Balancing Incentives and Affordability Requirements**



# Action 15: Leverage publicly owned land portfolio by advancing infill development, co-location and policy changes to ensure strong management of land assets

Metro should address Nashville's significant housing shortage by advancing infill development, co-locating Metro assets, and creating master-planned districts. To achieve this, Metro should offer select parcels of land for 3 project types through a competitive RFQ process. This process should be open to experienced real estate developers in the Nashville market whose expertise aligns with Metro's goal of delivering new mixed-income residential projects efficiently and effectively.

Land value is a key component in the development of affordable housing. Significantly reduced land basis yields lower cost housing and supports deeper affordability. The allocation of public land for affordable and mixed-income housing can reduce development costs and meet housing needs with less need for public subsidy. For example, public land can be sold or leased at a discount to developers with the savings directed toward subsidizing rents or offering homes at lower purchase prices for all or a portion of the units developed on the land. Additionally, levers such as long-term ground leases and deed restrictions on public land provide an opportunity to preserve affordability over multiple generations while allowing public entities to retain control over how the land is used. Leveraging public land in this way is an effective strategy to stretch limited public resources, accelerate affordable housing production, and address housing insecurity in a sustainable and equitable manner. Property tax implications will be determined by how the property is held.

Nashville has used the long-term ground lease of public land to create affordable housing in the past at sites such as 12th and Wedgewood and The East Bank. In addition to large parcels, Metro owns smaller infill lots that can be used to create housing. These lots can provide needed geographic choice as they may be located in amenity-rich neighborhoods, along transit lines, and in areas that are typically cost-prohibitive for affordable housing construction. Cities across the country are successfully leveraging their land for affordable housing creation, proving both the value and viability of this model.

Land banks play an important role in the stewardship of public land. Nashville is in the initial stages of creating its land bank; and upon creation, it will house critical authorities including the ability to assemble parcels, clear title, and dispose of land including transferring title to a community land trust or by holding on to a long-term ground lease. While Metro currently owns property that can be put to higher use while delivering affordable housing, the land bank can also advance a more proactive land strategy by making timely acquisitions.

In addition to infill development, many municipalities are co-locating housing with other public facilities, including libraries, community centers, and fire stations. In Charlottesville, North Carolina, the Council passed legislation requiring all new facilities be reviewed for compatibility with housing. In 2024, Atlanta released an RFP for proposals to build a residential tower above a redeveloped fire station on a three-quarter acre downtown parcel.

## Three Project Types

- A. **Infill Lots:** Determine available Metro owned parcels in established or evolving neighborhoods that may be used for residential or mixed-use development. These lots could include tax delinquent properties that would be limited to nonprofit organizations.
- B. **Co-Location:** Going forward, analyze all targeted existing or proposed sites for new Metro facilities including libraries, fire stations, MNPD precincts, MNPS facilities, and community centers for housing opportunities. Program and generate concept site plans that realize the potential of mixed-use development, adding affordable or mixed-income housing on site.
- C. **Master Planned Districts:** Evaluate larger Metro-owned parcels that offer larger scale district development parcels via a master development agreement, similar to the East Bank RFQ process that yielded desired Metro affordable housing & amenity requirements to be completed in a defined timeframe under a long-term ground lease.

Other successful mixed-use projects that include co-location of public facilities with housing or other amenities include:

West End Square 50, Washington DC

DC Fire & EMS Engine Station No. 1 (15,000 sf)  
 (52) affordable housing units (at or below 60% AMI).  
 (3) permanent supportive housing units (at or below 30% AMI).  
 (6) market rate units

Engine Company 13 & Hyatt Place, Washington DC

(12) story mixed use building  
 (214) key Hyatt Place Hotel  
 Engine Company 13 Fire Station (22,000 sf)  
 Amenities including fitness center, studio, coffee/wine bar  
 (3) levels of underground parking.

Fifth City Commons, Chicago, IL

(43) mixed income apartments  
 4,500 sf of commercial space  
 Residential amenities  
 Future phase: affordable home ownership

In 2024, Mayor O’Connell created via [executive order](#) the Metro Property Special Projects Committee and team, which are focused on creating mixed-use joint ventures that bring an affordable housing lens to activating Metro owned assets through the co-location of affordable housing with public uses. For example, affordable housing located on top of a Metro public library well fits this objective. The Planning Department will continue to drive the effort to utilize publicly owned land to address public priorities, including affordable housing, by working with Metro Legal and Metro Council to establish a policy for utilization of surplus assets. This policy should include whether and how to surplus and dispose of assets, alternative strategies to employ, as well as standards for determining the programming of public assets.

Maintaining an up-to-date inventory of parcels designated for each department will be critical to the development effort. Metro has contracted for this inventory to be undertaken with departments reporting annually regarding any changes to their land needs. This required checkpoint will ensure parcels do not become neglected and are made available for their highest and best use.

Potential Parcels include:

Infill	Co-Location	Master Planned Districts
1612 4th Avenue North	Hadley Park Library	Former Bordeaux Hospital
2714 Old Lebanon Pike	Inglewood Library	
801 Olympic Street	88 Hermitage Avenue	
824 Seymour Avenue	Global Mall - west parcels	
1450 Lebanon Pike	Global Mall Transit Center	
1015 East Trinity Lane	3230 Brick Church Pike	
929 Anderson Lane	Murrill School	
136 Jacksonian Drive	Easley Community Center	
0 American Way Drive	Edgehill Library	
0 Hagan Street	SoBro Transit Center	
1240 Lewis Street	Midtown Hills Police Precinct	
1701 19th Avenue South	Fire Station 2/NFD HQ	
0 Portland Avenue		
1923 20th Avenue South		

## Request for Qualifications/Request for Quotation Process

When pursuing development of Metro-owned sites, Planning should work with the Housing Division, other internal partners, and potential stakeholders to determine requirements for the development, taking into account the following:

- Tenure: Homeownership and rental needs of the neighborhood.
- Affordability: Market strength and ability to cross-subsidize affordable and market-rate homes.
- Public/Private Partnership viability: Ensure that the RFP selects development partners that have experience and a strong balance sheet to bring the project to fruition.

## Neighborhood Characteristics:

- **Transportation and Mobility:** Locations near high frequency bus routes to ensure that residents can easily access jobs, schools, and services without needing a car. With Nashville's recent investment in transit infrastructure the number of suitable sites will expand. Neighborhoods that are pedestrian-friendly, or include bicycle infrastructure, with safe sidewalks, crosswalks, and access to greenways should be prioritized. CHIP funding should continue to prioritize improvements to pedestrian infrastructure and align with Vision Zero work.
- **Proximity to job centers:** Identify sites near areas with job opportunities (e.g. urban centers and neighborhood, business districts, or industrial hubs) to reduce transportation costs and increase access to economic mobility. The mix of job types—service sector, retail, manufacturing, and white-collar professions—should be considered such that residents with diverse skills and backgrounds can find employment.
- **Availability of Essential Services:** Access to healthcare, proximity to grocery stores and markets, schools, and childcare facilities, particularly for larger, multi-bedroom units to house families with children.
- **Safety and Security:** Locating new affordable and mixed-income housing in neighborhoods with low crime rates is critical to maintaining a sense of security and stability for residents.
- **Quality Infrastructure and Amenities:** Well-maintained roads, utilities (water, electricity, and waste management), and communication infrastructure (internet and phone service) are vital for creating a sustainable living environment. Access to green spaces, gathering spaces, playgrounds, and recreational areas that contribute to the quality of life and promote social connection, well-being, and healthy lifestyles. Local community centers and libraries offering programs and services like job training, financial literacy workshops, and social support can help strengthen the social fabric of the neighborhood.
- **Climate resilience:** Ensuring that new affordable and mixed-income housing is built in areas that are not highly vulnerable to natural disasters (e.g., flood-prone areas) and that include infrastructure such as stormwater management systems can render the neighborhood safer and more livable in the long term.

## Potential RFQ Selection Criteria- Scoring system (in order of importance)

- Economic offer. Proposed affordable housing program including affordability level, proposed restriction term of affordability and ground lease terms.
- Milestone Schedule.
- Capital Stack/financing.
- Developer requests of Metro: Development capital, TIF, PILOT, infrastructure funding, subsidies.
- Developer balance sheet & project pipeline.
- Team Experience, depth, dedicated team personnel for project.
- Design and sustainability.
- Exceptions to or deviations from scope/program.
- Neighborhood and community-based amenities.
- Infrastructure/complete streets.
- Advantages of Public/Private Partnerships
- Timing. Working with experienced mixed-use developers already active in the market yields faster and more timely results in project planning, construction and delivery.
- Metro Leverage. All offered sites are fully owned and controlled by Metro and may be conveyed on reasonable terms under a long-term ground lease, thus making these deals more attractive in a competitive market with high land cost.
- Proven Joint Venture Partners. Vet both non-profit and for-profit developers to create a list of potential responders to the Request for Qualifications/Request for Quotation.
- Completion Guaranty. Submissions to include a Guarantor with respect to the ground lease as designated by the developer and approved by Metro.
- Metro obligations. Clearly define in the offering documents any and all Metro obligations if applicable. Selection criteria to include any proposed reduction in Metro obligations by the bidder.
- Design & Program. Metro Planning, Design Studio, and Housing Division to generate minimum residential unit requirements, proposed site plan, massing and other general guidelines for the RFQ. In some cases, the RFQ will require a subsequent SP to ensure greater density and level of quality.
- Other Restrictions. Metro, as holder of the land, may prohibit uses including short term rentals, bars, and other incompatible uses. Further, a stated minimum number of units or net rentable area of affordable units is to be deed restricted for a minimum of 30 years.

## Advantages of Public/Private Partnerships

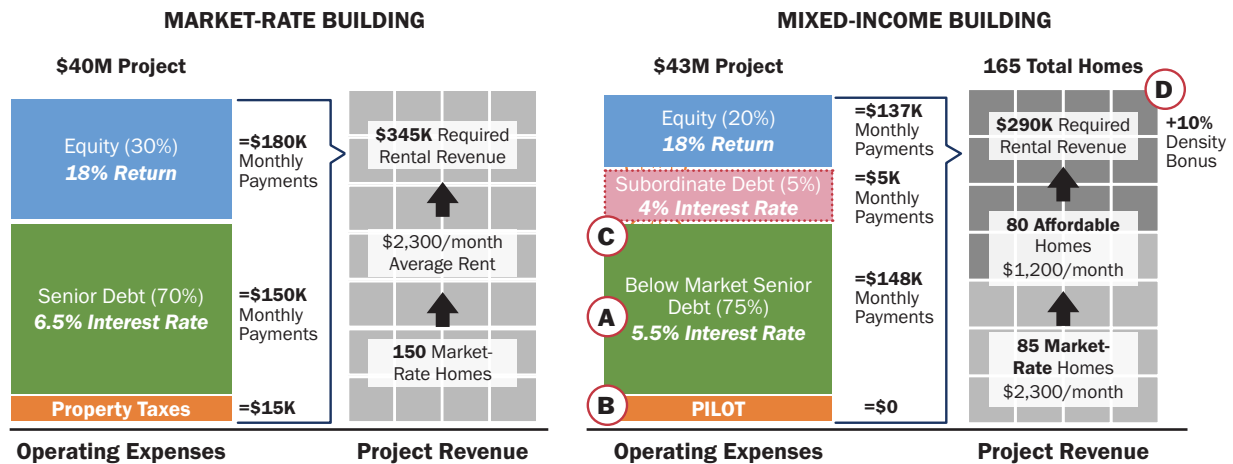
- Timing. Working with experienced mixed-use developers already active in the market yields faster and more timely results in project planning, construction and delivery.
- Metro Leverage. All offered sites are fully owned and controlled by Metro and may be conveyed on reasonable terms under a long-term ground lease, thus making these deals more attractive in a competitive market with high land cost.
- Proven Joint Venture Partners. Vet both non-profit and for-profit developers to create a list of potential responders to the Request for Qualifications/Request for Quotation.
- Completion Guaranty. Submissions to include a Guarantor with respect to the ground lease as designated by the developer and approved by Metro.
- Metro obligations. Clearly define in the offering documents any and all Metro obligations if applicable. Selection criteria to include any proposed reduction in Metro obligations by the bidder.
- Design & Program. Metro Planning, Design Studio, and Housing Division to generate minimum residential unit requirements, proposed site plan, massing and other general guidelines for the RFQ. In some cases, the RFQ will require a subsequent SP to ensure greater density and level of quality.
- Other Restrictions. Metro, as holder of the land, may prohibit uses including short term rentals, bars, and other incompatible uses. Further, a stated minimum number of units or net rentable area of affordable units is to be deed restricted for a minimum of 30 years.

# Action 16: Develop a mixed-income housing financing toolkit and invest in sophisticated underwriting and finance capacity to support

Mixed-income developments create greater economic integration, which can benefit residents through improved neighborhood and housing amenities, sense of safety, mental health, and educational opportunities.<sup>iii</sup> In addition to the societal benefits of mixed-income developments, a locally driven financing program can be customized and responsive to the market conditions and priorities of Nashville, allowing Metro to drive growth during market slow downs, sustain labor demand, or require permanent affordability. This local control could be the foundation for Metro to expand into a social housing program in the future. Social housing is defined by permanent affordability at a range of income levels, democratic management which includes tenant protections, and decommodification of the property, generally defined as public or community ownership.

LIHTC will likely continue to be the main source of subsidy for affordable housing development in Nashville; however, the need for affordable rental homes is greater than the program can support. Other cities across the country are facing a similar set of challenges and have begun testing additional approaches to creating affordable rental homes. The strongest emerging approach is to combine a program that reduces property taxes with below market, senior debt, and mission driven subordinate debt to develop a mixed-income apartment building. Nashville has the advantage of being able to also layer in zoning incentives. Together the boost from reduced taxes and low-cost financing make adding affordable rental homes to market-rate projects financially viable.

Figure 27: Mixed Income Rental Housing Toolkit



\*Simplified project example. In practice, not all projects will need all four tools, and the level of support needed will change based on market conditions.

- A** Below-market senior debt products offer lower interest rates and flexible terms, increasing the loan amount while decreasing costs.
- B** A PILOT that removes some or all property tax burden decreases operating expenses, allowing the project to charge lower rents.
- C** Must-pay subordinate debt from the public sector or impact investors further reduces costs by replacing high-cost equity.
- D** Incentive zoning, in this case a density bonus increases project revenue by allowing the developer to build more homes.

Note: \$1,200 per month is equivalent to a 2-bedroom apartment affordable at 50% AMI. Source: HR&A Example and Market-Sourced Assumptions

Recent changes to Tennessee law allow for voluntary incentive zoning<sup>iv</sup> (see Action 14: “Implement voluntary zoning incentive for attainable housing” for details), meaning Metro can access all four tools described above to create a comprehensive mixed-income housing approach, outside of LIHTC. Depending on project economics and market conditions, not every deal will need to combine all four tools to be financially feasible, and it will be necessary to underwrite as described in Action 11: “Establish underwriting capacity, requirements, and criteria to maximize public investments in housing” to evaluate need on a project-by-project basis. Metro should advance the following actions:

## **Action 16a: Consider using Bond authority to facilitate mixed-income development**

A 2024 Tennessee State law allows the Industrial Development Board to issue bonds for affordable housing backed by Metro’s credit support. Bonds for affordable housing are backed by the local tax base and are one of the most common tools to fund affordable housing. Peer communities such as Charlotte, NC, Atlanta, GA, and Austin, TX, have all tapped bonds to support affordable housing.

The difference between a bond and the other funding sources described is that a bond is a one-time source of capital made available by a pledge of ongoing public funds to pay off the bond. However, State law prohibits localities from using ad valorem property taxes to back the IDB bond, so it must rely on other sources. Metro collected \$710 million in local sales taxes in the 2024 fiscal year. While the majority of that is earmarked for schools and other commitments, a modest portion of these taxes could be pledged to support a housing bond, depending on how much sales tax is currently unpledged.

Many local jurisdictions issue bonds to support affordable housing periodically, every five years or so. Peer cities have adopted bonds from \$50 million up to over \$350 million. Should Metro target a bond of \$25 million to allow it to scale up its commitment to affordable housing, the required operating budget commitment for debt service would be between \$2-5 million per year.

Metro must give careful consideration to the impact of any bond on its financial rating and bond capacity and may adjust the target bond amount as a result since Metro uses its bond capacity to fund capital expenses. If rating agencies believe Metro might not have sufficient funds to repay the bond, then they will give it a lower rating, making the interest Metro must pay on the housing bond and other future bonds significantly higher.

## **Action 16b: Optimize the for Mixed-Income PILOT while evolving and strengthening priorities and requirements to increase focus on deeper affordability, geographic choice, and market adaptability**

In 2022, Metro launched a payment in-lieu of taxes (PILOT) program for projects that includes up to 40% affordable homes. The goal of this program is to capitalize on the significant amount of housing being delivered by market rate developers. Depending on the affordability mix and project location, developers are eligible for up to an 80% reduction in property taxes.

The structure of this program is efficient and effective as it decreases operating expenses over the life of the affordability period which aligns with the reduced revenue the developer is receiving as a result of discounted rents. However, the program launched with set tiers and limited AMIs, 50% and 75% AMI, which do not align with the unique aspects of market rate developments. In FY26, the Housing Division should focus on recalibrating the

program criteria to be more adaptable and responsive to market conditions while still targeting the creation of units at or below 80% AMI.

Although the current program guidelines state a preference for 50% AMI units, only two applicants have applied at tiers that included 50% AMI units, and no other applications are in the pipeline. Going forward, the Housing Division should assess the feasibility of consolidating or otherwise revising the current affordability tiers to significantly elevate the priority on 50% AMI units. Metro can more aggressively incentivize the prioritization of 50% AMI units by layering additional incentives, such as the existing Connecting Housing to Infrastructure Program (CHIP), along with future voluntary incentives and discounted subordinate debt.

## **Action 16c: Build out capacity to attract or deploy new debt sources such as below-market senior debt and leverage authorized entities to access this financing**

As illustrated in Figure 27, alongside the PILOT, below-market debt reduces project operating expenses by decreasing the overall cost of financing through lower interest rates, higher loan-to-value ratios, lower debt coverage ratio requirements, and other more flexible terms than traditional loans. Below-market senior debt can take a variety of forms including FHLB/FHA risk-share, multifamily revenue bonds, and 221(d)(4) mortgages as discussed in Action 7: “Explore new dedicated local and state funding sources for affordable housing and homelessness services” and Action 8: “Tap new and underutilized resources.”

## Action 17: Continue strong production of affordable housing using LIHTC

The Low-Income Housing Tax Credit (LIHTC) program is a federal program that provides a tax credit to developers through state housing finance agencies, which are responsible for determining which projects receive tax credits under the state's allocation.

There are two general types of credits that can be awarded: 9% LIHTC covers a greater percentage of projects' development costs and are awarded on a competitive basis and 4% LIHTCs cover a lower credit to support the development of affordable rental housing. It is the largest source of funding for the production of affordable housing nationwide. Approximately 90% of affordable housing built in the U.S. utilizes LIHTC funding. LIHTC-financed housing developments primarily serve very low-income (50% AMI) and low-income (60% AMI) households. The LIHTC program distributes federal income tax credits percentage of projects' development costs and are awarded to most, but not all, projects that meet specific programmatic requirements and are financially feasible. 4% LIHTC projects are federally required to be paired with tax-exempt bond financing to make up the difference and, in many cases, require additional public funding.

Projects in Nashville have received immense support from the 4% LIHTC program, with over 4,500 affordable rental homes produced since 2020. This is an extraordinary rate of utilization, and maintaining LIHTC production levels will be key to meeting Nashville's ongoing affordable housing goals.<sup>13</sup>

In order to continue the pace of 1,000+ affordable rental homes per year using LIHTC 4% credits, Metro should do the following:

### Action 17a: Ensure the continued operation and functioning of the LIHTC Payment in Lieu of Taxes (PILOT) program administered by MDHA

In Tennessee, the LIHTC PILOT is necessary, as state policy dictates that property tax assessors factor in the monetary value of the tax credits on top of the underlying property value when assessing LIHTC properties. Taxing LIHTC properties for receiving a tax credit essentially defeats the purpose of the program, so many Tennessee localities have offset this tax penalty by providing abatements to LIHTC properties. MDHA provides underwriting services to determine the necessary abatement amount per development. Metro Council approves the agreements and sets the annual abatement cap. The cap amount should be monitored and adjusted as needed to support the delivery of LIHTC developments.

<sup>13</sup> It should be noted that some aspects of program utilization remain outside local control. Given that the tax credits through the LIHTC program are sold off to investors, the reach of the program is fundamentally tied to market demand for tax credits. Given a new incoming administration, and the possibility of reductions in corporate tax liability, demand for tax credits through LIHTC may diminish in years to come, reducing the amount of money that can be used to finance affordable housing.

## **Action 17b: Monitor LIHTC requirements and align local tools to help maximize competitiveness**

As the majority of funding for affordable housing production comes from the federal government, it is critical that Metro monitor policy changes and priorities to support competitive proposals. For example, Qualified Census Tracts (QCTs) are Census tracts federally designated as having high rates of low-income residents. QCTs are eligible for higher levels of LIHTC credits on a per-unit basis, relative to LIHTC properties outside of QCTs. Many, but not all, of Nashville's recent LIHTC 4% developments have occurred in QCTs because they receive a pronounced financial advantage, typically a 30% boost. As Nashville continues to grow and experience rising average incomes, some Census tracts that are currently designated as QCTs may lose this status as poverty rates drop.

The same boost is available in Difficult to Develop Areas (DDAs) which are areas where land costs are higher than the county average. While it is unlikely that developers could afford land in these areas, creative partnerships with religious institutions or public entities could facilitate tax credit deals that would receive the 30% boost.

Building out Metro's ability to track market conditions will be critical to staying ahead of which sites are eligible for QCTs. As Nashville loses QCTs, other funding sources and financing tools will be needed, such as mixed-income financing described below. However, Metro should carefully evaluate whether property it owns in QCTs is appropriate for a tax credit project using the criteria established in Action 15.

Like many states, Tennessee is nearing a ceiling for the number of 4% LIHTC projects it can award because of limits on the amount of private activity bonds it can issue. Financial structures such as bond volume recycling, that allow 4% LIHTC awards to be made while using a smaller amount private activity bond will expand the amount of 4% LIHTC awards Tennessee can make and help Nashville sustain its high rate of LIHTC development.

## **Action 18: Prioritize new income-restricted housing for vulnerable residents (e.g., families with children, older adults, persons with disabilities, and justice-impacted persons).**

New affordable rental housing should prioritize the needs of populations facing the greatest challenges in finding and affording homes that meet their needs. As highlighted in the "Key Findings" section, vulnerable groups – such as families with children, older adults, persons with disabilities, and justice-impacted persons – encounter unique obstacles to securing housing beyond affordability. Data and input from the community engagement revealed that older adults and single-parent households experience significant cost burdens, while individuals with disabilities struggle to find accessible housing. Additionally, renter households earning less than 60% of the AMI, particularly those with four or more people earning less than 50% AMI, face a shortage of appropriately sized homes. The demand for 3-bedroom units is further constrained by smaller households – 2 and 3 people – renting larger units because they can afford to do so.

To address these issues, Metro should prioritize the development of units that are fully accessible to individuals with mobility and other physical needs (in accordance with the Uniform Federal Accessibility Standards) and ensure the inclusion of 3+ bedroom homes. Metro should incentivize the development of such homes within its program policies. The Housing Division should further collaborate with the development community to identify barriers for other vulnerable populations, including formerly incarcerated individuals, and promote holistic tenant application processes to ensure justice-impacted individuals are not automatically excluded from housing opportunities developed with Metro support.

## Action 19: Prioritize the development of deeply affordable housing within existing programs

As highlighted in the “How Much Housing Do We Need” section, the most significant gaps in rental housing exist for households earning 30% of the Area Median Income (AMI) or below, often referred to as “deeply affordable housing.” Developing units for this income group presents one of the greatest challenges in housing production, as the cost of construction often exceeds what can be supported by rental income alone. Without substantial subsidies to bridge the gap between development costs and rental revenue, producing deeply affordable housing becomes financially unfeasible. A recent analysis of the Barnes Fund’s impact revealed that only 5% of total funding has been awarded to support 0-30% AMI units. Furthermore, out of nearly 50 organizations that have received Barnes funding, only 12 have developed projects with units for households earning 0-30% AMI. Despite these challenges, the need for housing at this income level remains urgent. Low-income and very-low-income households are particularly vulnerable to housing crises, such as homelessness, and are often forced to sacrifice essential needs to afford housing. Strengthening the availability of deeply affordable housing is critical to ensuring stability for these households in all areas of life.

Based on the analysis of current programs and the broader needs assessment, Metro should take the following actions to advance deeply affordable housing:

### Action 19a: Offer deeper incentives for deeply affordable housing in locally subsidized affordable housing tools, including Barnes funded rental projects

Going forward, Metro Nashville’s Housing Division and other agencies, boards, and commissions responsible for administering locally-funded programs should offer deeper incentives to advance deeply affordable housing. The Barnes Fund remains Nashville’s most significant local tool for supporting affordable housing development and should be positioned to address the city’s most pressing housing needs. As outlined further in Action 12a: “Focus the Barnes Fund to maximize its impact,” the proposed Rental Track of the Barnes Fund should focus on producing rental housing affordable up to 60% of the AMI but offer deeper incentives for deeply affordable units and permanent supportive housing (PSH).

In the most recent funding round, the Metropolitan Housing Trust Fund Commission (HTFC), which governs the Barnes Fund, has sought to incentivize deeply affordable units by offering bonus points in the evaluation criteria. Applicants who commit to designating at least 25% of units for households with incomes at or below 30% AMI will be eligible for up to 10 bonus points, with the commitment not being contingent on the award of project-based vouchers. The HTFC in collaboration with Housing Division staff should evaluate whether the bonus structure is effective in advancing deeply affordable development. Furthermore, the HTFC and the Housing Division should be able to assess whether incentivizing such projects impacts the overall number of units supported by the Barnes Fund. Given the higher costs of producing deeply affordable units, it remains uncertain whether prioritizing these developments may reduce the total number of units produced. After assessing the results of the most recent round, the HTFC and Housing Division will be better positioned to understand how to balance the need for more affordable units with the necessity of increasing deeply affordable housing.

In addition to advancing deeply affordable units, there is also a pressing need to develop PSH units. More information about PSH can be found in Strategy E. Notably,

Action 29: “Develop a strategic plan for Permanent Supportive Housing to support annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness” calls on Metro to develop a PSH strategic plan. Following the guidance and direction of the plan, Metro should examine what further actions should be taken to advance PSH specifically within its existing affordable housing tools, including the Barnes Fund.

## **Action 19b: Continue funding the Connecting Housing and Infrastructure Program (CHIP) and identify how it can support the viability of deeply affordable projects**

In addition to direct housing subsidies, the Connecting Housing to Infrastructure Program (CHIP) currently provides funding for enhanced infrastructure improvements, such as pedestrian crossings and transit access, that support Vision Zero and accessibility goals. As Metro Nashville continues to refine its approach to supporting deeply affordable housing, the Housing Division should explore how CHIP can further support these projects.

The Housing Division - or its future underwriting partner - should assess the amount of standard infrastructure costs to be covered during the underwriting process, in coordination with the Nashville Department of Transportation (NDOT), which determines standard infrastructure requirements. This determination should take into account the project gap, the number of PSH units, and other available gap subsidies.

Given the critical role of infrastructure costs in project feasibility, the Housing Division should also consider whether CHIP's scope could be expanded to cover additional standard infrastructure needs, such as sewer and water, alongside enhanced upgrades for projects providing PSH or other deeply affordable homes. In this case, the Housing Division - through its underwriting capacity - should coordinate with the relevant agency (e.g., Metro Water Services) to determine the appropriate amount of standard infrastructure cost to cover, again factoring in the project gap, number of PSH units, and other available gap subsidies.

## **Action 19c: Strategically deploy project-based vouchers to support deeply affordable housing**

As a housing authority, MDHA is responsible for deploying federal project-based vouchers (PBVs) to affordable rental projects in Nashville. PBVs are a contract between MDHA and the owner of the project, whereby tenants pay no more than 30% of their income on rent while MDHA covers the remainder with federal funds. Developers and MDHA can use the commitment of the vouchers to secure low-cost mortgages to finance development of new affordable rental homes, making PBVs one of the most effective tools for building new rental homes that serve extremely low-income households (under 30% AMI). Because the amount MDHA can spend on PBVs annually is capped by the U.S. Department of Housing and Urban Development (HUD), MDHA carefully stewards the allocation of PBVs to maximize their impact. The coordinated RFP process, described in Action 5, could enable MDHA to coordinate with Metro to bring other affordable housing resources to the table and achieve greater impact with the PBVs it controls. Electing to designate vouchers as project-based deducts those vouchers from the number of Housing Choice Vouchers that are available so choice about this action should be pursued with strong consideration of the larger housing ecosystem.

## **Action 20: Commit multi-year capital spending for infrastructure investments for MDHA transformation projects to increase deeply affordable housing and support increased density**

MDHA has embarked on an ambitious, multi-year redevelopment plan that seeks to transform six sites across Metro Nashville into more dense, mixed-income communities. MDHA is nearing completion on the first project, Cayce Transformation, which has resulted in the construction of 600+ mixed-income homes. For future phases, there is an opportunity to align specifically with the housing goals articulated in the UHS, including deep affordability and strong tenant protections. Modern redevelopments should prioritize the preservation of existing affordable housing while also enabling the addition of new units when new federal subsidies are available. To support priority projects and ensure that they meet UHS goals, Metro should dedicate local, multi-year infrastructure funding for the sites that add net new deeply affordable units.

---

STRATEGY D: SUPPORT HOMEOWNERSHIP OPPORTUNITIES

**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

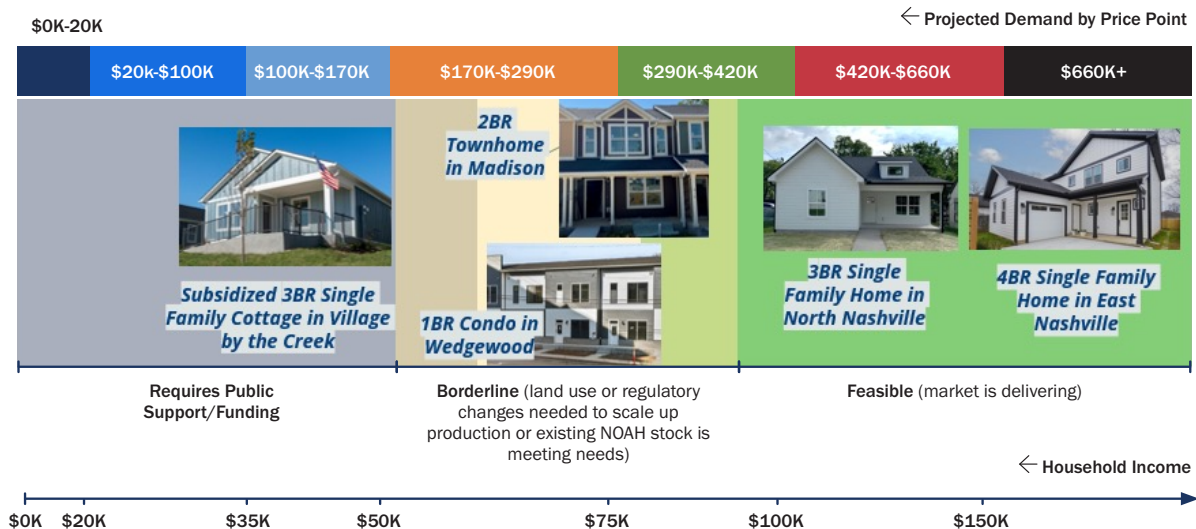
# Strategy D Actions

## 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 pre-purchase and post-purchase home buying counseling, such as a HUD Certified Housing Counselor through THDA's Housing Education & Counseling Network, and/or financial management assistance, such as the United Way's Financial Empowerment Center, to provide these 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.

---

STRATEGY E: INCREASE SUPPORTIVE HOUSING OPPORTUNITIES

**Create permanent housing options  
for persons experiencing or at-risk  
of homelessness**

## What is the focus of this strategy?

Strategy E is focused on creating and prioritizing permanent housing options for individuals and families transitioning out of homelessness. This strategy includes actions that will help ensure Nashville has an adequate system to build more permanent supportive housing and better utilize existing programs and tools to house those experiencing homelessness. While Strategy C also supports housing development – particularly affordable housing for low- and-moderate-income individuals – the unique and urgent needs of people experiencing homelessness requires a focused approach. By making Strategy E a standalone priority, we aim to ensure the necessary attention, resources, and support are directed specifically towards those who are most vulnerable, helping them secure stable housing and a better future.

## Why is this strategy important?

While Nashville has made progress in addressing homelessness, particularly with the creation of the Office of Homeless Services and one-time funding from the American Rescue Plan Act, challenges remain. A recent report from the [Homeless Management Information System \(HMIS\)](#) shows that 3,243 people experienced homelessness in Nashville in February 2025. These 3,243 individuals make up 2,782 households, including 228 families and 2,554 adult-only households. The inflow of people experiencing homelessness continues to outpace the number of people able to exit homelessness at a rate of 3:1. Although temporary housing options may be available and are critical to meeting the basic needs of those experiencing homelessness, additional focus and efforts on creating permanent housing options is central to addressing homelessness. The limited supply of permanent housing that meets both the financial and social needs of those transitioning out of homelessness remain a major barrier to making homelessness rare, brief, and nonrecurring.

Strategy E and its related actions seek to develop more permanent supportive housing in addition to housing options for those with less complex needs. According to HMIS data, an alarming 44% of Nashvillians experiencing homelessness are considered to be chronically homeless. An acute physical or behavioral health crisis may lead to homelessness, but the trauma of being homeless often worsens these health conditions. Prolonged living on the streets or in crowded shelter settings often exacerbates conditions such as substance use disorder or serious mental illness and further complicating one's ability to secure housing and stay housed. Permanent supportive housing, which pairs a housing subsidy, or ongoing operating costs, with voluntary case management and support services, is a proven solution to chronic homelessness. It has been shown to not only help people experiencing chronic homelessness achieve long-term stability but also improve their health and wellbeing. It has also been shown to lower public costs associated with the use of crisis services such as shelters, hospitals, jails, and prisons. Stable housing not only provides privacy and safety; it is also a place to rest and recuperate from surgery, illness, and other ailments without worry of where to sleep and find meal, or how to balance these needs with obtaining health care and social services.

HUD defines a chronically homeless person as either 1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR 2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.

## Who will this strategy serve?

This strategy will serve our unhoused community with a priority on those individuals experiencing or at risk of experiencing chronic homelessness.

## How will we measure our progress?

Metric	Description	Source(s)
Permanent Supportive Housing Production	Total number of Permanent Supportive Housing units funded for development	Metro Housing Division; Metropolitan Development and Housing Agency; Office of Homeless Services; Developer Community
Average Length of Homelessness	The average duration an individual experiences homelessness, measured from their entry into the Homeless Management Information System (HMIS) to the time they obtain permanent housing	Office of Homeless Services, HMIS
Homelessness Return Rate	Percentage of individuals entering into HMIS that were returning to homelessness	Office of Homeless Services, HMIS
Voucher Utilization	Total number of vouchers utilized by households exiting homelessness	Metropolitan Development and Housing Agency; Office of Homeless Services
Homelessness Exit Rates; Homelessness Exit Destinations	Total number of individuals exiting homelessness; total number of individuals exiting homelessness by destination type	Office of Homeless Services, HMIS

## What will it take to achieve?



**Staff Time, Capacity  
or Expertise**



**Advisory/Contractual  
Services or Technical  
Assistance**



**Funding  
or Financing**



**Data**



**Philanthropy**

# Strategy E Actions

## Action 28: Advance the Office of Homeless Services and the Homelessness Planning Council's Strategic Plan

With support from the Office of Homeless Services (OHS), the Homelessness Planning Council (HPC) released a three-year strategic plan aimed at making homelessness in Nashville “rare, brief, and non-recurring.” Many actions outlined in the UHS align with the goals of the HPC’s strategic plan, such as incentivizing the creation of new Permanent Supportive Housing (PSH) homes, prioritizing project-based vouchers for deeply affordable homes, deepening philanthropic partnerships to identify new funding sources for affordable housing and services, tracking and analyzing housing and market conditions, and strengthening alignment between key stakeholders through formal agreements like MOUs. To further support these objectives, Metro agencies and executive leadership should also advance collaborative efforts by backing the communications strategy developed by OHS and HPC. This will include sharing press releases and incorporating data collected by OHS into reports and dashboards monitored by the Housing Division, helping sustain momentum toward ending homelessness in the city. In addition to these actions, the following additional actions will support OHS and HPC in meeting the objectives of their strategic plan:

### Action 28a: Prioritize vouchers for those transitioning out of or at risk of homelessness

MDHA should evaluate its current prioritization of Housing Choice Vouchers (HCVs) and determine how many additional HCVs can be set aside for those transitioning out of or at risk of homelessness based on data collected in the Homeless Management Information System (HMIS). Providing HCVs to households transitioning out of homelessness, or at high risk of homelessness, is an effective strategy for reducing and preventing homelessness.<sup>v</sup> HCVs do not expire, unlike many other vouchers for those transitioning out of homelessness which have a limited time frame which often leads households to fall back into homelessness after the voucher expires. MDHA should prioritize Project-Based Vouchers (PBVs) for developers that utilize a competitive process and dedicate units to people experiencing homelessness. Increased housing navigation and landlord engagement in swift housing placements and increased utilization of housing vouchers. At the end of FY 2024, MDHA’s voucher subsidy expense far exceeded their annual budget resulting in a pause in voucher availability. As vouchers are inaccessible currently, creative solutions and strategic coordination is essential.

## **Action 28b: Encourage a local homelessness preference at MDHA-owned housing**

MDHA should evaluate how homeless households can be integrated into redevelopment projects and existing housing in a manner that supports the strength and wellbeing of the entire community and avoids concentrating vulnerable populations. This prioritization should apply over households already on the MDHA waitlist; however, it should not apply over households living in MDHA properties temporarily relocated due to redevelopment. MDHA has an obligation to ensure those households have a right of return. As part of MDHA's evaluation, it should consider the stability and cohesion of the communities that will be receiving households existing homelessness and seek to avoid concentrations of households in transition and destabilizing existing subsidized housing communities. However, for this to be successful requires resources for case management and supportive services through OHS and its partners and utilizing the Coordinate Entry process for referrals.

MDHA's current selection process includes operating a first-come first-serve short window of opportunity, which does not allow for equal access opportunities for those experiencing chronic homelessness. This also does not ensure that people are connected to ongoing supportive services once they are selected off the waiting list. OHS has held initial conversations with MDHA to seek prioritization and preference needs. A monthly working group is scheduled to solidify details for a pilot program to include in the annual MOU revisions. Technical guidance was provided by Dr. Sam Tsemberis.

## **Action 28c: Explore reliable sources for operations (rental assistance) and supportive services**

With the expiration of ARPA, Nashville will need a new funding source for supportive services, including for PSH residents. Additionally, project-based vouchers—a federal resource that is essential to creating homes affordable at 30% AMI because they support property operations—are a limited resource, and MDHA is nearing capacity. In response to this limitation, other jurisdictions around the country have turned to local sources. Charlotte, NC funds deeply affordable homes by earmarking a portion of the new tax revenue from affordable developments while Washington, D.C., and New York City directly fund a local project-based voucher program that developers apply for the same as PBVs. Austin, TX, was instrumental in utilizing local funding sources as they increased PSH by an additional 1,200 units in one year. Local dedicated funding source was incorporated into the annual operating budget to support operating costs. OHS conducted a field study in Austin in February 2025 and Austin leaders met with relevant Metro agencies, including OHS and the Housing Division, in March 2025 to offer technical assistance and share more about their model. Metro should explore and identify this source (or sources) and should ensure that the new funding is sufficient to support extensive case management and supportive services such as financial coaching and counseling.

## **Action 28d: Bolster the tools, resources, strategies, and funding to support the Low Barrier Housing Collective**

The Low Barrier Housing Competitive Grants program, administered by Metro OHS, was created with a one-time allocation of \$3.5M in COVID Cares and ARPA funds. This funding yielded collaborative partnerships with nearly 330 properties across Nashville and Davidson County. These properties utilize a new tool, PadMission, to update and highlight barrier reductions and track utilization and vacancies. The number of vacant housing units identified in PadMission far exceeds the number of accessible voucher subsidies each month. This funding created an incentive, allowing unhoused individuals to become more competitive when seeking housing by asking property managers to overlook punitive barriers such as the income requirements when a voucher subsidy is attached.

In 2024, additional awards of \$4M were made to five organizations for local capacity building efforts. These awards included funding for innovative partnerships between medical systems and housing providers, training, and counseling for hard-to-house populations, and supportive service funding. For the unhoused population, it is essential for a designated system to incentivize options for increased accessibility for this vulnerable population. Funding for this program is available through 2026, and to ensure its continuation, OHS may seek to sustain it in future budget requests.

This presents a clear opportunity for private partners, including philanthropic organizations, to engage as funders and ensure the ongoing success and expansion of this critical initiative.

## Action 29: Develop a strategic plan for Permanent Supportive Housing to support annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness

Though the Homelessness Planning Council's (HPC) Strategic Plan includes advancing permanent supportive housing (PSH), a specific plan focused on permanent supportive housing is essential to coordinate partners, allocate resources, and drive action. The February 2025 Homelessness & Housing Data report from the Office of Homeless Services state that while 3,243 people experienced homelessness in Nashville that month, more than 10,000 unique individuals faced homelessness over the past year. In that same time frame, just over 1,852 people have been housed in Nashville with the assistance and support of local service providers. While many individuals experiencing homelessness require limited financial or housing supports to exit homelessness, there is a dire need for additional homes and support to meaningfully address homelessness in Nashville, and permanent supportive housing (PSH) is an important part of that picture.



*In 2024, Nashville opened its first permanent supportive housing facility. Strobel House features 90 homes for Nashvillians experiencing homelessness and embodies Metro's commitment to a "Housing First" approach.*

PSH is a housing intervention that combines affordable housing assistance with voluntary supportive services. PSH is intended to help those exiting homelessness obtain and maintain housing as well as improve health and connection with the community. Permanent supportive housing models that use a Housing First approach have been proven to be highly effective for ending homelessness, particularly for people experiencing chronic homelessness who have higher service needs. Housing First is a nationally recognized best practice to end homelessness that connects individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety treatment or work requirements. Nashville has followed a housing-first model that incorporates additional supportive services which has resulted in a 12% recidivism rate—meaning 88% of residents remain housed.<sup>14</sup> This approach provides not only housing but also the ongoing resources and support necessary to sustain it. This model relies on supply of homes that are both available to those with little or no income and paired with ongoing voluntary supportive services. These components are what define PSH as compared to a shelter or transitional housing.

PSH can take many forms. The two most common are "100% PSH" developments where the building is entirely comprised of PSH homes and "integrated" or "scattered site," where a portion of homes in an affordable, market-rate, or mixed-income building are designated as PSH and reserved for those transitioning out of homelessness. Most jurisdictions rely on a combination of these methods, depending on the capacity of service providers in the area. Full PSH buildings require a strong operator to coordinate services and manage the building effectively. In scattered site developments, it is often the public sector that is responsible for service coordination, as the buildings are not managed by PSH operators.

While there have been recent efforts to increase PSH, including the opening of the Strobel House and the Affordable Housing Gap Financing program, PSH development in Nashville has been relatively minimal and well short of the overall need. Across Nashville, several transitional housing organizations exist to support the unhoused community, but they are small in scale and do not provide permanent housing. Further, outside of federal Continuum of Care funds deployed locally, the main source of funding currently allocated to address

<sup>14</sup> Data is sourced from the local Homeless Management Information Systems (HMIS) Database for which OHS serves as the lead entity.

homelessness in Nashville, including building new PSH and providing services to existing PSH developments, is American Rescue Plan Act (ARPA) funding, which will expire in 2026. To better support individuals transitioning out of homelessness, Metro should develop a Permanent Supportive Housing strategic plan that establishes the necessary framework for expanding capacity to produce 900 units of PSH annually – aligning with the current estimated need. Please note, the estimated need is dependent on multiple factors and is subject to change. The PSH strategic plan should build off the vision, mission, and values of the Homelessness Planning Council Strategic Plan but be a standalone document that provides specific, detailed actions needed to advance the development of PSH and sustain its operations. The plan shall include, but is not limited to, the following components: quantifying the need for PSH to be updated annually, identifying target populations, organizing key partners, determining funding and capacity requirements, and establishing referral processes and procedures through Coordinated Entry. The plan could provide additional value by identifying the number of residents that need access to an affordable, long-term skilled care facility which should be differentiated from residents needing PSH.

Coordinated Entry (CE) is a process developed to ensure that all people experiencing a housing crisis have access to resources and are identified, assessed, and referred and/or connected to housing assistance based on prioritization and resource availability.

To mobilize the development and success of a PSH strategic plan, Metro should take the following action:

## **Action 29a: Designate a lead agency to develop and implement a PSH strategic plan for Nashville**

The Mayor’s Office should designate one of the existing Metro departments or divisions to serve as the lead agency to develop a Permanent Supportive Housing (PSH) strategic plan for Nashville. A lead agency for the development of a PSH strategy is necessary to manage the work and coordinate efforts, including any technical assistance contracts that may be issued, and track milestones and deliverables. However, this does not mean the lead agency performs this role in a vacuum.

The PSH strategic plan should be informed by a working group with representation from key actors including OHS, the Housing Division, MDHA, Metro Social Services, persons with lived experience, developers, and service providers. The lead agency for developing the PSH strategy should engage an advisory services firm to support the working group and provide technical assistance to quantify the PSH need and identify strategies and actionable funding streams.

The PSH strategy should identify key stakeholders, outline their responsibilities in advancing the strategy, and establish accountability measures. Since there are multiple public agencies with significant roles (i.e., OHS, Housing Division, MSS, MDHA) and numerous private partners, Metro should designate a lead in agency or office to oversee implementation or at least formalize an implementation plan through an MOU among partners.

## **Action 29b: Continue advocating for state PSH set-aside in Low-Income Housing Tax Credit Qualified Allocation Plan**

As discussed under Strategy A, the Low-Income Housing Tax Credit (LIHTC) program, which is administered by the Tennessee Housing Development Agency (THDA), is a critical resource for developing affordable housing. Furthermore, LIHTC can be an important funding source to advance PSH which requires funding for supportive services and operations to ensure high-quality, integrated services. Often, PSH projects include homes for households earning at or below 30% of the Area Median Income (AMI) which requires substantial subsidy to be financially feasible. While the Federal LIHTC program has not undergone significant changes, states have the flexibility to advance housing priorities through their Qualified Allocation Plans (QAP), the policy document that outlines how a jurisdiction plans to distribute LIHTC. Each year, state leaders can prioritize the development of supportive housing within their QAP. One way to encourage this is by setting aside a portion of the LIHTC allocation specifically for supportive housing.

In response to a state-wide grassroots effort advocating for supportive housing, THDA took a significant step by incorporating a PSH set-aside for the first time in its 2024 QAP. This marks a meaningful commitment to address homelessness through affordable housing initiatives. Notably, the QAP is updated annually and is subject to change. Each year, however, a draft of the proposed changes is made publicly available, and members of the public are invited to comment. Metro Nashville should continue to work with other stakeholders and jurisdictions across the state to advocate for the PSH set-aside in the LIHTC and encourage the development community to take advantage of this resource.

---

STRATEGY F: PRESERVE EXISTING HOUSING

**Preserve and protect long-term housing affordability and stability**

## What is the focus of this strategy?

Strategy F focuses on ensuring that Nashville's current and future housing that is affordable to Nashvillians remains affordable for Nashvillians for years to come. This strategy includes actions that will seek to minimize the loss of "naturally occurring affordable housing" and preserve the affordability of income-restricted housing whose affordability requirements are set to expire. It also includes actions to ensure that the affordable housing being built for our future has additional measures in place to protect affordability for longer-term.

## Why is this strategy important?

Nashville has both naturally occurring affordable housing and income-restricted housing. Naturally occurring affordable housing is affordable without public funding, while income-restricted housing receives public subsidies and is required to be affordable for people earning below a certain income for a certain duration of time. Preserving both types of housing is crucial to prevent displacement of current residents. Notably, the number of naturally occurring homes has been shrinking in recent years as rents have risen faster than incomes. Market pressure in Nashville increases the likelihood that renters living in naturally occurring affordable housing will face rent increases that either leaves them with too little income to cover other essentials or pushes them to move to a lower rent area, which is a form of displacement. Although Metro is limited in its ability to intervene in private actions, the Housing Division has developed tools, such as the Catalyst Fund, to work with private developers with the goal of keeping these homes affordable.

Nashville also has approximately 20,000 income-restricted or affordable homes with deed restrictions<sup>15</sup> to keep them affordable. These restrictions, however, have expiration dates, and once they expire, property owners can choose to raise rents or sell and redevelop the property. This phenomenon is common across the U.S. and not unique to Nashville. Different affordable housing programs set different time limits on how long homes must remain affordable for households earning at/or below certain incomes. For example, Barnes-funded rental projects (funded post Round 8) must be affordable for 30 years while projects funded through HOME, a HUD program, are required to be affordable for a minimum of 20 years. In the next 10 years, it is estimated that about 30% of Nashville's income-restricted homes affordability protections are set to expire. Many of these homes are located in high-demand areas, such as along Charlotte Avenue, Dickerson Pike, and I-440, making them vulnerable to market pressure. Without action to preserve them, tenants could face rent hikes or displacement due to redevelopment. Strategy D seeks to create more housing stability for those current and future tenants living in affordable housing.

---

<sup>15</sup> HR&A identifies deed-restricted affordable housing properties as being active or inconclusive in each year based on the earliest start date and latest end date across all subsidies reported by National Housing Preservation Database (NHPD) as of 2024. In addition, NHPD data may undercount the total count of deed-restricted housing units, especially in recent years, because the total housing units that NHPD reports for each property is the maximum number of housing units covered by any subsidy attached to the property, and because there is a reporting lag of at least 1-2 years for some subsidies between when the property is placed in service and when the property is reported in NHPD.

## Who will this strategy serve?

This strategy will serve low and moderate-income households living in affordable housing.

## How will we measure our progress?

Metric	Description	Source(s)
Home Preservation	Total number of homes, including naturally occurring affordable housing and income-restricted housing, that were preserved	Catalyst Fund; Metro Housing Division; Metropolitan Housing and Development Agency; Developer Community

## What will it take to achieve?



Staff Time, Capacity  
or Expertise



Funding  
or Financing



Data

# Strategy F Actions

## Action 30: Incorporate mechanisms, such as right of first refusal, and support existing mechanisms, such as LIHTC PILOT, into local programs to protect affordability for the long-term

Housing Division should ensure Barnes Fund and other affordability agreements maximize opportunities to keep deed-restricted properties affordable in the long term. The Housing Division should undertake a review of available opportunities, including adding a right of first refusal and enhancing requirements to support housing stability for residents of properties that proceed to market sales.

Current Barnes Fund agreement templates, for example, require consent from Metro to reassign the contract to a new owner. Metro should take a broader approach to Barnes Fund and other affordability agreements by requiring grantees to notify the Housing Division in advance of intended sale of the property and establishing a process by which Barnes Fund recipients (and other recipients of Metro financial support) may sell their properties, retaining the right to find a buyer who will keep the property affordable. Metro agencies should also ensure that notices are sent to the Housing Division (at least some agreements instruct recipients to notify Metro Department of Finance). Additionally, Metro should encourage MDHA to take similar approaches where applicable (e.g., via LIHTC PILOT).

Metro should also add conditions in its agreement templates that improve outcomes for tenants living in new affordable properties subsidized by Metro or MDHA whose affordability requirements are set to expire and the property is approved to proceed to market sale. This could include adding requirements for tenant relocation assistance and minimum time periods for notice, perhaps in the form of requiring a tenant relocation plan or right of return.

Nashville is experiencing tremendous production using 4% LIHTC credits and has over 10,000 LIHTC homes in operation throughout Davidson County. Following year 15 of operation, federal law dictates that LIHTC owners may explore sale of their property through a process called Qualified Contract Review (QCR). In Tennessee, when a LIHTC owner chooses to initiate QCR, the Tennessee Housing Development Agency (THDA) has one year to market the property and find a buyer who will keep the property affordable. If THDA is unable to find a buyer, the property is released from its affordability covenant and the property owner is entitled to sell to a buyer without affordability restrictions.

Nashville will not be able to intervene in the QCR process. However, for LIHTC properties with a local LIHTC PILOT (administered by MDHA), Nashville can layer an affordability restriction that keeps properties affordable independent of LIHTC regulations, ensuring that the property remains affordable in years 16-30 even after a QCR process. It is worth noting that, according to information on THDA's website, as of 2024, applicants for LIHTC 4% financing are required to waive their right to initiate Qualified Contract Review. However, this has not been the case in years past,<sup>16</sup> and there may still be instances in which property owners can enter QCR.

## Action 31: Prioritize projects that will provide long-term or perpetual affordability, such as long-term ground leases, community land trusts, and social housing

To promote lasting housing affordability, Metro should prioritize projects for local funding that commit to long-term or permanent affordability such as 50 or 99 years. While federal programs such as the Low-Income Housing Tax Credit (LIHTC) impose their own affordability requirements, Metro should encourage deeper commitments—favoring affordability periods of at least 50 years and aiming for 99 years where possible. Long-term affordability restrictions are common in communities across the country and have a negligible impact on the value of the property they are placed on relative to a standard affordability restriction of 15 or 30 years. The O’Connell administration showcased the importance of this long-term affordability by securing a 99-year commitment as part of the recent East Bank deal. The Amazon Housing Equity Fund also mandates a 99-year affordability period for most of its investments.

Metro should also support shared equity models—such as limited equity cooperatives (LECs) and community land trusts (CLTs)—which provide long-term affordability while fostering democratic governance through community and resident ownership.

In the limited equity co-op model, residents purchase a share in a cooperative rather than owning the property outright. This share grants them the right to occupy a unit and participate in decision-making. If they choose to move, members agree to sell their share at an affordable price to a qualifying low- or moderate-income buyer rather than keeping the full equity they may have accrued. As mentioned in the introduction, the Housing Division made ARPA funds available through the Barnes Fund for the creation of Nashville’s first limited equity co-op, Cottages at Drake Creek.

Community land trusts operate similarly but include a nonprofit governing body that manages sales and supports homeowners. In a CLT, the nonprofit retains ownership of the land while homeowners purchase the buildings. Through a ground lease agreement, homeowners pay a small monthly fee to the nonprofit and agree to resell their homes at an affordable price. This model lowers the initial purchase cost and preserves long-term affordability for future buyers. In 2019, Metro Nashville provided seed funding and property to launch a CLT in partnership with The Housing Fund.

While shared equity models and extended affordability commitments somewhat constrain the wealth-building potential for individual homeowners, they provide critical protections against displacement and ensure that public investments continue to serve the community for generations. By prioritizing these approaches, Metro can strengthen housing stability, expand access to affordable homeownership, and maintain affordability over the long term.

Figure 29: Community Land Trust Model Overview



These models often still require public investment to create affordability initially, but administration of the affordability in the long term is largely managed by the co-op board or nonprofit CLT, increasing community control and ecosystem capacity outside the public sector. The Barnes Fund recently supported the first publicly funded co-op in Nashville, and Metro should continue to prioritize these community-controlled, affordable projects whether stand alone or through CLTs.

## Action 32: Maintain and monitor a countywide database of all deed restricted affordable units

A comprehensive database is a critical tool needed to be proactive in identifying and preserving affordable housing set to expire. In April 2023, Metro Council passed ordinance BL2023-1742 directing the Metro Planning Department, through its Housing Division, to create a centralized dashboard to track funding and development and preservation of subsidized homeownership and rental housing. As part of the dashboard's development, the Housing Division has begun creating a countywide affordable housing database to track all deed-restricted units in the area. In 2023, the Division purchased a technology platform to securely store and organize affordable housing data. The current database includes data from programs managed by the Housing Division, as well as some other publicly funded programs. While this database provides a solid foundation, compiling a comprehensive inventory of affordable housing in Nashville requires reviewing records from multiple sources, and carefully verifying that multiple funding sources for a single project do not result in duplicate counts. Maintaining a database that tracks all subsidized affordable rental units and the year their affordability restrictions expire is essential to preservation efforts. The current database should be expanded upon to include MDHA, THDA, and Metro subsidized properties. As outlined in Action 1a, Metro should work with partners, such as MDHA, to establish a data reporting partnership to ensure a robust inventory. In addition to data partnerships, adequate staffing capacity at the Housing Division is needed to further develop the database and maintain its accuracy.

## Action 33: Leverage the Catalyst Fund to support preservation

The Catalyst Fund, launched in summer 2024, is intended to solve a common problem for affordable housing developers in markets across the country. Typically, nonprofit or mission-driven affordable housing developers lack the staff resources and capacity to acquire for-sale properties at the same speed as market-rate developers. In appreciating markets like Nashville's, lower-rent apartments that enter the for-sale market can be quickly acquired by market-rate developers before mission-driven developers can assemble financing, place bids, negotiate, and close. The Catalyst Fund provides a source of fast-moving bridge financing that allows affordable housing developers to compete for Nashville's existing apartment stock as acquisition opportunities occur.

The Housing Division coordinates with the Catalyst Fund through an impact strategy, which is approved by the Housing Director on an annual basis. Metro should ensure that the impact strategy articulates a priority for using Catalyst for affordable properties at risk of being lost or in high demand. For example, in order to maximize the utility of the Fund, Catalyst can prioritize applications for properties that are in need of deeper rehabilitation, properties in areas highly susceptible to market pressure, and possibly other criteria, such as bedroom sizes. Deed-restricted affordable properties, as well as naturally occurring affordable properties, are both eligible for the program.

## Action 34: Support a preservation pool that includes ability to acquire expiring affordable stock

A preservation partner pool is a pre-approved bench of affordable housing property managers/owners who are interested in purchasing qualifying affordable properties that go up for sale. These could be local or national partners focused on preservation (e.g. Preservation of Affordable Housing (POAH), National Housing Trust, and the [NHP Foundation](#)), and locally, the newly established Pathway Affordable Housing Corporation), and the creation of a pool increases the chances of homes being owned by entities committed to keeping housing affordable. Properties that have received subsidy from Metro, as well as properties acquired through Catalyst Fund loans, could be considered for purchase by a mission-driven pool of affordable housing providers before going to the full market. They then issue an RFQ/RFP and pre-approve the partner pool. An eventual partner pool, once established, would also need a way to determine how/when properties are eligible for purchase by this group. The Housing Division should spearhead efforts to create a preservation partner pool.

---

STRATEGY G: IMPROVE ACCESS AND STABILITY

**Strengthen housing security for renters and improve access to resources for all Nashvillians**

## What is the focus of this strategy?

Strategy G focuses on making housing information easy to access, improving legal protections for tenants, and ensuring resources are inclusive and responsive to the needs of all Nashvillians. By coordinating efforts, expanding language access, and funding legal services, we can better serve our community and help people stay housed.

## Why is this strategy important?

The housing affordability pressure in Nashville has made it so a growing number of Nashvillians are finding it difficult to afford their housing costs and stay stably housed. Metro Nashville and its partners offer several different programs that seek to support households that are facing threats to their housing, such as habitability concerns, evictions, fair housing violations, etc. While these programs are reaching a large number of households in Nashville, it was also made clear in the community listening sessions that many people are not aware of the resources available and/or have found it very difficult to access these resources. When an individual or family is facing a housing crisis, whether it be related to housing discrimination or financial hardship, being able to connect quickly to resources may help mitigate harmful impacts. The actions in Strategy E seek to improve the ease of accessing housing services and continue supporting programs that have proven successful in helping our neighbors navigate evictions and housing discrimination.

## Who will this strategy serve?

Strategy G will serve Nashvillians facing housing challenges, including those at risk of eviction or struggling with affordability issues. It will also support individuals and families who need help navigating housing resources and legal protections.

In addition to the populations listed above, the strategy will seek to support those Nashvillians who may be particularly vulnerable to housing discrimination and face difficulty accessing available resources, including Nashvillians who speak languages other than English and individuals with disabilities.

## How will we measure our progress?

Metric	Description	Source(s)
Residents Served	Total number of residents served through Metro-administered housing programs and services	Multiple Metro Departments, including but not limited to Metro Action Commission, Metro Housing Division, Office of Homeless Services, etc.
Resident Outreach	Total number of residents provided information on housing services and programs	Multiple Metro Departments, including but not limited to Metro Action Commission, Metro Housing Division, Office of Homeless Services, etc.
Fair Housing Complaints	Total number of Fair Housing Complaints by complaint type	Tennessee Fair Housing Council
Eviction Prevention – Number of Households	Total number of households served through the Eviction Right to Counsel program and/or through Emergency Rental Assistance that avoided an eviction	Metro Action Commission; Program Administrators of the Eviction Right to Counsel Program

## What will it take to achieve?



Staff Time, Capacity  
or Expertise



Technology,  
Marketing, or  
Digital Tools



Funding  
or Financing



Data



Philanthropy

# Strategy G Actions

## Action 35: Incorporate stronger tenant protections in publicly subsidized income-restricted affordable housing

Metro Nashville Government, due to state preemption laws, faces significant limitations in enacting countywide tenant protections. While the city cannot institute broad tenant protections across all housing, Metro has greater flexibility in strengthening protections within the income-restricted affordable housing that Metro subsidizes and incentivize.

The Housing Division has initiated early conversations with legal experts and conducted research on tenant protection policies to determine which protections could be effectively implemented within its affordable housing portfolio. Potential protections being considered include:

- **Source of Income Protections:** Ensuring that tenants cannot be denied housing based on the source of their income, including housing vouchers and other rental assistance programs. In cities and states where Source of Income protections have been enacted, voucher holders have been more likely to move to lower-poverty neighborhoods.
- **Just Cause for Eviction:** Defines the causes for which a landlord can evict a tenant or refuse to renew a lease preventing arbitrary or discriminatory evictions. “Just Cause” eviction policies help to prevent wrongful evictions and promote housing stability for renters while providing landlords latitude to pursue evictions for reasons such as lease violations, nonpayment of rent, etc.
- **Pay and Stay or Right to Redemption Policies:** Allowing tenants who are behind on rent the opportunity to pay outstanding rent within a certain designated time frame and remain in their homes. Pay and Stay policies provide tenants with additional time to pay the required fees and avoid an eviction and possible displacement.

To move forward, the Housing Division should engage in deeper conversations with key stakeholders, including tenants, the development community, and Metro Legal to assess the feasibility of these policies. These discussions will help to refine which tenant protections should be prioritized and identify the appropriate pathway for incorporating them into Metro Nashville’s affordable housing program policies.

Additionally, the Housing Division and other administrators of publicly funded affordable housing programs should ensure its funding agreements provide clear guidance on how property managers and landlords address changes in resident income and household sizes. These standards should enhance housing stability for existing tenants and be made publicly available to align potential partners with Metro’s best practices. The Barnes Fund has already implemented policies prohibiting rent increases during a lease term and allowing tenants to remain in their units even if their income rises above initial eligibility limits. By refining and formalizing these policies, Metro Nashville can strengthen tenant protections within its affordable housing portfolio, providing greater stability for residents while ensuring clear safeguards for both tenants and landlords.

## Action 36: Support the Eviction Right to Counsel program

In May 2022, Metro Council approved \$3 million in ARPA funding to launch a two-year pilot initiative, the Eviction Right to Counsel (ERTC) Program. This program aims to provide free legal assistance to defend low- and moderate- income residents of Davidson County against landlord evictions. Prior to the ERTC's launch, only 1% of tenants had legal representation in an eviction proceeding compared to 99.8% of landlords. The stark imbalance highlighted a pressing need for the program.

A collaboration between the Legal Aid Society of Middle Tennessee, Conexion Americas, and several other key community partners – such as the Nashville Hispanic Bar Association, the Nashville Conflict Resolution Center, the People's Alliance for Transportation, Housing and Employment, and the American Muslims Advisory Council - the ERTC program has delivered impactful results. A [report](#) summarizing the program's first year activity found 1,010 households were served and attorneys were able to help reduce financial impact on clients, expedite or secure emergency rental assistance funds, and avoid housing subsidy terminations.

In 2024, Metro Council approved another year of funding to support the program. A final [report](#) published in March 2025 produced by Stout, an independent evaluator, found that the program's attorneys helped residents facing eviction avoid adverse consequences in 95 percent of cases. The program has also demonstrated promising cost savings for the city. From July 2022 through May 2024, Legal Aid and Hispanic Bar Association spent approximately \$2.2 million providing legal assistance and legal representation through ERTC, producing a direct financial impact for clients of \$5.7 million and an even greater return on the investment when accounting for the effect on the need for local government services.

Notably, state legislation passed in 2024 legislation shortened the amount of time a tenant facing eviction for the first time could request a continuance and potentially prevent eviction proceedings. The time was reduced from 15 days to seven days, one of the shortest periods in the country. With new state laws reducing the time allowed to resolve eviction cases, the need for legal counsel has become even more urgent.

Given the program's measurable success and changes in state law, the continuation of the ERTC program is essential to ensure stability for Nashvillians facing eviction. Metro Council should consider operationalizing the Eviction Right to Counsel program in a Metro department to ensure it continues in future administrations. Sustaining and expanding the ERTC program, however, may require additional resources beyond what local funding can support. There is a significant opportunity for private sector and philanthropic organizations to step in and support the program's sustainability and growth, ensuring that more Davidson County residents have access to legal protections.

To further strengthen the program's impact, the Housing Division and MDHA should consider making it a requirement for all properties receiving public subsidies or managed by the city to notify residents of the program that are facing an eviction. This would help expand the reach of the program and further support those residents currently residing in income-restricted housing.

## Action 37: Improve court processes for parties involved in an eviction

During the pandemic, several courts, including those in Nashville, temporarily adapted court processes to take advantage of increased federal funding for legal aid, rental assistance, and other housing stability services to prevent evictions. Courts now have the opportunity to examine which of these court improvements and eviction diversion programs were proven successful during the pandemic and could be made permanent to resolve housing disputes in a less harmful way.

Although the development of the L.E.G.A.C.Y. Housing Resource Diversionary Court & Program began before the pandemic, the public health crisis highlighted the need for Nashville to reassess how evictions were being handled. In early 2021, eviction court cases were transferred to the L.E.G.A.C.Y. Housing Resource Diversionary Court (HRDC) which had a partnership with the Metro Action Commission, the lead agency responsible for distributing Emergency Rental Assistance funds. This collaboration ensured landlords received rent payments that were past due, and tenants were able to stay in their homes. The diversionary court model aimed to steer defendants away from punitive outcomes and toward resources, helping them avoid evictions by placed on their credit or tenant background records. Similar diversionary models are used in drug, homelessness, veterans, community and mental health courts to connect defendants with resources and programs to avoid repeated civil interactions with evictions, debt collection including but not limited to all criminal offenses which could result with incarceration and court costs, fines, and fees.

By transferring eviction cases to the HRDC with dedicated dockets, both tenants and landlords received a stipulation agreement and order written by a dedicated Judge with staff called Housing Court Navigators more efficient support. For 2 years evictions were successfully diverted to HRDC and the tenants were able to avoid evictions by receiving an order for the cases to be dismissed and the name of the tenant amended to Jane or John Doe. However, the designated docket for eviction cases has since lapsed following the end of the eviction moratoriums. Metro Courts should explore the possibility of reinstating the HRDC designated docket to prevent future evictions and improve access to resources. In addition to this, Metro Courts could consider other methods to enhance court processes giving landlords and tenants the time, information, and resources they need to prevent eviction judgments. These may include but are not limited to the following:

- Ensuring detainer warrants are written in plain language, translated into Spanish and other commonly spoken languages besides English, and designed to be user-friendly for tenants to understand and act upon
- Including information about available resources on the detainer warrant.

Such improvements could be explored by General Sessions Court Judges and other key stakeholders with the intention of equipping tenants and landlords with necessary tools to navigate housing disputes more justly and effectively.

## Action 38: Monitor need for expanded emergency rental assistance funding and infrastructure

Emergency rental assistance (ERA) serves as a critical component of the safety net for households facing unexpected financial hardships, preventing eviction and homelessness. However, the need for ERA funding fluctuates based on economic conditions, rental market trends, availability of federal resources, and unforeseen crises like natural disasters or recessions. Metro should proactively monitor the demand for ERA to ensure that assistance programs remain adequately funded and responsive, staving off preventable displacement and the costly downstream effects of housing instability.

Beyond funding, the infrastructure that delivers emergency rental assistance—application systems, outreach programs, and administrative capacity—should also be continuously evaluated. In past crises, bottlenecks in application processing and accessibility challenges have delayed aid distribution, leaving vulnerable renters at risk. Additionally, strong leadership and coordination can result in the effective distribution of significant funding, as seen by Metro Action Commission during the early days of the COVID crisis. Metro should monitor these systems to allow for timely improvements, ensuring that assistance reaches those who need it most without unnecessary delays.

Philanthropy plays a critical role in housing assistance, especially since federal funds often come with reporting requirements that may slow distribution. In contrast, local or unrestricted funds can be deployed more quickly and reach a broader range of people. Collaborations like United Way's Community Assistance Network (CAN), which coordinates nearly 30 nonprofits, helps streamline access to and distribution of housing assistance. A well-prepared rental assistance infrastructure not only enhances efficiency during crises but also builds long-term resilience, helping communities maintain housing stability even in times of economic or political uncertainty.

## Action 39: Support the Tennessee Fair Housing Council

The Fair Housing Act prohibits discrimination on the basis of race, color, national origin, religion, sex, disability and familial status (living with children). The Tennessee Fair Housing Council (TFHC) is a private nonprofit organization in Tennessee that provides free legal assistance to residents in select counties, including Davidson County, who have experienced, or are currently experiencing, issues with their housing as a result of discrimination.

Housing discrimination continues to pose a threat to housing security for households in Tennessee and across the country. According to a 2024 [report](#) published by the National Fair Housing Alliance, the number of fair housing complaints increased by over 1,000 from 2023 to 2024. Discrimination based on disability accounted for the majority (over 52%) of complaints filed with Fair Housing Organizations, HUD, and Fair Housing Assistance Program agencies. In the community listening sessions co-hosted in partnership with the Tennessee Disability Coalition, several of the participants present shared their first-hand experience with encountering Fair Housing issues as an individual with a disability. The Tennessee Fair Housing Council currently depends heavily on federal grants, including a Community Development Block Grant (CDBG) from MDHA, to sustain its services. However, there is mounting concern and uncertainty about the future availability of these essential federal funding sources that the THFC has long relied upon. Supporting the Tennessee Fair Housing Council's mission to end housing discrimination remains critical and there is an opportunity for private partners to provide essential financial backing to help sustain and advance their work.

## Action 40: Require recipients of public funds and incentives to participate in annual fair housing training

Metro Nashville and MDHA should mandate annual fair housing trainings for its affordable housing grantees to facilitate compliance with federal, state, and local fair housing laws. These trainings will equip recipients with the knowledge and tools necessary to prevent discrimination and promote inclusive communities. By understanding the nuances of fair housing regulations, recipients can better serve diverse populations, including those with disabilities, families with children, and individuals of diverse racial and ethnic backgrounds. Annual trainings will also help recipients stay updated on any changes in fair housing laws, best practices, and trends in the Nashville area. This proactive approach can provide a platform for recipients to share experiences and strategies, fostering a collaborative environment aimed at improving housing outcomes for all residents. Requiring such trainings demonstrates Metro Nashville's and MDHA's commitment to fair housing and its dedication to supporting recipients in their mission to provide safe, affordable, and equitable housing.

## Action 41: Strengthen and expand hubNashville to centralize and improve access to housing resources for residents

Metro should strengthen and expand existing systems, like hubNashville, to make it easier for residents to access and connect to housing resources managed by local public agencies, including Metro Social Services (MSS), Metro Action Commission (MAC), the Courts system, Office of Homeless Services (OHS), the Housing Division, and MDHA. hubNashville is a comprehensive customer service platform that allows people to easily connect with Metro representatives to make service requests, ask questions, and share feedback. Designed as a one-stop shop, hubNashville is user-friendly and doesn't require individuals to know which department to contact.

While hubNashville currently includes housing and homelessness resources, additional resources should be added and updated regularly. Feedback from community listening sessions revealed that many residents are unaware of available resources and how to access them. Metro has the opportunity to improve the organization of housing resources on hubNashville to make it more intuitive for individuals and families seeking housing assistance. For example, resources could be clearly organized with simple prompts like, "I'm behind on rent or utilities" or "I just received a foreclosure notice."

The Mayor's Office should designate which Metro entity should be responsible for coordinating resources across departments, establishing update protocols, and working with ITS to improve the navigation of housing resources.

Depending on the success and usage of hubNashville, and available resources, Metro may explore other technology platforms that offer a more robust referral network. However, strengthening existing tools like hubNashville will be the most efficient way to quickly improve access to resources for Nashvillians in need.

## Action 42: Ensure information about housing resources is easily accessible and translated into the most widely spoken languages in Nashville

Nashville is home to many who have emigrated from other countries or who speak languages other than English, including American Sign Language (ASL). Some of the most commonly spoken languages in Nashville other than English are Spanish, Arabic, and Kurdish (Behdini and Sorani dialects). The Housing Division partnered with Metro's Office of Diversity, Equity and Inclusion (ODEI) to facilitate translation and interpretation services to develop the UHS. Moving forward, the Housing Division should coordinate with ODEI to explore the feasibility of making the translation of housing resources and materials a more permanent offering, ensuring greater accessibility for all residents. Additionally, all public agencies responsible for administering housing and homelessness programs should encourage their partners, including recipients of public subsidies, to provide translated materials of housing policies and resources available to tenants.

## Action 43: Leverage the Codes Department to support vulnerable homeowners and tenants and inform program outreach

The Property Standards Division (PSD), part of the Metro Codes and Building Safety Department, is responsible for inspecting properties in Davidson County to identify violations that affect health, safety, and welfare for all property in Davidson County. If carried out equitably, code enforcement can be a powerful tool to restore distressed properties, preserve and increase neighborhood resiliency, and protect renters. In 2022, representatives from multiple Metro departments came together to explore ways to improve the Property Standards processes and experience to help our neighborhoods be healthy, safe, and livable for all residents.

In early 2023, the internal project team published a [report](#) that reviewed best practices from other cities and states, offering initiatives to better support Nashville's residents. As highlighted in the report, the PSD can play an important role in assisting both vulnerable homeowners and renters. As the lead entity responsible for following up on complaints received and inspecting for code violations, the PSD often comes into contact with homeowners who have limited resources to reach code compliance and may be living in substandard conditions. The report outlines best practices that Metro Codes could consider enacting to better support those residents who may require additional support to come into code compliance and mitigate citations or other corrective actions. Those best practices included the following:

1. Educating code enforcement officers about existing resources.
2. Creating and maintaining a central document that details existing programs and resources.
3. Providing homeowners with information about relevant programs and/or making referrals.
4. Coordinating with local organizations to assist with repairs or modifications that cannot be accomplished with existing state/local programs.

Since the report was published, Metro Codes has begun taking steps to share known resources with residents in need. However, this effort has revealed the challenges posed by the lack of centralized information and the varied availability of resources across different neighborhoods. For example, nonprofits may serve specific populations and/or geographies within Nashville. This makes it difficult to provide residents with tailored support that meets their specific needs. Despite these obstacles, the Codes Department is committed to expanding its role in helping vulnerable homeowners by sharing resources as legally permitted. Success in this area will depend on increased collaboration with service providers and Metro entities to ensure that Codes is aware of current programs and offerings available throughout the county.

PSD has also begun collaborating with the Housing Division to identify at-risk homeowners and connect them to resources. In addition, PSD could establish a data-sharing agreement with Metro Nashville’s Housing Division to access data on owner-occupied and rental property complaints. This information could help identify areas where program outreach is needed.

Of note, related to Action 42: “Ensure information about housing resources is easily accessible and translated into the most widely spoken languages in Nashville,” the Codes Department has recently started to offer translated materials to residents. This helps ensure that residents who need to bring their properties into code compliance receive information in languages they understand, making the process more accessible. Translation services will continue to be available, and pending available resources, Metro Codes should continue to provide these services.

In addition to supporting homeowners, Metro Codes has initiated conversations about how to better assist tenants living in substandard conditions. Building on this momentum, the Department could work to develop clear, accessible materials that outline key Codes requirements, including habitability standards and tenant safety protections. Metro Codes’ role would be to help ensure the information is accurate, accessible, and digestible. To maximize reach and impact, Metro Codes could collaborate with Metro Council members and other community-facing entities - who have more direct and frequent interactions with renters - to help distribute this information throughout Davidson County.

## Endnotes

- i [https://www.tn.gov/content/dam/tn/tacir/documents/local\\_realty\\_transfer\\_tax.pdf](https://www.tn.gov/content/dam/tn/tacir/documents/local_realty_transfer_tax.pdf)
- ii Regrid Parcel Data 2022, 2023
- iii Urban Institute. 2016. “Mixed-Income’s Anticipated and Realized Benefits.” <https://housingmatters.urban.org/research-summary/mixed-incomes-anticipated-and-realized-benefits>
- iv Think Tennessee. 2024. “Tennessee Cities Have a New Housing Tool.” [https://www.thinktennessee.org/wp-content/uploads/2024/05/tennessee-cities-have-a-new-housing-tool\\_policy-brief\\_2024.pdf](https://www.thinktennessee.org/wp-content/uploads/2024/05/tennessee-cities-have-a-new-housing-tool_policy-brief_2024.pdf)
- v <https://www.cbpp.org/research/housing/more-housing-vouchers-needed-to-end-homelessness>
- vi [https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/hp\\_hptfs\\_chapter\\_2024j.pdf](https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/hp_hptfs_chapter_2024j.pdf)
- vii <https://homeless.lacounty.gov/news/the-facts-about-measure-a/>  
<https://www.cbpp.org/research/housing/more-housing-vouchers-needed-to-end-homelessness>

---

# **Moving Forward: Implementing the Unified Housing Strategy**

Bringing these strategies to life will require collaboration, sustained resources, and expanded capacity across public, private, and nonprofit sectors. Key to this effort is access to reliable housing data, financial investments, and dedicated staffing. While many initial actions focus on the Housing Division, long-term success depends on multiple partners stepping up, strengthening coordination, and expanding expertise across various departments, with critical support from philanthropic and private sector stakeholders.

To guide this work, the **10-Year Implementation Plan** accompanies the Unified Housing Strategy, outlining clear next steps. It identifies responsible entities, key partners, resource needs, and recommended time frames while prioritizing actions based on urgency. This plan serves as a road map for both public and private partners, providing direction for advancing housing solutions. In addition, Metro will prepare **Annual Policy Priorities** document to specifically clarify Metro’s focus on UHS goals in each fiscal year based on the approved Metro budget. While Metro departments play a crucial role, the contributions of developers, financial institutions, employers, and philanthropic organizations are equally essential. Achieving this vision requires collective action—from policymaking and advocacy to investment and community engagement.

While this strategy and the implementation plan will serve as a road map, its relevance and impact will be shaped by the larger economic and policy environment around us. We are living in an ever-changing environment, where growing uncertainty around the availability of federal funding and the possibility of economic downturns demand that we remain nimble and responsive. Shifts in the federal and state landscape mean that today’s priorities may need to adapt tomorrow. For these reasons, the UHS is a living strategy, designed to evolve alongside the challenges and opportunities that lie ahead. Ongoing public engagement will shape future updates, while performance metrics will track progress and ensure accountability. These measures will help refine approaches over time, keeping efforts aligned with Nashville’s housing needs.

At its core, this strategy is about more than just policies and programs—it’s about people. It’s about ensuring that every Nashvillian, regardless of income or background, has a place to call home. A home is more than four walls; it’s a foundation for stability, opportunity, and community. By working together with determination and vision, we can build a future where safe, affordable housing is not a privilege, but a guarantee for all who call Nashville home—now and for generations to come.

### **What’s Included in the Annual Policy Priorities?**

Prior to the beginning of the new fiscal year, Metro will release the Annual Policy Priorities for the upcoming fiscal year. This will outline the strategic initiatives and policy priorities that various Metro Agencies are funded to pursue and focus Metro’s work towards advancing the Strategies and Actions of the UHS.

Since this will be released annually, the Annual Policy Priorities can adapt and respond to changing conditions. They also serve as a framework for monitoring and assessing progress toward the implementation of the UHS based on the funding made available in the budget

---

# The Implementation Plan

Action #		Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
<b>STRATEGY A: Enhance and align Nashville's housing ecosystem to comprehensively and collectively address Nashville's housing needs</b>										
1		Create an executive-level role in the Mayor's office to oversee and advance policies and solutions to address Nashville's housing needs	Public	Mayor's Office	Housing Division; other Metro departments; MDHA	N/A	Executive leadership	Short	High	Medium
	1a	Create an interdepartmental leadership group to coordinate housing funding and services and execute MOUs with key public partners to formalize responsibilities and reporting requirements	Public	Mayor's Office	Housing Division; OHS; MDHA; MSS; MAC; IDB; HEFB; Courts; HTFC; EBDA	N/A	Staff time, capacity or expertise	Short	Medium	Low
	1b	Ensure operating and capital spending plan appropriations related to housing and homelessness further the strategies and actions of the UHS and support strong housing and service delivery	Public	Mayor's Office; Housing Division	OHS; MDHA; MSS; MAC; IDB; HEFB; Courts; HTFC; EDDBA	N/A	Staff time, capacity or expertise	Short	Medium	Low
2		Increase capacity and expertise of Metro agencies either internally or through external partners	Public	Metro Agencies; Housing Division	Metro Finance; Metro Human Resources	N/A	Staff time, capacity or expertise; advisory/contractual services or technical assistance	Short	High	Medium
3		Invest in infrastructure that supports affordable housing and safe communities	Public/Private	Planning Department	NDOT; MWS; Housing Division	Developers	Funding or financing	Short	Medium	High
4		Continue support for development partners through streamlined reviews and increased communications and marketing	Public	Planning Department	Housing Division; Codes; MWS; NDOT; ITS; Fire; Utilities	Developers and industry partners	Staff time, capacity or expertise; technology, marketing or digital tools	Short-Medium	Medium	Medium
5		Coordinate request-for-proposals or intake processes for allocating resources and align reporting requirements	Public	Housing Division	MDHA; IDB; HEFB; HTFC; EBDA	Developers	Staff time, capacity or expertise; policy changes; underwriting capacity	Medium	Medium	Low

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #	Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
6	Enhance support of emerging developers and small business enterprises	Public/Private	Housing Division	HTFC; Metro Council; Metro Legal	Staff time, capacity or expertise; policy changes; underwriting capacity	Staff time, capacity or expertise; funding or financing; advisory/contractual services or technical assistance	Short-Long	Medium	Medium
<b>STRATEGY B: Optimize and grow financial and resource support for affordable housing across public, private, and philanthropic sectors</b>									
7	Explore new dedicated local and state funding sources for affordable housing and homelessness services	Public/Private	Housing Division; OHS; Metro Finance; Metro Legal; Mayor's Office	General Assembly; Metro Council	Bond counsel	Staff time, capacity or expertise	Long	Medium	Medium
8	Tap new and underutilized resources	Public	Housing Division; OHS; MDHA	HUD; THDA; state and federal agencies; institutional land holders	Consultant partner; technical assistance providers	Staff time, capacity or expertise	Medium-Long	Low	Medium
9	Attract mission-motivated capital and corporate partners	Public/Private	Housing Division	MDHA	Catalyst Fund; philanthropic and corporate partners	Staff time, capacity, or expertise	Medium-Long	Low	Medium
10	Build strategic partnerships with philanthropic sector	Public/Private	Mayor's Office; Housing Division	OHS; MDHA	Philanthropic institutions	Staff time, capacity or expertise	Long	High	Medium
11	Establish underwriting capacity, requirements, and criteria to maximize public investments in housing	Public	Housing Division	Metro Finance; Metro Council; Metro Legal; IDB; HEFB; HTFC; EBDA	Consultant partner	Staff time, capacity or expertise; underwriting capacity; advisory/contractual services or technical assistance	Medium	High	Medium
12	Position existing housing tools to align with UHS priorities	Public	Housing Division	HTFC; Metro Council	Developers; lenders	Staff time, capacity or expertise; underwriting capacity; policy change; advisory/contractual services or technical assistance; funding or financing	Short-Medium	High	Low

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #		Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
	12a	Focus the Barnes Fund to maximize its impact	Public	Housing Division	HTFC; Metro Council	Developers	Staff time, capacity or expertise; underwriting capacity; advisory/contractual services or technical assistance	Short-Medium	High	Medium
	12b	Make affordable housing a threshold-eligibility requirement to access Tax Increment Financing & Payment-in-lieu-of-Taxes for residential and mixed-use projects	Public	Mayor's Office; Metro Council	MDHA; IDB; HEFB; EBDA	Developers; lenders	Staff time, capacity or expertise; policy change; underwriting capacity	Short-Medium	Medium	Low
<b>STRATEGY C: Create a range of new and affordable housing choices for all Nashvillians as appropriate across the county</b>										
	13	Evaluate and adjust zoning and land use policies to unlock development opportunities, expand housing types, and increase annual housing production	Public	Planning Department	Metro Council; Planning Commission	Developers	Staff time, capacity or expertise	Medium	High	Medium
	14	Implement voluntary zoning incentives for attainable housing	Public	Planning Department	Housing Division; Metro Council	Developers; Consultant	Staff time, capacity or expertise; advisory/contractual services; funding or financing	Short	High	Medium
	15	Leverage publicly owned land portfolio by advancing infill development, co-location, and policy changes to ensure strong management of land assets	Public	Planning Department	Housing Division; Mayor's Office; General Services	Developers	Staff time, capacity or expertise; executive leadership	Medium	High	Medium
	16	Develop a mixed-income housing financing toolkit and invest in sophisticated underwriting and finance capacity to support	Public	Housing Division	Metro Finance; Metro Legal; IDB; HEFB; EBDA	Developers; lenders	Staff time, capacity or expertise; underwriting capacity	Medium	High	High

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #	Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
16a	Consider using Bond authority to facilitate mixed-income development	Public	Mayor's Office	Metro Finance; Metro Legal; Housing Division; IDB	Developers	Staff time, capacity or expertise; underwriting capacity; budget approval for debt service	Medium	High	High
16b	Optimize the Mixed-Income PILOT while evolving and strengthening priorities and requirements to increase focus on deeper affordability, geographic choice, and market adaptability	Public	Housing Division	HEFB; Metro Council	Developers	Staff time, capacity or expertise; underwriting capacity	Short	High	Low
16c	Build out capacity to attract or deploy new debt sources such as below-market senior debt and leverage authorized entities to access this financing	Public	Housing Division	Metro Finance; Metro Legal	Consultant partner	Staff time, capacity or expertise; funding or financing	Medium	Medium	Low
17	Continue strong production of affordable housing using LIHTC	Public/Private	THDA	MDHA; Housing Division	Developers; lenders; funders	Funding or financing	Short	High	Low
17a	Ensure the continued operation and functioning of the LIHTC Payment in Lieu of Taxes (PILOT) program administered by MDHA	Public	MDHA	Metro Finance; Metro Council; THDA	Developers	Staff time, capacity or expertise	Short	High	Low
17b	Monitor LIHTC requirements and align local tools to help maximize competitiveness	Public	Housing Division	MDHA; THDA	Developers	Staff time, capacity or expertise	Short	Medium	Low
18	Prioritize new income-restricted housing for vulnerable residents (e.g., families with children, older adults, persons with disabilities and justice-impacted persons)	Public/Private	Housing Division	IDB; HEFB; EBDA; MDHA; HTFC	Developers	Staff time, capacity or expertise; policy change	Short	High	Low

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #		Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
19		Prioritize the development of deeply affordable housing within existing programs	Public	Housing Division	MDHA; IDB; HEFB; EBDA; HTFC; OHS; NDOT; MWS	Developers; lenders; funders; service providers	Staff time, capacity or expertise; policy change; underwriting capacity; funding or financing	Short	High	Low
	19a	Offer deeper incentives for deeply affordable housing in locally subsidized affordable housing tools, including Barnes funded rental projects	Public	Housing Division	HTFC; OHS	Developers; service providers	Funding or financing; underwriting capacity	Medium	High	Low
	19b	Continue funding the Connecting Housing and Infrastructure Program (CHIP) and identify how it can support the viability of deeply affordable projects	Public	Housing Division	NDOT; MWS	Developers	Staff time, capacity or expertise; funding or financing; policy change	Medium	Medium	Low
	19c	Strategically deploy project-based vouchers to support deeply affordable housing	Public	MDHA	HUD; Housing Division; OHS	Developers and property owners and managers; service providers	Funding or financing	Medium	Medium	Medium
20		Commit multi-year capital spending for infrastructure investments at MDHA redevelopment sites to increase deeply affordable housing and support increased density	Public	Mayor's Office	Metro Finance; Metro Council; MDHA	Lenders; funders	Funding or financing	Long	High	High
<b>STRATEGY D: Keep homeowners in their homes and create more opportunities for sustainable homeownership and wealth creation</b>										
21		Leverage land use to expand the availability of entry-level homeownership	Public	Planning Department	Housing Division	Developers	Staff time, capacity or expertise; policy change	Medium	High	Medium
22		Focus public funds for homeownership on those facing systemic barriers	Public	Housing Division; MDHA	THDA	Funders; lenders; developers	Funding or financing	Medium	High	Medium

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #		Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
23		Assess appraisal process for opportunities to enhance fairness and transparency	Private	Assessor's Office	Housing Division	Nonprofit partners; nonprofit legal service providers	Staff time, capacity or expertise; advisory/contractual services or technical assistance; data	Medium	Low	Medium
24		Require pre- and post- purchase counseling for buyers purchasing publicly-funded homes	Public/Private	Housing Division	MDHA; THDA	HUD-approved counselor network	Staff time, capacity or expertise; funding or financing	Medium	Low	Medium
25		Identify partnerships to promote estate planning for Nashvillians with a focus on marginalized populations	Private	Housing Division	MSS; MAC	Universities; nonprofit legal service providers	Staff time, capacity or expertise; funding or financing; advisory/contractual services or technical assistance	Medium	Medium	Medium
26		Support homeowners struggling to pay property taxes	Public	Trustee's Office	MSS; Housing Division; State	Nonprofit partners	Staff time, capacity or expertise; funding or financing; technology, marketing or digital tools	Medium	High	Medium
27		Support programs that help keep homeowners stably housed through home repairs, accessibility modifications, and opportunities to create passive income	Public/Private	Housing Division	MDHA	Nonprofit partners; contractors	Funding or financing	Short	High	High
<b>STRATEGY E: Create permanent housing options for persons experiencing or at-risk of homelessness</b>										
28		Advance the Office of Homeless Services and the Homelessness Planning Council's Strategic Plan	Public/Private	OHS	Housing Division; MSS; Mayor's Office; MDHA; HUD; state agencies	Philanthropic institutions	Funding or financing	Long	High	High
	28a	Prioritize Housing Choice Vouchers for those transitioning out of or at risk of homelessness	Public	MDHA	OHS	Developers and property owners and managers	Staff time, capacity or expertise; funding or financing	Short	High	High

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #	Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
28b	Encourage a local homelessness preference at MDHA-owned housing	Public	OHS	MDHA; Mayor's Office	Advocates	Staff time, capacity or expertise	Short	Medium	Medium
28c	Explore reliable sources for operations (rental assistance) and supportive services	Public/Private	PSH Lead Agency	OHS; Housing Division; MDHA; HPC; CoC; state and federal agencies	Philanthropic institutions	Staff time, capacity or expertise; funding or financing; policy change	Long	High	High
28d	Bolster the tools, resources, strategies, and funding to support the Low Barrier Housing Collective	Public/Private	OHS	Housing Division; MSS; MDHA	Developers and property owners and managers; funders	Staff time, capacity or expertise; funding or financing	Medium	Medium	Medium
29	Develop a strategic plan for Permanent Supportive Housing to support annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness	Public/Private	Mayor's Office	Housing Division; OHS; MDHA; HPC; CoC	Developers; service providers; persons with lived experience	Staff time, capacity or expertise; advisory/contractual services or technical assistance	Long	High	Medium
29a	Designate a lead agency to develop and implement a PSH strategic plan for Nashville	Public	Mayor's Office	Housing Division; OHS; MDHA; HPC; CoC	Developers; service providers; persons with lived experience	Staff time, capacity or expertise; advisory/contractual services or technical assistance	Long	High	Long
29b	Continue advocating for state PSH set-aside in Low-Income Housing Tax Credit Qualified Allocation Plan	Public/Private	Housing Division	THDA	Developers	Staff time, capacity or expertise	Short	Medium	Low
<b>STRATEGY F: Preserve and protect long-term housing affordability and stability</b>									
30	Incorporate mechanisms, such as right of first refusal, and strengthen existing mechanisms, such as LIHTC PILOT agreements and deed restrictions, into local programs to protect affordability for the long-term	Public	Housing Division	Metro Legal; MDHA; IDB; HEFB; HTFC; EBDA	Developers	Staff time, capacity or expertise; policy changes	Short	High	Low

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #	Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)	
31	Prioritize projects that will provide long-term or perpetual affordability, such as long-term ground leases, community land trusts, and social housing	Public	Housing Division	MDHA; IDB; HEFB; HTFC; EBDA	Developers	Funding or financing	Medium	High	Low	
32	Maintain and monitor a countywide database of all deed restricted affordable units and create strategies to minimize housing loss	Public	Housing Division	Planning Department; MSS; MAC; Metro Finance	Developers; property owners	Staff time, capacity or expertise; data; technology, marketing or digital tools	Short	High	Medium	
33	Leverage the Catalyst Fund to support preservation	Public	Housing Division	Metro Finance; HTFC; IDB; HEFB; MDHA	Catalyst Fund; Developers; Philanthropic and mission driven investors; Community Foundation of Middle Tennessee	Staff time, capacity or expertise; underwriting capacity; funding or financing	Medium	Medium	Low	
34	Support a preservation pool that includes ability to acquire expiring affordable stock	Public	Housing Division	Metro Procurement	Developers; lenders; funders	Staff time, capacity or expertise; funding or financing	Medium	Low	Medium	
<b>STRATEGY G: Strengthen housing security for renters and improve access to resources for all Nashvillians</b>										
35	Incorporate stronger tenant protections in publicly subsidized income-restricted affordable housing	Public	Housing Division	Metro Legal; MDHA; IDB; HEFB; HTFC; EBDA	Nonprofit legal service providers	Staff time, capacity or expertise; policy change	Short	High	Low	
36	Support the Eviction Right to Counsel Program	Public/Private	Housing Division	Metro Council; Courts	Legal Aid; Philanthropic institutions	Funding or financing	Short	High	Medium	
37	Improve court processes for parties involved in an eviction	Public	Metro Courts	Mayor's Office; Metro Council; MAC; MDHA; Circuit Court Clerk; MNPS	N/A	Policy change	Medium	Medium	Medium	
38	Monitor need for expanded emergency rental assistance funding and infrastructure	Public/Private	MAC	Housing Division, OHS	Philanthropic institutions	Staff time, capacity or expertise; funding or financing; data	Medium	Medium	Low	
39	Support the Tennessee Fair Housing Council	Private	Metro Finance; Metro Council	MDHA; Housing Division; HUD	Philanthropic institutions	Funding or financing	Medium	Medium	Medium	

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

Action #	Action Steps	Lead - Public, Private, or Public/Private Partnership	Responsible Public Agency	Support Public Agency	Private Partner(s) Needed	Implementation Resources Needed*	Implementation Timeline (1-3, Short; 3-5, Medium; 5+, Long)	Priority (High, Medium, Low)	Level of New Resource Need (High, Medium, Low)
40	Require recipients of public funds and incentives to participate in annual fair housing training	Public/Private	Housing Division	MDHA; IDB; HEFB; HTFC; EBDA	Tennessee Fair Housing Council	Staff time, capacity or expertise; policy change	Medium	High	Low
41	Strengthen and expand hubNashville to centralize and improve access to housing resources for residents	Public	Mayor's Office	Housing Division; OHS; MAC; MSS; Trustee's Office; MDHA; Courts	Utilities; community based organizations	Staff time, capacity or expertise; technology, marketing or digital tools	Medium	Medium	Medium
42	Ensure information about housing resources is easily accessible and translated into the most widely spoken languages in Nashville	Public/Private	TBD	Housing Division; OHS; MAC; MSS; Trustee's Office; MDHA; Courts; ODEI	Philanthropic institutions	Advisory/contractual services or technical assistance; staff time, capacity or expertise; technology, marketing or digital tools	Short	Medium	High
43	Leverage the Codes Department to assist vulnerable homeowners and tenants and inform program outreach	Public	Codes	Housing Division	Property owners; nonprofit partners	Staff time, capacity or expertise; funding or financing; data	Medium	Medium	Medium

\*Implementation Resources Needed include: staff time, capacity or expertise; executive leadership; underwriting capacity; advisory/contractual services or technical assistance; technology, marketing or digital tools; funding or financing; data; policy change)

---

# Appendices

# Appendices

- A. Glossary
- B. Methodologies, Data Sources, and Case Studies
- C. UHS Development Community Engagement Summary
- D. Housing Agency Overviews
- E. Program Inventory and Profiles
- F. Affordable Housing Finance 101
- G. Analysis of Potential Revenue Sources
- H. New or Underutilized Funding Sources
- I. The Barnes Fund Recommended Policy and Organizational Changes
- J. Philanthropic Contributions Opportunities
- K. Summary of Public Feedback on Draft UHS (to be completed post-release)

## APPENDIX A:

# Glossary

**Accessory Dwelling Unit (ADU):** An accessory dwelling unit (ADU) is a smaller, independent residential dwelling unit on the same lot as a stand-alone single-family home. ADUs must include space for living, sleeping, cooking, and bathrooms independent of the primary residence.

**Affordable Housing:** The Housing Division defines affordable housing as housing in which households earning at or below 80% of the Area Median Income (AMI) spend no more than 30% of their income on housing costs. This definition aligns with the U.S. Department of Housing and Urban Development (HUD) standard, which considers housing affordable when it costs less than 30% of a household's gross income. HUD uses the AMI for a family of four as the primary benchmark to assess affordability across different regions.

Some housing is affordable because it receives public subsidy, while other housing is affordable because of the type, location, or age of the housing. All housing types play a role in meeting the diverse range of housing needs and preferences within a community.

Housing affordability is the product of two factors: household incomes and housing costs. In most cities, housing costs have grown far faster than incomes over the past decade, leading to growing affordability challenges for low- and middle-income households across America.

**Area Median Income (AMI):** Area Median Income (AMI) represents the midpoint in the distribution of household incomes within a Metropolitan Statistical Area (MSA). HUD publishes annual AMI levels for regions, adjusted for family size. The HUD-provided AMI is used to determine applicants' eligibility for both federally and locally funded housing programs where participation is dependent on income levels.

**Chronically Homelessness:** HUD defines a chronically homeless person as either 1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR 2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.

**Coordinated Entry:** Coordinated Entry is a process developed to ensure that all people experiencing a housing crisis have access to resources and are identified, assessed, and referred and/or connected to housing assistance based on prioritization and resource availability.

**Deed-Restricted Affordable Housing:** Deed-restricted affordable housing means real estate that is required to be used as affordable housing for a period of time. This requirement is recorded as part of the deed for the property.

**Detached Accessory Dwelling Unit (DADU):** A detached accessory dwelling unit is an ADU that is detached from the primary residential building. DADUs can be attached to a separate detached accessory structure on the same lot as the primary residence. An example of a DADU include a guest house not attached to the main property.

**Fair Housing:** Fair Housing broadly refers to matters pertaining to compliance with the 1968 Fair Housing Act. The Fair Housing Act prohibits discrimination in housing on the basis of: a) race, b) color, c) national origin, d) religion, e) sex (including gender identity and sexual orientation), f) familial status, and g) disability. For a comprehensive list of actions that are prohibited under the Fair Housing Act, see this list at [HUD.gov](https://www.hud.gov).

In addition to the protected classes under the Fair Housing Act, the Tennessee Human Rights Act prohibits discrimination in housing on the basis of creed.

**Filtering:** Within housing, filtering is the change in housing costs for older housing over time. When demand for housing exceeds the supply of homes, older homes get more expensive, or “filter up.” When supply keeps pace with or exceeds demand, older homes become more affordable, or “filter down.”

**Median Household Income:** A statistical concept that refers to the annual earnings of the household at the 50th percentile of the distribution for a given area, whether a neighborhood, city, or metropolitan area. Half of households in a given area earn at or above the median income, while half of households in said area earn at or below the median income. The Median Household Income (MHI) is calculated by the U.S. Census. Within this report, median household income includes just Davidson County.

**Housing Access:** Housing access refers to the ability of people to find and secure housing that meets their needs.

**Housing First:** Housing First is an approach to homelessness that prioritizes connecting households to permanent housing without preconditions such as work or sobriety requirements. This evidence-based approach has been shown to promote long-term housing stability, improve health outcomes, and reduce the use of high-cost services such as emergency rooms. Housing First differs from other approaches to ending homelessness primarily by not mandating sobriety or supportive services as a precondition for entry into housing and by providing permanent housing rather than temporary accommodations such as in a shelter. Once housing is secured, residents also have access to voluntary services such as job training, mental health counseling, or substance abuse treatment.

**Housing Stability:** Housing stability refers to the ability of households to stay in their home without unplanned or unwanted disruptions or moves.

**HUD:** Established in 1965, the U.S. Department of Housing and Urban Development (HUD) is the federal agency most directly involved in affordable housing. Some of its principal functions include administering public housing programs, offering rental assistance through programs like Section 8, and providing mortgage insurance through the Federal Housing Administration (FHA).

**Low Income:** HUD defines low-income households as those earning less than 80% of Area Median Income. HUD also defines very low-income as households earning less than 50% of the AMI and extremely low-income as households earning less than 30% of the AMI.

**Metropolitan Statistical Area (MSA):** A metropolitan statistical area is a geographic area consisting of one or more counties associated with at least one urban area of at least 50,000 population plus adjacent counties having a high degree of social and economic integration.

The Davidson County MSA includes the following areas: Cannon County, TN; Cheatham County, TN; Davidson County, TN; Dickson County, TN; Robertson County, TN; Rutherford County, TN; Sumner County, TN; Trousdale County, TN; Williamson County, TN; and Wilson County, TN

**Middle Housing:** Middle housing is middle density housing structures, from small lot single home homes and duplexes up to small stacked flats. In most North American settings, zoning codes tend to allow either low-density single-family homes or higher-rise apartment buildings, meaning that most cities end up with a relative absence of middle density housing options.

**Multifamily:** A housing typology able to accommodate occupancy by more than one household. Within the zoning code, more than two homes on a lot is considered multifamily, while within the building code, it means more than two homes in a single building. While “multifamily” is often assumed to be high-rise rental apartments, it should be noted that duplexes, small apartments, and condos are also included.

**Naturally Occurring Affordable Housing:** Market-rate housing (for rent or purchase) that is priced at levels affordable to low- or moderate-income residents without public subsidy. Traditionally, “naturally occurring” is understood to mean homes that are affordable to households at 60% AMI and below. These homes are often more affordable because of their age, size and/or location. Because these homes are not protected by the regulations that come with public subsidy, this type of housing is most vulnerable to being lost through redevelopment or increasing rents through upward filtering.

**Rental Assistance Demonstration:** The Rental Assistance Demonstration Program (RAD) allows public housing authorities to convert their public housing to Section 8 project-based rental assistance (PBRA).

**Single-family:** A housing typology intended for occupancy by a single household. “Single-Family” is often used interchangeably with “single-family detached” housing, or a home that shares no walls with its neighboring homes. As with multifamily, it may mean one home per building (within the building code) or one home per lot (within the zoning code).

**Social housing:** Social housing is the term for a policy framework, development approach, and ownership strategy that aims to provide and sustain affordable housing for all. Social housing is generally defined by permanent affordability at a range of income levels, democratic management which includes tenant protections, and decommodification of the property, generally defined as public or community ownership.

# Methodologies, Data Sources, and Case Studies

## HR&A Advisors Methodology and Data Sources

### Estimating Future Housing Demand

#### ***Growth Projections and Housing Production Targets***

HR&A used a jobs-based population projection to estimate the projected population in 2034. Using the jobs-based projections provides a more aggressive population forecast. HR&A calculated the number of non-workers for each sex and age bucket using LFPR. The income distributions of workers come from projections of Bureau of Labor Statistics (BLS) Quarterly Census Employment & Wages (QCEW) county employment data, explained in detail below.

#### ***Industry Projections***

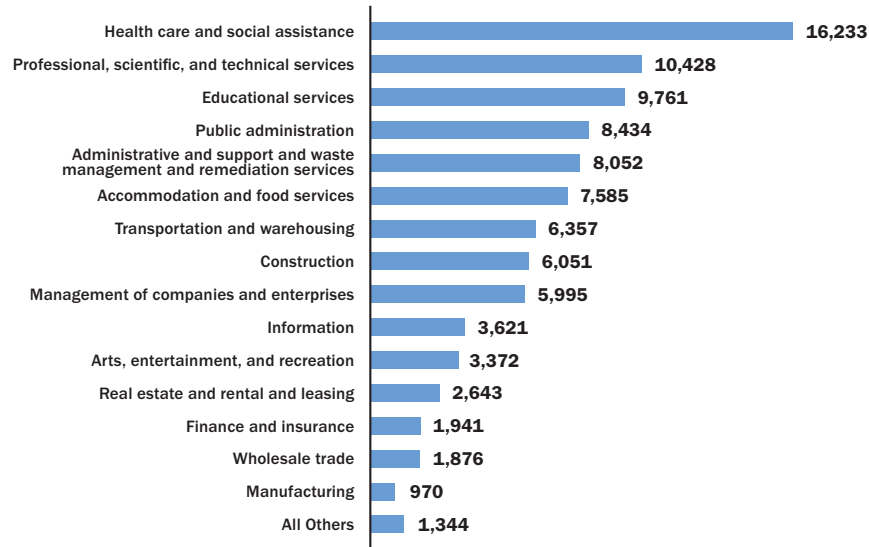
The QCEW provides annual county employment data at the 2-6 digit NAICS (North American Industry Classification System) industry level. HR&A forecasts the annual employment for each NAICS industry sector using an exponential smoothing model. To capture both long-term and short-term trends in employment, we perform the forecasts using 5, 10, and 15 years of historical data before taking the average of the three forecasts to create a single forecast. Additionally, both BLS and states provide 10-year industry projections at the national and state level respectively. To account for both national and state trends in long-term industry employment, we adjust our industry forecast using the annualized long-term changes in industry employment from BLS and the state.<sup>3</sup>

To translate industry employment projections to demographic (sex, age, income) distributions, we first convert industry jobs to occupations using another BLS dataset. The BLS Employment Projections (EP) program<sup>4</sup> provides the national employment matrix (EP matrix), which contains the long-term Standard Occupational Classification (SOC) occupation distributions of each industry nationally. The EP matrix is a 10-year projection and EP updates this matrix annually (i.e. the 2023 version of the matrix has data for 2023 and 2033). Merging the EP matrix and industry job projections produces job projections at the industry and occupation level. BLS publishes occupation wages at the metropolitan and nonmetropolitan area level, which we use as a measure of personal income. Finally, we distribute the occupation projections into sex and age groups using occupational demographic distributions from Lightcast.

The next stage of the process is to distribute the workers and non-workers into demographic cohorts defined by sex, age, personal income (wages), household income, household size and tenure (owner or renter). The distributions of the cohorts come from historic Census microdata (IPUMS).

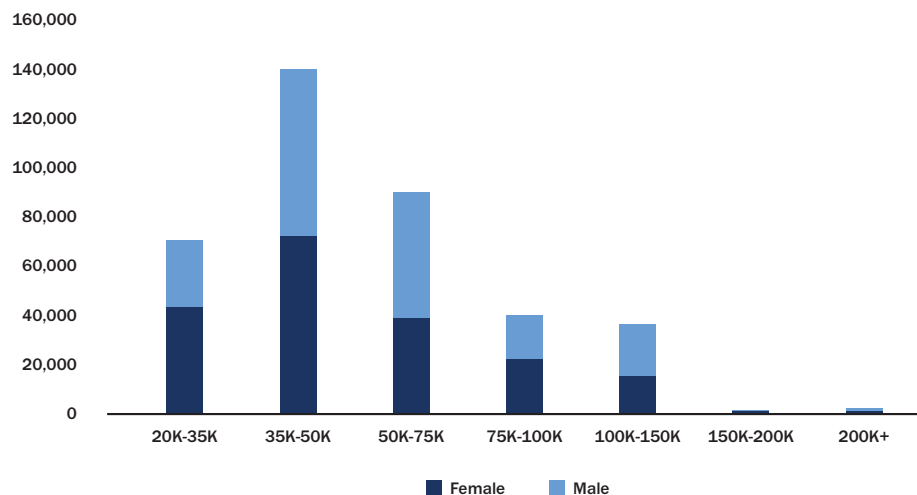
Taking the IPUMS data as is constitutes the *All Households* scenario, which focuses on the historic demand of tenure and household size. This demographic profile of this scenario more closely resembles households forming from a natural increase (net births) in the population. HR&A also runs another scenario, *Recent Movers*, that limits IPUMS to just individuals who moved to the geography within the last 24 months. Compared to All Households, this scenario focuses on households forming through net migration. This scenario tends to skew towards smaller households at lower incomes. The final household demand prediction is a blend of these two scenarios. HR&A applied an average household size of 2.3 to estimate to households from population projects.

**Figure 30: Projected Job Growth by Industry, 2024-2034**



Source: Bureau of Labor Statistics (BLS) Quarterly Census Employment & Wages (QCEW) County Employment Data

**Figure 31: Projected Distribution of Workers by Gender and Wages, 2034**



Source: Bureau of Labor Statistics (BLS) Quarterly Census Employment & Wages (QCEW) County Employment Data, LFPR

Davidson County is estimated to have a total population of about 892,000 people by 2034, an addition of about 175,000 people. Using an average household size of 2.3 people per household, **Davidson County is projected to have about 388,000 total households in 2034, an increase of about 85,300 households.**

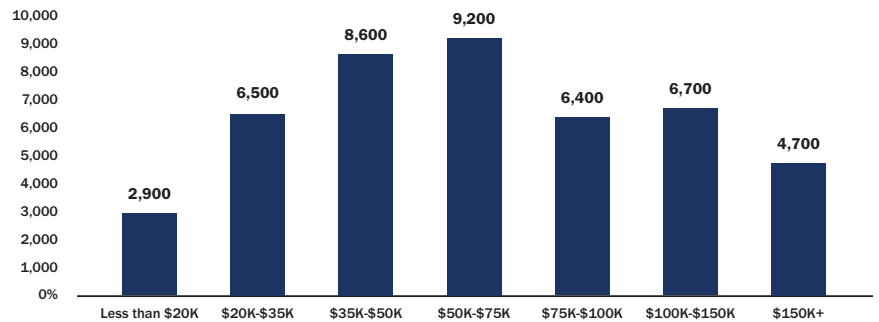
### Overall Housing Projections

HR&A applied a 7% vacancy target to household projections to arrive at a total production target of 91,288 total net new homes by 2034. This determined HR&A's production target of about 9,000 homes annually (rounded), or 45,000 homes by 2030. The tenure, household size, household income and corresponding affordability is based on the IPUMS distribution described above.

### Affordable Housing Projections

The affordable housing demand is based on an analysis of the demand for affordable rental housing compared to the existing inventory and recent deliveries of rental housing by AMI level. The existing inventory accounts for both restricted and unrestricted rental units. The cumulative rental housing gap compares the inventory of rental homes by rent to the number of renter households that can afford this rent based on their total household income.

Figure 32: Total Homes Demanded by Income (2030)

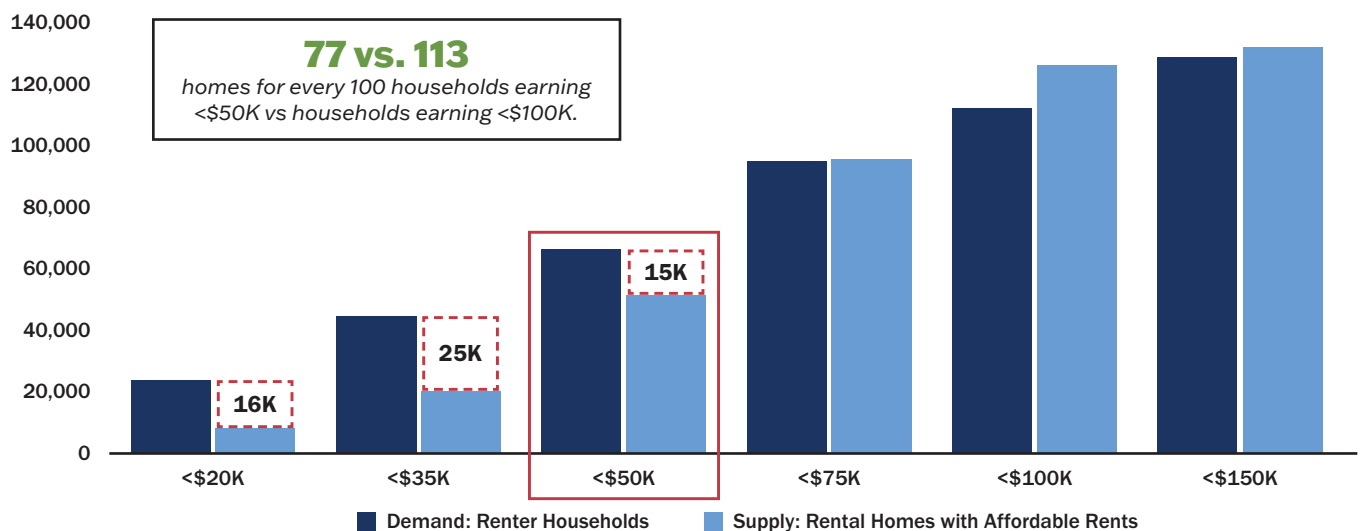


Source: HR&A Analysis

There are 15,300 more households earning \$50,000 or less a year (50% AMI) than there are homes affordable to them. Higher income households rent homes that would otherwise be available and affordable to lower income households. As a result, when looked at cumulatively, the rental housing supply gap reaches households making up to \$50k. There are about 77 homes for every 100 households earning less than \$50k in Davidson County, as opposed to 113 homes for every 100 households earning less than \$100k. This informed the target goal of 50% AMI.

HR&A also considered disparate impacts for different renter cohorts. Family renter households making less

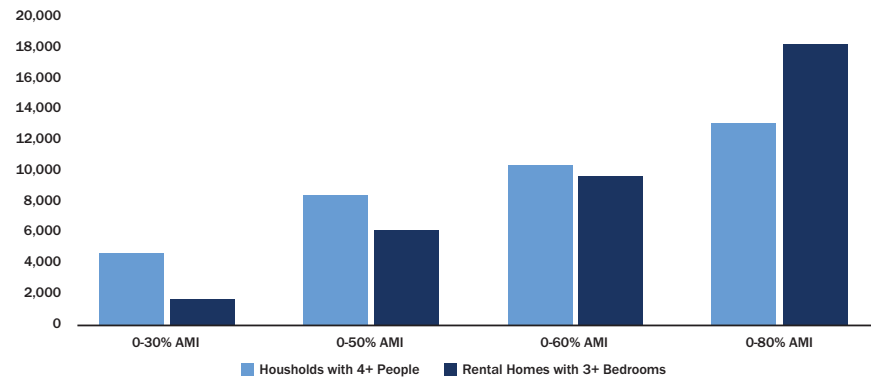
Figure 33: Davidson County Cumulative Rental Housing Gap (2022)



Source: ACS 5-Year Estimates (2022); PUMS (2022)

than 60% AMI, and particularly renter households with 4 or more people making less than 50% AMI, face a shortage in adequately sized affordable rental units (rental homes with 3 or more bedrooms). The demand for 3-bedroom rental units especially is squeezed when taking into account the number of smaller renter households – 2 and 3 people – that are currently “over-housed” and renting larger units because they can afford to. This increases the competition for larger renter households making less than 50% AMI.

Figure 34: Supply and Demand for Rental Homes with 3+ Bedrooms by AMI Level (2022)



Source: PUMS (2022)

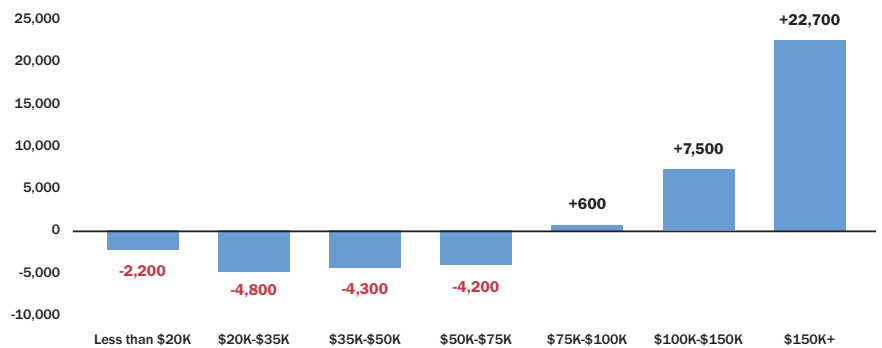
Currently, Nashville has approximately 20,000 deed-restricted affordable homes.<sup>1</sup> Creating 10,000 new deed-restricted homes by 2030, and another 10,000 by the end of 2035, will double that supply, meet the existing deficit of deed-restricted affordable homes and add additional homes to account for growing need.

### Homeownership Projections

HR&A analyzed changes in affordability for homeowners across the income spectrum by considering both changes in cost burden and changes in the distribution of home sales. Both of these analyses indicate that homeownership is increasingly out of reach.

Homeownership in Davidson County is **increasingly inaccessible to households making less than \$100k annually**. The net decline in households below this income level can be explained both by homeowners leaving the county and a rise in incomes for some.

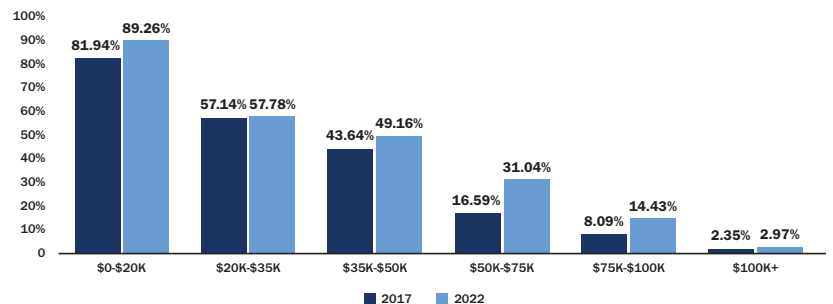
Figure 35: Change in owner Occupied Households (2017-2022)



Source: ACS 5-year estimates (2017, 2022)

**Cost burden rates for homeowners in Davidson County are increasing across all income levels.** Owner households earning between \$50k and \$100k are experiencing the greatest increases.

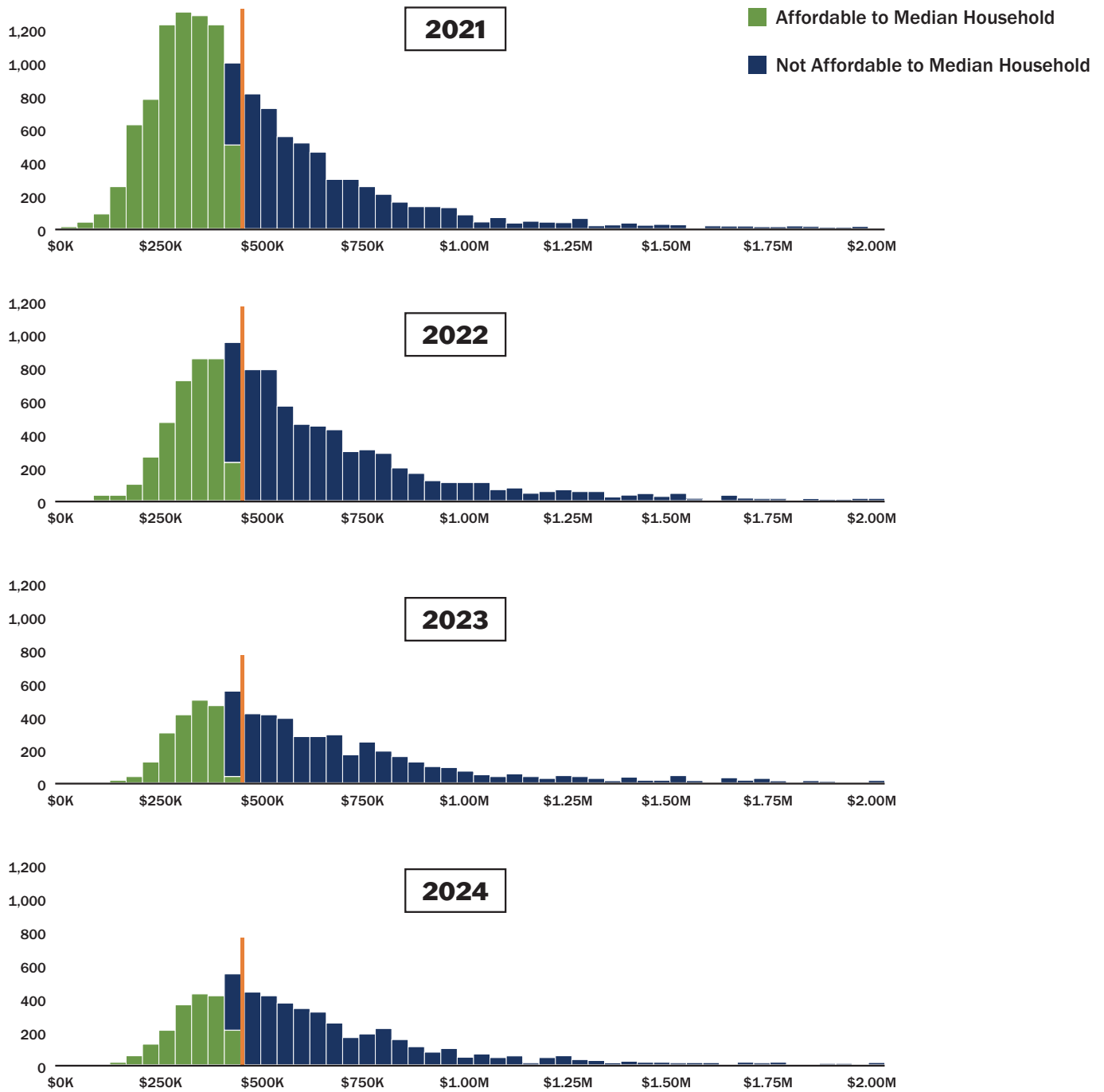
Figure 36: Davidson County Homeowner Cost Burden Rate (2017-2022)



Source: ACS 5-year estimates (2017, 2022)

<sup>1</sup> Source: National Housing Preservation Database

Figure 37: Distribution of Home Sales (2021-2024)



Source: Metropolitan Nashville and Davidson County Sales Records, ACS 1-year estimates, and Freddie Mac's Primary Mortgage Market Survey via FRED, the Federal Reserve Bank of St. Louis

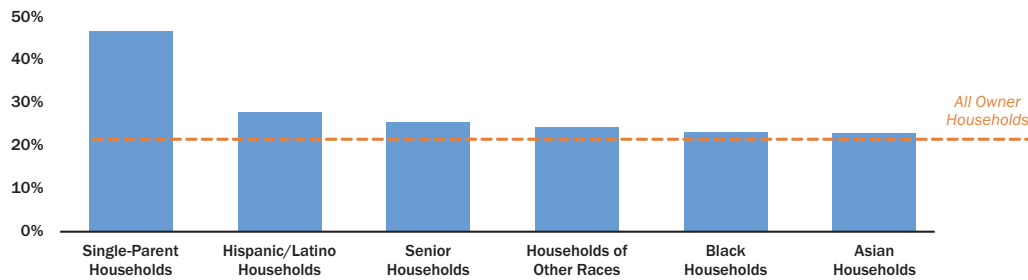
Note: HR&A calculates the home sale price that is affordable to the median household in Davidson County in each year using income data from the ACS and accounting for a maximum of 30% of income toward mortgage payments (principal and interest) and property tax payments. The calculation assumes a 20% down payment, a 30-year fixed-rate mortgage, the national annual average 30-year fixed interest rate from Freddie Mac via the Federal Reserve Bank of St. Louis, and Davidson County's average effective property tax rate based on ACS data.

In 2021, with a household income of \$65,000 and low interest rates, the median household in Nashville could theoretically afford to buy more than 55% of homes that were sold in that year; the green portion of the distribution covers most of the market's peak around the \$250,000-\$400,000 range.

In subsequent years, homeownership affordability has deteriorated rapidly, driven by rising interest rates, increased home prices, and a lower overall supply of existing and new units available for sale. Despite considerable gains in median income (estimated to reach \$82,000 by 2024), only one in three homes is affordable to the median household (1,862 homes).

Another way to identify the disparate impacts of decreasing homeownership affordability in Nashville is to look at rates of cost burdened for owner households across different cohorts. **Single-parent owner households** are most likely to be burdened by housing costs, but households of color, especially **Hispanic/Latino households, and elderly homeowners** are also disproportionately burdened.

Figure 38: Owner Household Cost Burdened by Cohort (2022)



Source: ACS 5-Year Estimates (2022)

# Case Studies: Governance

Figure 39: Governance Case Studies

Place	Jurisdiction	Population	Housing Lead	PHA Structure*	CoC Structure
Nashville, TN	Consolidated Metro	708,144	Metro-MDHA	Not MTW; Mayor appoints board	Metro commission
Austin, TX	City	974,447	City-HACA	Not MTW; Mayor appoints board	External nonprofit
Atlanta, GA	City	499,127	Mayor	MTW; Mayor appoints board	External nonprofit
Charlotte, NC	City	897,720	City Manager/ Mayor	MTW; Mayor and council appoint board	Joint city-county
Washington, DC	District with city, county, and state functions	671,803	Mayor	MTW; Mayor and Council appoint board	External nonprofit
Denver, CO	Consolidated Metro	713,252	Mayor	Not MTW; Mayor appoints board	External nonprofit

Austin, Texas	
Leadership and Vision	The Housing Department is responsible for drafting the city’s housing priorities (with final approval from Council), most recently through the Strategic Housing Blueprint which identifies housing goals as well as systems for tracking and reporting. This creates a mechanism for public accountability.
Agency Coordination	Using the priorities in the Housing Blueprint, the city manager through the Housing Department is primarily responsible for coordinating actors in the ecosystem. However, without strong internal mechanisms for accountability, external advocates such as HousingWorks Austin play a critical role in making sure actors are all playing their part to achieve the Blueprint goals.
Resource Management	The City controls the Housing Trust fund and other key housing finance functions through the Housing Finance Corporation. Although the housing authority holds many of the functions in the ecosystem, control of key financing sources means a seat at the table for the City, both for individual projects and for larger strategic priority setting.
Atlanta, Georgia	
Leadership and Vision	The Mayor’s Office – and often the mayor himself – provide clear strategic direction in Atlanta. City agencies, the housing authority, and the housing finance agency are all aligned around Mayor Dickens’ goal of 20,000 affordable homes by 2030.
Agency Coordination	Housing activities are led by the Mayor’s Office, largely under the Affordable Housing Strike Force, a group of senior staff who coordinate quarterly leadership meetings and convene key landholding agencies (e.g. Atlanta Public Schools) to activate public land for affordable development.
Resource Management	The city, the housing authority, Invest Atlanta, and key private funders created a ‘common intake form’ for developers seeking funds. Staff from each entity meet monthly to review the pipeline, coordinate allocations, and align on key priorities and underwriting criteria.

Charlotte, North Carolina	
Leadership and Vision	Although Charlotte has a weak mayor structure, the mayor has strong relationships with key spheres of influence including banks, philanthropy, and the large health systems, and as a result, plays a significant role in setting policy priorities.
Agency Coordination	Homelessness work in Charlotte is coordinated between the city and the county, with county staff primarily responsible for administration. Clear delegation of roles is important for this structure. The city's role is primarily bringing resources to the table for PSH or shelter construction while the county is largely responsible for social services.
Resource Management	The Department of Housing and Neighborhood Services administers the city's Housing Trust Fund which includes philanthropic dollars as well as public resources. Strong technical capacity, especially underwriting and regulatory expertise, is critical to deploy these funds effectively.
Denver, Colorado	
Leadership and Vision	Like Atlanta, housing is a key component of the current mayor's platform. This is visible in the Comprehensive Plan as well as in the annual budget, and it is clear from funding allocations that these priorities are reflected in key agencies.
Agency Coordination	Although Denver has a strong mayor system, previous mayors did not take advantage of their executive authority to the extent of the current mayor, according to stakeholder input. To achieve key housing goals, the current mayor created several senior advisor positions within his cabinet to coordinate activities.
Resource Management	Denver has a special revenue fund controlled by the mayor that is designated for housing projects. Control over project funding allows the mayor to communicate his priorities. However, other resources are less centralized. Homeless services and prevention organizations outside city government do much of the work to streamline and coordinate resources by responding to RFPs from DSS and from Housing Stability.
Washington, DC	
Leadership and Vision	The vertically integrated governance in DC, in which all key housing agencies, including independents, are organized within the DMPED structure, supports effective coordination and communication around the Mayor's housing priorities.
Agency Coordination	DMPED regularly convenes executive leadership of key housing agencies. Because this coordinating responsibility is clearly assigned to DMPED via the mayor's authority, even quasi-independent agencies and independent entities such as DCHFA and DCHA can be brought to the table.
Resource Management	All housing agencies submit budget requests to the Mayor's budget director, and agencies under the executive review, approve and/or advise requests from the independents. To deploy resources, DHCD runs a consolidated RFP for all resources and coordinated underwriting of awards with other investors (DCHFA and DCHA) where relevant. Processes governing deployment of resources involving multiple agencies (e.g. bond cap, local voucher) are often formalized through written agreements with established performance benchmarks.

# Case Studies: Public Housing Authorities

Figure 40: Public Housing Authorities Comparison

Location	Public Housing Authority (PHA)	Moving to Work Agency	Traditional Redevelopment Authority	Housing and Community Development (HCD)	Voucher Only PHA	Voucher Administration	RAD
Nashville, TN	Metropolitan Development & Housing Agency (MDHA)	No	Yes	Yes	No	Yes	Fully Converted to RAD
Austin, TX	Housing Authority of the City of Austin (HACA)	No	No	No	No	Yes	Appears to have converted nearly all approx. 1,900 units to RAD
Atlanta, GA	Atlanta Housing	Yes	No	No	No*	Yes	Converted to vouchers long before RAD program rollout
Charlotte, NC	InLivian	Yes	No	No	No	Yes	Approx. 3,197 out of 3,500
Denver, CO	Denver Housing Authority	No	No	No	No	Yes	Approx. 1,400 out of 3,900
Washington, DC	District of Columbia Housing Authority (DCHA)	Yes	No	No	No	DCHA administers both Federal and LRSP vouchers*	2 properties complete (out of 44). Authority for 5 more properties (5+ years ago) that remain not converted.

- Robust, clear and transparent procurement process for all housing activities and funding opportunities including voucher administration.
- Accountable governance: multiple appointing parties, staggered and expiring terms, etc. Appointees should provide enhance the capacity of a PHAs via thoughtful, non-biased approach to governance.
- Collaborative relationships with other agencies in the housing ecosystem.
- Leverage other federal and state program funding: internet and digital devices or environmental, which improves their products, while they gain access to additional administrative/operating funds.
- Build human and financial capacity: leverage subsidiaries that deepen expertise, improve product(s) and create additional revenue streams.
- Actively participant in development: build internal capacity by seeking technical assistance when necessary but not outsourcing development tasks.
- Resident focused operations: while real estate development activities are necessary, existing housing units should be maintained to the highest possible standards and resident services should be consistent/continuous regardless of ancillary activities

## APPENDIX C:

# UHS Development Community Engagement Summary

The UHS Project team engaged in a comprehensive community engagement strategy to gather input from residents, housing developers, service providers, and agencies addressing housing issues. This approach included community listening sessions for residents to share their housing experiences, a public survey to assess housing needs and program accessibility, and targeted discussions with key stakeholders through roundtables and interviews. These efforts strengthened the UHS findings and helped provide a holistic view of the housing challenges Nashville-Davidson County faces. Learn more about these engagement initiatives below.

### Recurring Themes:

- Lack of Housing Affordability
- Lack of Comprehensive Support Services
- Intergenerational Housing Challenges
- Desire for Alternative Housing Models
- Difficulties Navigating and Accessing Resources
- Accessible and Inclusive Housing Options for Vulnerable Populations

## Community Listening Sessions

The Housing Division in partnership with MEPR Agency held 12 community listening sessions to understand the housing challenges residents are facing, barriers to addressing them, and opportunities that are most important to members of the community. Four (4) regional sessions were open to all Nashville residents, and the Housing Division partnered with several community-based organizations, UHS Community Ambassadors, to co-host eight (8) sessions to hear feedback from specific populations. Please see below for an overview on when each session took place and how many participants attended.

### Regional Listening Sessions

#### **Northern Regional Session at the Bordeaux Library: 40 Participants**

July 18, 2024 | 5:30 – 7:00 p.m.  
4000 Clarksville Pike  
Nashville, TN 37218

#### **Southern Regional Session at the Southeast Regional Center: 3 Participants**

June 24, 2024 | 5:30 – 7:00 p.m.  
5260 Hickory Hollow Parkway, Suite 202  
Antioch, TN 37013

#### **Eastern Regional Session at the East Regional Center: 11 Participants**

July 11, 2024 | 5:30 – 7:00 p.m.  
600 Woodlawn Street  
Nashville, TN 37206

#### **Western Regional Session at the Main Library: 30 Participants**

July 9, 2024 | 11:30 a.m. – 1:00 p.m.  
615 Church Street  
Nashville, TN 37219

## Community Ambassador Listening Sessions

### **AgeWell Community Ambassador Session: 10 Participants**

Population Focus: Older adults  
June 25, 2024 | 10:30 a.m. – 12:00 p.m.  
2400 Clifton Avenue  
Nashville, TN 37209

### **Tennessee Disability Coalition Community Ambassador Session: 6 Participants**

Population Focus: All Tennesseans with disabilities  
August 7, 2024 | 5:30 – 7:00 p.m.  
955 Woodlawn Street  
Nashville, TN 37206

### **Monroe Harding Community Ambassador Session: 13 Participants**

Population Focus: Opportunity youth (ages 16-26) who may be homeless, housing insecure, or in subsidized housing  
July 10, 2024 | 4:00 – 5:30 p.m.  
523 Church Street  
Nashville, TN 37219

### **Stand Up Nashville and the Tennessee Immigrant and Refugee Rights Coalition (TIRRC) Community Ambassador Session: 50+ Participants**

Population Focus: Working class, immigrant, and refugee communities  
August 8, 2024 | 6:30 – 8:00 p.m.  
810 Dominican Drive  
Nashville, TN 37228

### **Urban League of Middle Tennessee (ULMT) Community Ambassador Session: 3 Participants**

Population Focus: African-Americans and other historically underserved communities  
August 19, 2024 | 6:00 – 7:30 p.m.  
50 Vantage Way, Suite 201  
Nashville, TN 37228

### **Neighbor 2 Neighbor Community Ambassador Session: 3 Participants**

Population Focus: Neighborhood leaders and neighborhood associations  
August 26, 2024 | 5:30 – 7:00 p.m.  
610 Gallatin Pike South  
Madison, TN, 37115

### **The Contributor Community Ambassador Session: 60+ Participants**

Population Focus: People who are unhoused and people who have lived experience of being unhoused  
August 28, 2024 | 9:30 – 11:00 a.m.  
154 Rep. John Lewis Way North  
Nashville, TN 37219

### **Nashville Organized for Action and Hope (NOAH) Community Ambassador Session: 36 Participants**

Population Focus: Historically underserved communities, including low-income and low wage workers, individuals experiencing housing challenges, and African-Americans  
September 7, 2024 | 10:00 a.m. – 12:00 p.m.  
1203 9th Avenue North  
Nashville, TN 37208

# Survey Results

Residents, affordable housing practitioners, policymakers, and other stakeholders were also invited to submit input on their housing needs and experiences through a public survey which was available from July – September. The survey was posted on Nashville.gov and was promoted in a press release and through flyers distributed at community listening sessions which included a QR code that directed attendees to the Unified Housing webpage. The survey was available in English, Spanish, Arabic, Kurdish (Behdini and Sorani dialects).

426 people responded to the survey. Respondents were predominantly White (70.7%), with the largest age group being 25 – 44 years old (48.8%), and the most common income group earning more than \$100,000 (41.9%).

## About You

### Q1: What zip code do you live in? (required)

Total Answered	Total Responses	Response Percent
	426	

### Q2: How old are you? (required)

	Total Responses	Response Percent
Under 18	1	0.2%
18-24	13	3.1%
25-34	89	20.9%
35-44	119	27.9%
45-54	77	17.8%
55-64	53	12.4%
65-74	52	12.2%
75 or older	18	4.2%
Prefer not to answer	5	1.2%
Total Answered	426	

### Q3: What is your race/ethnicity? Select all that apply. (required)

	Total Responses	Response Percent
White	302	70.7%
Hispanic, Latino, or Spanish Origin	10	2.3%
Black or African American	96	22.5%
Asian	12	2.8%
American Indian or Alaska Native	5	1.2%
Middle Eastern or North African	4	0.9%
Native Hawaiian or Other Pacific Islander	1	0.2%
Some other race, ethnicity, or origin	4	0.9%
Two or more Races	7	1.6%
Prefer not to answer	10	2.3%
Total Answered	426	

### Q4: What is your living situation today?

*Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
I rent my home	119	28.7%
I own my home	259	62.4%
I have a place to live but am worried about losing it	12	2.9%
I don't have a steady place to live (staying with others, in a shelter, etc.)	7	1.7%
Other	14	3.4%
Total Answered	411	
Total Skipped	4	1.0%

**Q5: How many people live in your household, including you?***Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
1	89	21.4%
2	155	37.3%
3	61	14.7%
4	53	12.8%
5	15	3.6%
6	9	2.2%
Total Answered	382	
Total Skipped	33	8.0%

**Q6: What best describes your household?***Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
I live alone	91	21.9%
I live with my spouse or significant other	140	33.7%
I live with my parents or guardian	12	2.9%
I live with my spouse or significant other and child (children)	85	20.5%
I live with my child (or children) only	35	8.4%
I live in a multi-generational household (e.g. grandparents, parents, children)	20	4.8%
I live with roommates that are not my relatives	21	5.1%
Other	10	2.4%
Total Answered	414	
Total Skipped	1	0.2%

**Q7: What is your annual household income?***Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
\$0-30,000	35	8.4%
\$31,000-50,000	38	9.2%
\$51,000-80,000	91	21.9%
\$81,000-100,000	57	13.7%
More than \$100,000	174	41.9%
Total Answered	395	
Total Skipped	20	4.8%

**Q8: Do you or someone in your household have a disability that affects your housing needs?***Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
Yes	35	8.4%
No	336	81.0%
Prefer not to answer	6	1.4%
Total Answered	377	
Total Skipped	38	9.2%

**Q9: Do you currently live in Nashville-Davidson County? (required)**

	Total Responses	Response Percent
Yes	400	93.9%
No, I would like to but cannot afford to	15	3.5%
No, I don't live in Davidson County	10	2.6%
Total Answered	426	

**Q10: How long have you lived in Nashville-Davidson County?**

	Total Responses	Response Percent
Less than 2 years	25	5.9%
2-5 years	50	11.7%
6-10 years	73	17.1%
11-15 years	44	10.3%
More than 15 years	211	49.5%
I don't live in Davidson County	20	4.7%
	<b>Total Answered</b>	<b>423</b>
	<b>Total Skipped</b>	<b>3</b>
		<b>0.7%</b>

**Q11: How long have you lived in your home?**

	Total Responses	Response Percent
Less than 2 years	98	23.0%
2-5 years	109	25.6%
6-10 years	82	19.2%
11-15 years	48	11.3%
More than 15 years	82	19.2%
I don't live in Davidson County	5	1.2%
	<b>Total Answered</b>	<b>424</b>
	<b>Total Skipped</b>	<b>2</b>
		<b>0.7%</b>

**Housing Needs****Q12: Does your current living situation meet your housing needs?**

*Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
Yes, completely	216	52.0%
Somewhat	168	40.5%
Not at all	28	6.7%
	<b>Total Answered</b>	<b>412</b>
	<b>Total Skipped</b>	<b>3</b>
		<b>0.7%</b>

**Q13: What housing affordability challenges, if any, are you currently experiencing in Nashville-Davidson County? Please select all that apply.**

*Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
Affording my rent	83	20.0%
Affording the security deposit for rental homes	23	5.5%
Affording a downpayment or mortgage	84	20.2%
Affording repairs for my home	88	21.2%
Affording a home in a neighborhood that I feel comfortable living in	78	18.8%
Staying in my preferred neighborhood due to rising costs	118	28.4%
Affording the type of housing that meets my family's needs (apartment, single family, etc.)	52	12.5%
Finding housing near public transit	41	9.9%
Affording the size of housing that meets my family's needs	58	14.0%
Paying for utilities (water, electric)	42	10.1%
Other	25	6.0%
I have not experienced any of these challenges	70	16.9%
	<b>Total Answered</b>	<b>366</b>
	<b>Total Skipped</b>	<b>49</b>
		<b>11.8%</b>

**Q14: Besides housing affordability, what other housing challenges, if any, are you currently experiencing in Nashville-Davidson County? Please select all that apply.**

*Filtered to only include those who live in or would like to but cannot afford to live in Davidson County.*

	Total Responses	Response Percent
Finding housing near places I need to go (school, work, grocery stores)	93	22.4%
Finding housing near public transit	71	17.1%
Accessing emergency housing in a time of need (shelter)	9	2.2%
Being evicted from my home	16	3.9%
Experiencing homelessness	12	2.9%
Finding housing that accommodates disability needs	24	5.8%
Finding housing that accommodates my family size	30	7.2%
Experiencing housing discrimination	9	2.2%
Facing barriers to qualifying for housing	31	7.5%
Being forced to move because rental was being sold by owner	16	3.9%
Finding housing that is safe and sanitary	32	7.7%
Receiving application documents in a language I understand	1	0.2%
Other	17	4.1%
I haven't experienced any of these issues in Nashville	119	28.7%
Total Answered	323	
Total Skipped	92	22.2%

**Q15: From your perspective, what are the most significant housing challenges facing the Nashville-Davidson County community overall? (required)**

	Total Responses	Response Percent
Affording a home in a neighborhood that they want to live in	251	58.9%
Finding the type of housing that meets their family's needs (apartment, single family house, townhouse or duplex)	91	21.4%
Affording their rent	197	46.2%
Affording a downpayment or mortgage	134	31.5%
Affording repairs for their home	55	12.9%
Finding housing near the places they need to go (school, work, grocery stores)	93	21.8%
Finding housing near public transit	72	16.9%
Being able to stay in their preferred neighborhood due to rising costs	120	28.2%
Paying for utilities (water, electric)	44	10.3%
Accessing emergency housing in a time of need (temporary shelter, safety from domestic violence or rehabilitation)	31	7.3%
Eviction	42	9.9%
Experiencing homelessness	76	17.8%
Housing does not accommodate their disability needs	13	3.1%
Housing does not accommodate family size	14	3.3%
Experienced housing discrimination	21	4.9%
Barriers to qualifying for housing	60	14.1%
Forced to move because their rental was being sold by the property owner	49	11.5%
Other	18	4.2%
Total Answered	426	

**Q16: Housing affordability is a complex issue. However, many types of assistance that help improve housing affordability are in practice in Nashville. Using the list below, select the options you believe would help to make housing in Nashville more affordable. (required)**

	Total Responses	Response Percent
Help low- and moderate-income residents purchase their first home	220	51.6%
Help low- and moderate-income homeowners with property taxes	93	21.8%
Help low- and moderate-income homeowners with home repairs	109	25.6%
Provide rent and utility assistance to low-income households	150	35.2%
Provide supportive services to people experiencing homelessness	146	34.3%
Provide supportive services to people being evicted	96	22.5%
Develop affordable housing near transit, grocery and other amenities	190	44.6%
Allow more diverse housing types (duplexes, triplexes)	148	34.7%
Provide support to developers to build or preserve affordable housing	100	23.5%
Use public land for affordable housing	133	31.2%
Total Answered	426	

## Existing Housing Tools

**Q17: If you are a Nashville homeowner, please select the following programs you have used.**

*Filtered to include only those who live in Davidson County.*

	Total Responses	Response Percent
Utility & Mortgage Assistance Programs	7	1.8%
Property tax relief programs	14	3.5%
Energy efficiency upgrades	28	7.0%
Home repair assistance	10	2.5%
Down payment assistance	13	3.3%
Other	11	2.8%
None of the above	148	37.0%
Total Answered	215	
Total Skipped	185	46.3%

**Q18: If you are a Nashville renter, please select the following programs you have used.**

*Filtered to include only those who live in Davidson County.*

	Total Responses	Response Percent
Emergency rental assistance	16	4.0%
Voucher	8	2.0%
Subsidized or public housing	9	2.3%
Home repair assistance	0	0.0%
Utility assistance	22	5.5%
Energy efficiency upgrades	1	0.3%
Eviction help, including legal assistance	3	0.8%
Other	6	1.5%
None of the above	101	25.3%
Total Answered	142	
Total Skipped	258	64.5%

**Q19: If you are currently experiencing, have experienced, or are at risk of experiencing homelessness, please select the programs you have used.**

*Filtered to include only those who live in Davidson County.*

	Total Responses	Response Percent
Temporary housing support or transitional housing program	6	1.5%
Emergency shelter programs	4	1.0%
Rapid re-housing -- help with renting an apartment	4	1.0%
Permanent supportive housing – help with housing or services	2	0.5%
Counseling or case management – someone helped connect me with resources	8	2.0%
Voucher -- for assistance with paying rent	10	2.5%
Other	2	0.5%
None of the Above	46	11.5%
	Total Answered	67
	Total Skipped	333
		83.3%

**Q20: If you are a housing developer or property manager, please select the following programs you have used.**

	Total Responses	Response Percent
Affordable Housing Gap Financing	7	1.6%
Barnes Fund Homeownership Rehab	3	0.7%
Barnes Fund Rental	7	1.6%
Barnes Fund Homeownership Creation	4	0.9%
Barnes Fund Nonprofit Technical Assistance	2	0.5%
Mixed-Income PILOT	1	0.2%
Catalyst Fund	3	0.7%
Non-profit Developer Homeownership Gap Financing MDHA	0	0.0%
Community Investment Tax Credit - Rental Production	4	0.9%
Community Investment Tax Credit - Homeownership Creation	1	0.2%
Connecting Housing to Infrastructure Program (CHIP)	0	0.0%
Low Barrier Housing Collective	3	0.7%
HOME	2	0.5%
Community Development Block Grant (CDBG)	2	0.5%
Low Income Housing Tax Credit (LIHTC)	6	1.4%
LIHTC PILOT	3	0.7%
Tennessee Housing Trust Fund	3	0.7%
Permit and Departmental Priority Review	2	0.5%
National Housing Trust Fund	1	0.2%
Section 202 Program	1	0.2%
Project Based Vouchers	6	1.4%
Other	6	1.4%
None of the above	44	10.3%
	Total Answered	426
	Total Skipped	360
		84.5%

# Technical Committee

An internal Technical Committee of experts in the City’s housing programs, land use, and other planning efforts was assembled to gather insights on current programs and efforts, lead the prioritization of the policies, programs, and initiatives to study, and provide feedback on data, analytical findings, proposed strategies and recommendations.

## Departments and Agencies Represented

General Sessions Court  
Metro Action Commission  
Metro Social Services  
Metropolitan Development and Housing Agency  
Office of Homeless Services  
Planning Department

## Technical Committee Meetings

May 15, 2024 | 2:30 – 3:30 p.m.  
June 18, 2024 | 2:30 -3:30 p.m.  
September 25, 2024 |3:00 – 4:00 p.m.  
October 31, 2024 | 3:00 – 4:00 p.m.

# Practitioner Roundtables

The UHS project team held 6 roundtable discussions with housing developers, service providers, community nonprofits, and specialized councils and commissions. These sessions aimed to gather feedback on key challenges and potential solutions from those working across the spectrum of affordable housing development. Please see below for an overview of who participated and the focus area for each discussion.

## Nonprofits & Small Developers Roundtable | June 26, 2024

The nonprofit and small developers roundtable aimed to explore barriers to affordable housing development and assess the effectiveness of existing programs & policies. Attendees expressed a need for more dedicated funding, equitable zoning policies, further community education on affordable housing, and leveraging public-private partnerships to scale development and support small, emerging developers.

### Attendees:

DISMAS House	Habitat for Humanity of Greater Nashville
Urban League of Middle Tennessee	Project Return
Urban Housing Solutions	

## Fair Housing and Tenant Support Roundtable | June, 27 2024

The UHS Practitioner Roundtable on Fair Housing & Tenant Rights highlighted major challenges for Nashville tenants, especially marginalized groups. Key issues included a shortage of affordable, accessible housing, inadequate rental assistance, weak tenant protections, and landlord discrimination. Participants also expressed frustrations with the effectiveness of the Tennessee Human Rights Commission and delays in HUD complaint processing. The discussion underscored the need for policy reforms, stronger legal support, and greater accountability for housing providers.

### Attendees:

Legal Aid Society	Tennessee Fair Housing Council
Nashville Hispanic Bar Association	

## Developers, Property Managers, and Architects Roundtable | June 28, 2024

(co-hosted by ULI Nashville's Housing Action Council)

Similar to the nonprofit and small developers roundtable, this roundtable invited housing developers and industry practitioners to identify barriers to diverse housing development, evaluate the effectiveness of existing programs, and explore innovative solutions. Attendees echoed the need for more flexible zoning and financial tools while also calling for an improved permitting process.

### Attendees:

Councilmember Burkley Allen	HND Realty, LLC / Craighead Development
Pizzuti	Giarratana
Holladay Ventures	Bristol Development Group
Pathway Affordable Housing Corporation	The Clear Blue Company
MarketStreet Enterprises	Powell
Affordable Housing Resources	Pathway Lending
ULMT, R.E.D. Academy	CA South
LDG Development	Love-Hart Enterprises
Nelson Community Partners	Greater Nashville Realtors
Trent Development Group	Tennessee Affordable Housing Coalition
Hawkins Partners	

## Homelessness Planning Council Roundtable | September 11, 2024

The Homelessness Planning Council Roundtable aimed to assess Nashville's current homelessness challenges, identify gaps in funding and supportive services, and explore strategies for expanding affordable housing and improving coordination among stakeholders. The Homelessness Planning Council shared a need for more permanent supportive housing, better integration of services, more streamlined funding mechanisms, and stronger collaboration between public agencies and nonprofits.

### Attendees:

Jaha Martin	India Pungarcher
David Martin	Liz Mallard
Courtney Johnston	Adam Hassan
Michelle Southard	April Calvin
Lizzie Goddard	Stephen Handy
Jamie Villegas	Kennetha Patterson
Drew Freeman	Deidre Childress
Meredith Jaulin	

## Policy and Research Roundtable | September 16, 2024

The policy and research roundtable examined the systemic challenges and opportunities in affordable housing policy, financing, and regional planning. Key takeaways included the need for greater collaboration across sectors, stronger preservation strategies for existing affordable housing, improved public messaging on affordability, and policy reforms to support equitable development and mitigate displacement in vulnerable communities.

### Attendees:

Tennessee Housing Development Agency	Greater Nashville Regional Council
Metro Public Health Department	Mayor's Office
Tennessee State University	Metro Social Services
Department of Human and Organizational Development, Vanderbilt University	

### Invited but Unable to Attend:

School of Global Health, Meharry Medical College	ThinkTennessee
Imagine Nashville	Jack C. Massey College of Business, Belmont University

## Housing Finance Roundtable | September 16, 2024

The housing finance roundtable explored the availability and deployment of capital for affordable housing in Nashville, identifying key barriers and financial strategies. Stakeholders highlighted the need for targeted funding mechanisms, stronger public-private partnerships, expanded incentives for workforce and deeply affordable housing, and the need for a citywide strategy that aligns financial tools with specific affordability goals.

### Attendees:

Republic Bank	Regions Bank
Pinnacle Financial Partners	Community Foundation of Middle Tennessee
Pathway Housing Fund	JP Morgan Chase
Invited but not able to Attend:	
The Housing Fund	Frist Foundation
Citizens Savings Bank and Trust Company	First Horizon Bank
Wilson Bank	Nashville Chamber of Commerce

## Housing Trust Fund Commission Roundtable | September 24, 2024

The Housing Trust Fund Commission (HTFC) roundtable centered on the state of housing affordability in Nashville-Davidson County, the HTFC's vision for success and priorities for the Barnes Fund, and strategies for resource allocation and optimization especially following the conclusion of ARPA funding.

### Attendees:

Councilmember Brandon Taylor	Debra Moore
Gina Emmanuel	Antone Christianson-Galina
Maria Jackson	Jayla C. Thomas
Peter Westerholm	

# Stakeholder Interviews

In addition to hosting roundtable discussions with groups of stakeholders, the UHS Project team conducted stakeholder interviews with key actors and agencies from across the affordable housing sector. Stakeholders shared insights on their areas of focus, their biggest concerns for meeting their goals, and what equitable access to housing in Nashville could look like.

## **Organizations Interviewed:**

Amazon	Metro Nashville Housing Division
Community ConneXor	Metro Water Services
Finance Department	Metropolitan Development and Housing Agency
Forsythe Advisors/Catalyst Fund	Nelson Community Partners
General Sessions Court	Office of Diversity, Equity, and Inclusion
Health and Educational Facilities Board	Office of Homeless Services
Metro Human Resources	Office of the Metropolitan Trustee
Industrial Development Board	Planning Department
Mayor's Office	ROC USA
Metro Historical Commission	The Clear Blue Company
Council Member Sean Parker	
Urban Campus and Core	

# Housing Agency Overviews

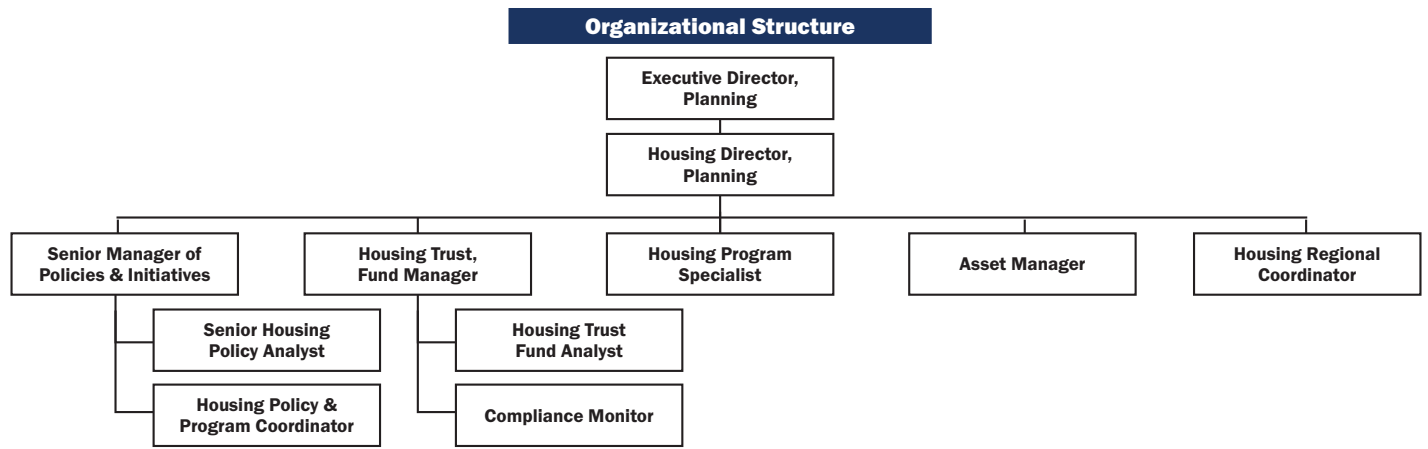
HR&A Advisors developed the following overviews of Nashville's housing agencies. The overviews are based on information gathered through direct interviews with agency stakeholders, a review of applicable ordinances, and other publicly available sources.

## Housing Division

### ***Organizational Brief and Scope***

Created in January 2022 within the Planning Department, the Housing Division is Metro's first standalone office focused on housing. Staff capitalize on their technical expertise and ability to engage closely with the community to better align systems, resources, and partners in ways that create housing solutions that are affordable for all Nashvillians. The Housing Division focuses on housing strategies and advancing partnerships with non-profit and for-profit developers to create and preserve housing. Housing Division staff support the daily operations of the Barnes Fund and support the Housing Trust Fund Commission. Primary responsibilities include:

- Develop The Unified Housing Strategy and track its progress
- Create and administer housing programs, e.g. Barnes Fund, Connecting Housing to Infrastructure Program (CHIP), and Mixed-Income PILOT; PRO Housing initiatives
- Advance local housing policy efforts
- Support the Catalyst Fund
- Monitor market conditions and track housing progress through dashboard
- Stand up land bank (in progress)



## Staff Composition

Housing Division: 10 total positions

- Director
- Senior Manager of Policies and Initiatives
- Senior Housing Policy Analyst
- Asset Manager
- Housing Response Coordinator
- Housing Program Specialist
- Housing Policy and Program Coordinator
- Housing Trust Fund Manager
- Housing Trust Fund Grants Analyst
- Housing Trust Fund Compliance Monitor

## Funding Level

Housing Division (part of the Planning Department Budget):

- FY2024: \$1.4 million
- FY 2024: \$3 million tax abatement cap for Mixed-Income PILOT
- FY 2025: \$3 million tax abatement cap for Mixed-Income PILOT

## Regulatory Authorities

Housing Division

- Planning Commission

Source: Nashville.gov; ; Metropolitan Nashville/Davidson County FY2025 Operating Budget;

# Housing Trust Fund Commission

## **Organizational Brief and Scope**

The purpose of the Housing Trust Fund Commission (HTFC) is to:

- To promote the study and development of good quality affordable housing;
- To support education about and creation and development of good quality affordable housing, both rental and ownership;
- To help create rental housing, housing for the disabled, and long-term affordable homeownership opportunities for citizens of Davidson County;
- To oversee the management and operation of the Barnes Fund for Affordable Housing (the Barnes Fund).

Additionally, the HTFC recommends Barnes Fund awards to Metro Council.

## **Staff Composition**

The HTFC is composed of 7 members:

- 1 member designated by the board of MDHA
- 1 member of the council designated by the vice-mayor for a term of 2 years and be a non-voting member
- 1 member designated by the continuum of care homelessness planning council
- 2 members elected by a majority vote of the whole membership of the council
- 2 members appointed by the mayor and approved by the council.

All members, except the member of council designated by the vice mayor, shall serve staggered terms of 5 years each.

The HTFC is staffed by employees of the Housing Division through an MOU with the Planning Commission. Currently, the salaries of these employees are supported by the annual Barnes Fund appropriation. In addition, Metro Legal provides legal counsel to the HTFC.

## **Funding Level**

- FY2025 budget: \$30,000,000
- FY2024 budget: \$30,000,000
- Resources from General Fund, a portion of short-term rental (STR) application fee, proceeds from the sale of tax delinquent properties, surplus funds, and ARPA funds.

## **Regulatory Authorities**

The HTFC has authority to:

- Enter into one or more contracts with nonprofit agencies, procured under the Metropolitan Procurement Code, to assist the commission in carrying out its duties and in management of the Barnes Fund;
- Elect a chairman and such other officers as it may deem necessary to carry out the functions and duties of the commission;
- Promulgate and maintain its own regulations and bylaws;

- Conduct its affairs, to select advisory committees or panels of experts as necessary to assist in the discharge of its duties;
- Solicit, accept, and receive gifts of funds, goods, and services donated to the commission and to the Barnes Fund;
- Receive and expend any money allocated to the Barnes Fund by the metropolitan government or donated to the Barnes Fund for the purposes expressed in this chapter;
- Make recommendations to the metropolitan council regarding the awarding of grants from the Barnes Fund, including funds appropriated yearly by the metropolitan council through the operating budget ordinance, to deserving nonprofit organizations and nonprofit civic organizations, or as otherwise authorized by state law, supporting the purposes of the commission. Criteria for the awarding of such funds shall be established by the commission. The commission shall submit a recommendation to the metropolitan council for the appropriation of funds to deserving nonprofit organizations consistent with T.C.A. § 7-3-314, as it may hereafter be amended. Once funds have been appropriated by the metropolitan council to the deserving nonprofit organization(s), the commission shall enter into a grant contract with each such organization. No such grant contract shall become effective without the approval of the metropolitan department of law and director of finance.
- Perform any additional functions authorized by state law and consistent with the purpose of the commission.

Source: [Nashville.gov](http://Nashville.gov); Metropolitan Nashville/Davidson County FY2025 Operating Budget; Metro Government of Nashville and Davidson County, Tennessee – Code of Ordinances.

# Metropolitan Development and Housing Agency (MDHA)

## Organizational Brief and Scope

MDHA is the public housing authority in Nashville and Davidson County. The mission of MDHA is to create quality affordable housing opportunities, support neighborhoods, strengthen communities and help build a greater Nashville.

MDHA employs nearly 350 staff members, has a budget of \$167 million and houses approximately 30,000 people, primarily through nearly 8,000 Section 8 Vouchers and more than 6,700 apartments, primarily Project-Based Rental Assistance (PBRA), at 39 properties. Included amongst these 39 properties are six mixed-income developments that MDHA owns and manages featuring subsidized, workforce and market-rate housing. MDHA also oversees a Payment in Lieu of Taxes (PILOT) program, which has helped create and preserve more than 8,800 affordable housing units in the city since its inception in 2016.

In addition, MDHA administers federally funded community development and homeless assistance funding on behalf of the Metropolitan Government of Nashville and Davidson County through its Community Development Department.

To foster urban growth, the Agency is a development authority overseeing 11 redevelopment districts and guiding neighborhood and commercial development in the urban core. For each redevelopment district, the Design Review Committee follows a set of basic principles to determine the appropriateness of a development project. For some redevelopment districts, guidelines have been adopted that are tailored to foster architectural forms and development patterns in some of Nashville’s urban neighborhoods.

MDHA has assisted the city over the years in all phases of land assembly, design and development, and has seen the initiation and completion of several downtown development projects during these decades of Nashville’s growth. Currently, MDHA is managing the Second Avenue Rebuild on behalf of the city. Previous projects include Bridgestone Arena, Nissan Stadium, Music City Center, Music City Walk of Fame, Schermerhorn Symphony Center and Nashville Public Library.

## Staff Composition

~350 total budgeted positions Director

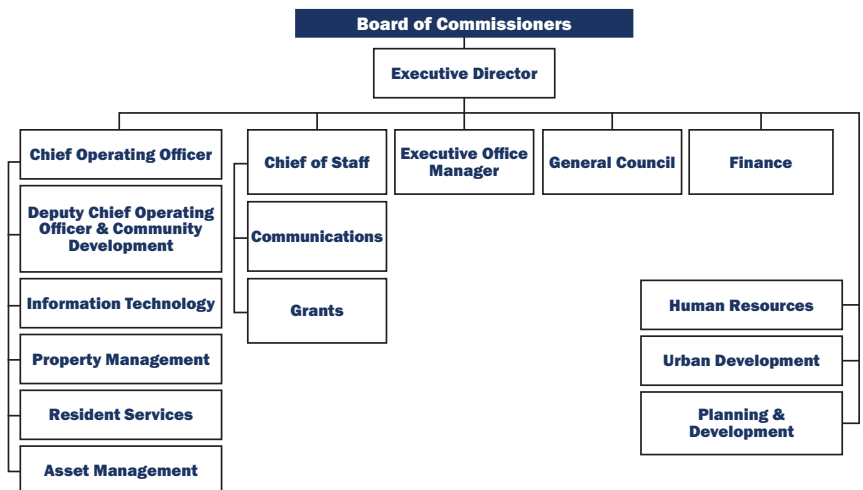
## Funding Level

Budget: ~\$167 million

FY23-\$178.7M

FY22-\$179.4M

MDHA revenue is primarily driven by federal entitlements, rental income, and TIF activity.



## **Regulatory Authorities**

Under Tennessee State law, a housing authority has the power to:

- Investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions;
- Determine where unsafe, or unsanitary dwelling or housing conditions exist;
- Study and make recommendations, in cooperation with any city, municipal or regional planning commission, concerning the plan of any city or municipality located within its boundaries in relation to the problem of clearing, replanning and reconstruction of areas in which unsafe, or unsanitary dwelling or housing conditions exist, and concerning provisions for dwelling accommodations for persons of low income;
- Prepare, carry out and operate housing projects;
- Provide for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any housing project or any part thereof by direct sponsorship of the authority, by the purchase of a mortgage or by the making of a mortgage loan to a not-for-profit entity or corporation. In the event it becomes necessary for an authority to issue bonds for the obtaining of capital to purchase a mortgage or the making of a mortgage loan as provided for in this section, the bond issue shall first be approved by ordinance or resolution of the local governing body;
- Own, operate, assist, or otherwise participate in one (1) or more mixed-finance projects to provide for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any housing project or any part thereof. An authority may provide capital assistance, operating assistance and financing assistance to a mixed-finance project in the form of a grant, loan, guaranty, collateralization or other form of investment in the project, or other form of public or private borrowings, for the construction or rehabilitation of a housing project;
- Take over by purchase, lease or otherwise any housing project located within its boundaries undertaken by any government, or by any city or municipality located in whole or in part within its boundaries;
- Manage as agent of any city or municipality located in whole or in part within its boundaries any housing project constructed or owned by such city;
- Act as agent for the federal government in connection with the acquisition, construction, operation and/or management of a housing project or any part thereof;
- Arrange with any city or municipality located in whole or in part within its boundaries or with a government for the furnishing, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities;
- Arrange for the acquisition by such city, municipality, or government of property, option or property rights;
- Arrange for the furnishing of property or services in connection with a project;
- Arrange with the state, its subdivisions and agencies, and any county, city or municipality of the state, to the extent that it is within the scope of each of their respective functions:
  - ◊ Cause the services customarily provided by each of them to be rendered for the benefit of such housing authority and/or the occupants of any housing projects;
  - ◊ Provide and maintain parks and sewerage, water and other facilities adjacent to or in connection with housing projects; and
  - ◊ Change the city or municipality map, to plan, replan, zone or rezone any part of the city or municipality;
- Lease or rent any of the dwellings or other accommodations or any of the lands, buildings, structures or facilities embraced in any housing project and to establish and revise the rents or charges therefor;
- Enter upon any building or property in order to conduct investigations or to make surveys or soundings;
- Purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise, any property, real or personal or any interest therein from any person, firm, corporation, city, municipality, or government;

- Acquire by eminent domain any real property, including improvements and fixtures thereon except as provided in § 13-20-105;
- Sell, exchange, transfer, assign, or pledge any property, real or personal or any interest therein to any person, firm, corporation, municipality, city, or government;
- Own, hold, clear and improve property;
- Insure or provide for the insurance of the property or operations of the authority against such risks as the authority may deem advisable;
- Procure insurance or guarantees from the federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any housing project;
- Borrow money upon its bonds, notes, debentures, or other evidences of indebtedness and secure the same by pledges of its revenues, and, subject to the limitations hereinafter imposed, by mortgages upon property held or to be held by it, or in any other manner;
- In connection with any loan, agree to limitations upon its right to dispose of any housing project or part thereof or undertake additional housing projects;
- In connection with any loan by a government, agree to limitations upon the exercise of any powers conferred upon the authority by this chapter;
- Invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control;
- Make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority;
- Enter into management contracts with other authorities outside the authority's territorial jurisdiction, which provide for the management of all or any part of the operations of an authority or all or any part of a housing project or a mixed-finance project of an authority; and
- Enter into agreements with municipalities under which the authority agrees to exercise any or all powers of an authority under this chapter relating to redevelopment or urban renewal projects for such municipality with respect to one (1) or more redevelopment or urban renewal projects, including, but not limited to, holding public hearings, preparing redevelopment and urban renewal plans and managing redevelopment projects; provided, however, that all debt related to such redevelopment projects must be issued by the housing authority for the jurisdiction subject to the agreement and the housing authority for the jurisdiction subject to the agreement must consent to such agreement by resolution. Any municipality may enter into an agreement described in this subsection (a).
- Undertake and carry out studies and analyses of the housing needs, and of the meeting of such needs, including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages and other factors affecting the local housing needs and the meeting thereof, and make the results of such studies and analyses available to the public and the building, housing and supply industries, and may also engage in research and disseminate information on the subject of housing
- Any two (2) or more authorities may join or cooperate with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing, including the issuance of bonds, notes or other obligations and giving security therefor, planning, undertaking, owning, construction, operating or contracting with respect to a housing project or projects located within the boundaries of any one (1) or more of the authorities.
- The authority may acquire by purchase or by the exercise of its power of eminent domain as provided in § 13-20-108, any property real or personal for any housing project being constructed or operated by a government. The authority upon such terms and conditions, with or without consideration, as it shall determine, may convey title or deliver possession of such property so acquired or purchased to such government for use in connection with such housing project.
- Administer federal entitlement funds (authority delegated by Metro) in accordance with Consolidated Plan;
- Administer federal vouchers including Housing Choice and Project-Based Vouchers;
- Enact/administer TIF within redevelopment districts.

Source: [www.nashville-mdha.org/history](http://www.nashville-mdha.org/history); Tennessee Code Title 13, Chapter 20, Parts 104, 106, 107, and 109

# Office of Homeless Services (and Homelessness Planning Council)

## **Organizational Brief and Scope**

The Office of Homeless Services (OHS) restores hope and dignity to Nashville's unhoused neighbors by collaborating with the community, providing a network of service providers and guiding a data driven, innovative, and trauma-informed Housing First approach, offered with a spirit of deep compassion, care and commitment. Its vision is to secure attainable and accessible housing for all Nashvillians. Key functions:

- **Data Management:** Collect and analyze community partners' data entered into the Homeless Management Information System (HMIS)
- **Asset Management:** Provide oversight to Metro Nashville and Davidson County's Permanent Supportive Housing for our Nashville neighbors exiting homelessness.
- **Collaborative Partnerships:** Convening government agencies, property managers, community partners, philanthropic and faith-based communities around on common goal to end homelessness in Nashville.
- **Grant and Resource Management:** Manage federal, stated, and local funding opportunities.

OHS comprises six teams that support direct service providers and connect unhoused residents to services they need:

- **Community Outreach:** Engaging with and assisting those experiencing homelessness.
- **Emergency Services:** Providing immediate support and resources.
- **Coordinated Entry:** Streamlining access to housing and services.
- **Homelessness Management Information System (HMIS):** Managing data to inform decisions.
- **Landlord Engagement:** Building partnerships with property owners to increase housing options.
- **Planning and Research:** Developing strategies and analyzing data to improve outcomes.

The Office of Homeless Services provides staff and resources to assist the Homelessness Planning Council in carrying out their duties and responsibilities. The mission of the Homelessness Planning Council (HPC) is to ensure orderly operations of the Continuum of Care (CoC), with the goal of unifying Nashville's efforts to build an effective Housing Crisis Resolution System. The Homelessness Planning Council is an independent entity that was created by Metro Council to serve as the administrative body for the Continuum of Care and coordinate the homelessness response in Nashville. It has the following responsibilities:

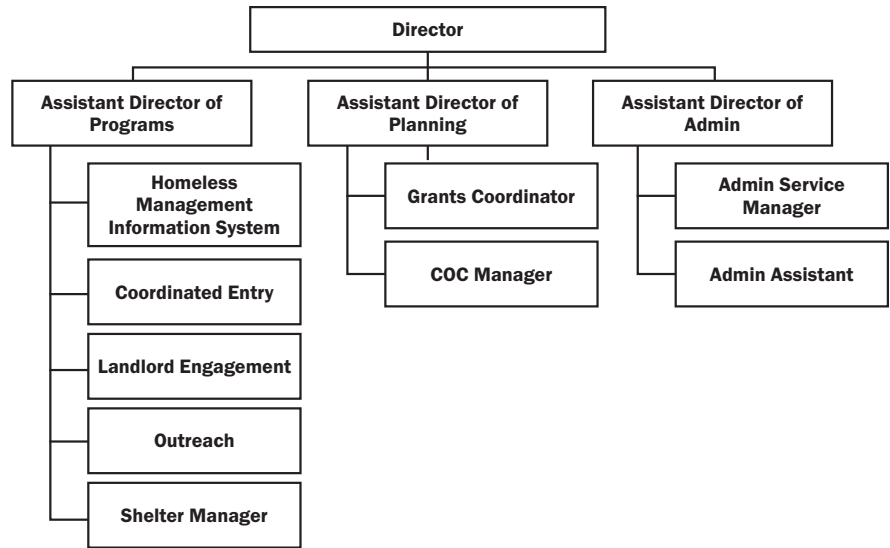
- To implement a coordinated and focused approach to ending homelessness and to develop measurable objectives;
- To fulfill all duties and responsibilities as the governance board for the Nashville Davidson County Continuum of Care, including compliance with 24 C.F.R. Part 578;
- To hold regular meetings open to the public with published agendas;
- To assure participation of all stakeholders, including persons experiencing homelessness;
- To maintain accurate, current data on homeless populations; and
- To educate the public, service providers, and other interested parties on issues related to homelessness.

The Nashville Davidson County Continuum of Care was established pursuant to federal regulations, including 24 C.F.R. Part 578, to create a collaborative, inclusive, community-based/inspired process and approach to planning and managing effective homeless assistance resources and programs to end homelessness in our community.

## Staff Composition

Office of Homeless Services: 34 total budgeted positions

Homelessness Planning Council: 25 members, including 14 members elected by the Continuum of Care General Membership, 8 members appointed by the mayor, 3 members of the Metro Council appointed by the vice mayor, and at least five members of the Homelessness Planning Council with current or past lived experience of homelessness.



## Funding Level

FY2025 budget: \$5,603,300

FY2024 budget: \$5,524,900

Supported by general fund and special revenue fund.

## Regulatory Authorities

- Administer homelessness policy and programs
- Coordinate with MDHA to support the homelessness Continuum of Care (CoC) and serve as the CoC applicant
- Serve as consulting party to permanent supportive housing efforts

Source: [Nashville.gov](http://Nashville.gov); [Metropolitan Nashville/Davidson County FY2025 Operating Budget](http://MetropolitanNashville/DavidsonCountyFY2025OperatingBudget); [Metro Government of Nashville and Davidson County, Tennessee – Code of Ordinances Title 2, Division IV, Chapter 144, Parts 020 and 030](http://MetroGovernmentofNashvilleandDavidsonCounty,Tennessee-CodeofOrdinancesTitle2,DivisionIV,Chapter144,Parts020and030); [nashville-mdha.org/community-development-department/about-the-continuum-of-care/](http://nashville-mdha.org/community-development-department/about-the-continuum-of-care/).

# Planning Department and Planning Commission

## Organizational Brief and Scope

The Planning Department provides design guidance, reviews zoning and subdivision applications, and shapes public policy related to growth, preservation, and development. The Planning Department also provides recommendations to the Planning Commission, to whom the Planning Director reports.

The Planning Commission guides growth and development as Nashville and Davidson County evolve into a more socially, economically and environmentally sustainable community, with a commitment to the preservation of important assets, efficient use of public infrastructure, distinctive and diverse neighborhood character, free and open civic life, and choices in housing and transportation.

According to the most recent Metro Budget, the Planning Department includes various lines of business, including the following.

- Executive Leadership
- Mapping and Geographical Data Maintenance
- Housing
- Land Development Planning Policy and Design
- The organizational chart below indicates additional business lines.

## Staff Composition

88 total budgeted positions (Planning Department)

The Commission consists of 10 members, including the Mayor and a Metropolitan Council member. The other 8 are appointed by the Mayor.



## Funding Level

FY 2025 Operating Budget: \$64,540,700

Supported by General Fund and Special Purpose Fund

## **Regulatory Authorities**

The Planning Commission has the duties and responsibilities with respect to general planning, zoning and subdivision regulations as are granted by title 13 of the Tennessee Annotated Code and also as granted by ordinance. In fulfilling these, it has the authority to:

- Employ personnel and enter into contracts for such services as it may require;
- Enter into agreements and receive grants or gifts for planning purposes;
- Require reasonably timed information from other agencies;
- Examine and survey land and place and maintain monuments;
- Make, amend, and add to the master or general development plan;
- Control the platting or subdividing of land;
- Draft an official map of the area;
- Make and adopt a zoning plan;
- Make and adopt plans for clearance and rebuilding of slum areas and for the improvement of blighted areas;
- Make and adopt plans for the replanning, conservation, improvements, and renewal of neighborhoods, planning units, and communities;
- Submit an annual list of recommended capital improvements to the mayor;
- Promote public interest in and understanding of planning and its organization and operation, the master or general plan and its constituent parts, and the implementation of planning, including zoning, subdivision regulation, urban renewal, the official map and capital improvements programming.

*Source: nashville.gov; Metropolitan Nashville/Davidson County FY2025 Operating Budget; Code of the Metropolitan Government of Nashville and Davidson County, Tennessee, Charter, Part 1, Article 11, Chapter 5*

# Industrial Development Board

## **Organizational Brief and Scope**

The function of the Industrial Development Board (IDB) is to acquire, own, lease, and dispose of properties to the end that corporations may be able to promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to locate in Nashville.

The Board is an organization legally separate from Metro, but for which Metro has financial responsibility. The IDB issues industrial development bonds to support economic development projects, which may include housing. It also administers TIF financing outside of redevelopment districts. It is considered an instrumentality of Metro.

## **Staff Composition**

n/a – 1 FTE in Mayor’s Office serves the role of executive director, but the IDB has no authorized FTEs.

9 board members each with 6-year terms, not including Mayor’s Office representative.

## **Funding Level**

N/A

## **Regulatory Authorities**

The Board is authorized to:

- Acquire, own, lease, and dispose of projects and properties;
- To issue bonds for the purpose of carrying out its powers;
- To mortgage and pledge its projects, revenues, and receipts;
- To employ and pay employees and agents deemed necessary for its business;
- To exercise all powers expressly given in its certificate of incorporation and to establish by-laws and make rules and regulations to manage its own affairs.

*Source: nashville.gov; Code of the Metropolitan Government of Nashville and Davidson County, Tennessee, Title 5, Division I; Tennessee Code Title 7, Chapter 53*

# Health and Educational Facilities Board (HEFB)

## **Organizational Brief and Scope**

The HEFB exists to encourage and promote the improvement and maintenance of citizens' health and living conditions.

A public, nonprofit corporation authorized to issue revenue bonds and loan the proceeds. It has a board of seven members nominated and elected by the Metropolitan County Council. The HEFB issues multifamily revenue bonds, required for all 4% LIHTC projects, and reviews/approves the Mixed-Income Housing PILOT. It is considered an instrumentality of Metro.

## **Staff Composition**

n/a – bond counsel (contractual service).

7 board members with 6-year terms.

## **Funding Level**

N/A

## **Regulatory Authorities**

The Board is authorized to issue revenue bonds and loan the proceeds to finance the acquisition, construction, development, rehabilitation, and improvement of health, educational, and multifamily housing facilities. The types of eligible borrowers are determined by State statute.

The Board considers resolutions approving financing documents at public meetings and holds public hearings if required.

Source: [Nashville.gov](http://Nashville.gov)

# Program Inventory and Profiles

The Metropolitan Government of Nashville and Davidson County both administers and utilizes a variety of housing related programs. These programs create new housing units, preserve existing housing stock, and assist residents' ability to access and maintain stable housing with financial and legal assistance. The program profiles below provide more information on the main housing programs in Nashville-Davidson County. Figure 20 on Page 40 of shows how the various program support affordability, access, and stability along Nashville's housing continuum.

## Program Profiles

### Affordable Housing Gap Financing

#### ***About the Program:***

The Affordable Housing Gap Financing program, administered by MDHA, was created post-pandemic to close the funding gaps in LIHTC-awarded properties. As LIHTC developers needed to close these financing gaps, MDHA offered ARPA-funded gap financing (as subordinate debt) in exchange for these LIHTC properties designating 2% of project units as permanent supportive housing (PSH) and another 2% of project units as affordable to renters at 30% of AMI or below. With a one-time allocation of \$25 million from ARPA, MDHA was able to spend \$16.6 million of this allocation to finance 102 units of PSH across Nashville's new LIHTC properties, at a cost of roughly \$163k per unit. It should be noted that these units were not a net addition to the stock, but rather, converted from planned LIHTC units (at a weighted average affordability of 60% AMI) to a greater depth of affordability for a higher-need population.

### Barnes Fund Homeownership Creation

#### ***About the Program:***

The Housing Trust Fund Commission recommends the award of grants to nonprofits for the creation and preservation of affordable housing. Since its creation in 2013, over \$160 million in Barnes Fund grants have been awarded to create and preserve over 6,000 income-restricted rental and for-sale homes and to support owner-occupied rehab. The funds has leveraged over \$1.4 billion in other public and private funds. Performance of the Barnes Fund is available on the Housing Division dashboard.

1. For-sale homes: One of the activities funded by the Barnes Housing Trust Fund is the construction of owner-occupied homes for households at 80% AMI and below. Nonprofit sponsors are required; prominent partners for the program include Affordable Housing Resources, New Level CDC, The Housing Fund, and Habitat for Humanity. Year-over-year program production fluctuates, but in the aggregate, has approached a respectable scale given the spatially and financially diffuse nature of for-sale projects. In 2024, the HTFC awarded funds to the first housing cooperative project.

2. **Owner-Occupied Rehab:** Another activity funded by the Barnes Housing Trust Fund, is the rehabilitation of owner-occupied homes for households at 80% AMI and below. Nonprofit sponsors are required; prominent partners for the program include The Housing Fund, Rebuilding Together Nashville, and Westminster Home Connection. These measures are critical for helping homeowners age in place, become more resilient to economic pressures, and recover from natural disasters.
3. **Rental Homes:** The primary activity funded by the Barnes Housing Trust Fund is the creation of new renter-occupied housing for households at 60% AMI and below. Nonprofit sponsors are required; prominent partners for the program include Urban Housing Solutions, Be A Helping Hand, Pathway Lending, and Woodbine Community Organization. In some instances, nonprofits partner with for-profit developers utilizing LIHTC, which allows scaling of the program. Barnes Fund rental projects have also led to new homes for vulnerable populations through grants to organizations such as Park Center, Dismas, and Renewal House.

## Catalyst Fund

### ***About the Program:***

The Catalyst Fund, launched in 2024, is intended to solve a common problem for affordable housing developers in markets across the country. In appreciating markets like Nashville's, lower-rent apartments that enter the for-sale market can be quickly acquired by market-rate developers before mission-driven developers can assemble financing, place bids, negotiate and close. The Catalyst Fund, which launched with \$78.5M in available capital, is administered by the Community Foundation of Middle Tennessee. The Fund was formed with \$20M of Metro funding, a \$48M credit facility led by First Horizon, and critical philanthropic, low-return investments from Vanderbilt University, The Healing Trust, and Ryman Hospitality. The Catalyst Fund provides a source of fast-moving bridge financing that allows affordable housing developers to compete for Nashville's existing apartment stock as acquisition opportunities occur. The Fund also offers predevelopment loans to support scaling developers.

## Connecting Housing to Infrastructure Program (CHIP)

### ***About the Program:***

The Connecting Housing to Infrastructure Program (CHIP), administered by the Housing Division, was created to help affordable housing developers provide enhanced infrastructure. With an initial allocation from the 2020 Capital Spending Plan of \$2M and an additional \$2 million from the 2021 CSP, the CHIP program offers cost-sharing with developers where affordable projects have an opportunity to make infrastructural upgrades beyond what is legally mandated. These infrastructure enhancements include bus stops, pedestrian/crosswalk enhancements, exterior lighting, sidewalk connections, traffic calming measures, or other upgraded mobility infrastructure.

## Emergency Rental Assistance

### ***About the Program:***

Metro Action Commission administered Emergency Rental Assistance Program, which included support for utility and home energy cost assistance, from 2021 to 2023. This program deployed more than \$67 million to support households during this period.

## Eviction Right to Counsel

### ***About the Program:***

The Eviction Right to Counsel program, funded by a one-time award of \$3.0M in ARPA funding, is administered by the Legal Aid Society of Middle Tennessee as a two-year pilot. The program provides legal advice, and frequently, legal representation, to renters facing eviction and homeowners facing a foreclosure. A report summarizing the program's first year activity found 1,010 households were served, and an independent report by a consulting firm estimated that the program saved Davidson County renters \$3.4 million in one year of operation, relative to a \$1.5M investment.

## Homeowner Rehab (MDHA)

### ***About the Program:***

Utilizing Community Development Block Group (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. In recent years, MDHA has built a strong pipeline of applicants, contractors, and awards, averaging 170 owner occupied homes served per year over the past five years. Demand for the program is very high; as of mid-2024, MDHA had a wait list of over 150 homeowners for the program, and has had to close its application portal for months at a time due to backlogs.

## Housing First Supportive Services

### ***About the Program:***

The Housing First Supportive Services program, administered by Metro OHS, was created with a one-time \$8.8M allocation of ARPA funds to improve the reach and capacity of Nashville's permanent supportive housing ecosystem, focusing on supportive service provision, and has served 478 individuals to date. Funding also supports trainings for CoC membership on implementing the Housing First model, involving nationally renowned experts such as Sam Tsemberis.

## LIHTC PILOT

### ***About the Program:***

Tennessee State regulations mandate that local property tax assessors account for the value of a LIHTC project's federal tax credit. In other words, the monetary value of the federal tax incentive is added to LIHTC project's assessed values, potentially imperiling the financial health of Tennessee's LIHTC projects. Tennessee localities, including Nashville, have addressed this problem by creating PILOTs for LIHTC projects specifically. MDHA runs Nashville's program. On a per-unit level, the abatement is smaller than that of a Mixed-Income PILOT project.

## Low Barrier Housing Collective

### ***About the Program:***

The Low Barrier Housing Collective, administered by Metro OHS, was created with a one-time allocation of \$3.5M from ARPA funding to focus on keeping hard-to-house populations in housing. The Collective focuses on proactive outreach and maintaining a network of landlords who are willing to house populations traditionally understood as being hard-to-house (e.g. mental health and substance abuse disorders, incarceration history, etc.) and provides small incentives to landlords for their partnership in the network. Some units participating in the Collective have emergency housing vouchers attached to them. These incentives include added security deposits, sign-on bonuses, minor home repair funds, and furniture assistance. As of October 2024, 282 properties were participating in the program, and 676 households had been served.

## Low Barrier Housing Competitive Grants

### ***About the Program:***

The Low Barrier Housing Competitive Grants program, administered by Metro OHS, was created with a one-time allocation of \$4.02M in ARPA funds, which became the awards pool for a Competitive Grants RFP put out in Fall 2023. In 2024, awards were made to five organizations. These awards included funding for innovative partnerships between medical systems and housing providers, training and counseling for hard-to-house populations, and supportive service funding. Notably, however, 57% of funds were awarded to Salvation Army to help continue its operations under the Temporary Interim Housing program (detailed elsewhere in this report), which indicates a need for increased fiscal priority to Temporary Interim Housing operations in future years.

## Low Income Home Energy Assistance Program (LIHEAP) Renters & Homeowners

### ***About the Program:***

Metro Action Commission administers the federally-funded Low Income Home Energy Assistance Program (LIHEAP) for Nashville. LIHEAP makes energy payment assistance available to either renters or homeowners who earn below 150% of the federal poverty rate. Within Davidson County, MAC makes a portion of LIHEAP funds available as Water Payment Assistance, rather than energy bill assistance. On average, LIHEAP serves about 7,500-8,000 Nashville households per year across its portfolio.

## MDHA HOME Homeownership

### ***About the Program:***

Utilizing Home Investment Partnerships Program (HOME) funds, MDHA administers a gap financing program for the creation of new owner-occupied homes affordable at 80% AMI or below. In recent years, this program has functioned primarily as a partnership with Habitat for Humanity of Nashville. Habitat has sourced buyers and lots, and projects have typically been cross-subsidized with Barnes funding. Over the last five years, this program has financed an average of roughly 12 homes per year.

# MDHA HOME Rental Program

## ***About the Program:***

Utilizing Home Investment Partnerships Program (HOME) funds, MDHA administers a gap financing program for the creation of new rental housing affordable at 60% AMI or below, averaging a contribution of \$50k-\$80k per rental unit. HOME-sponsored properties tend to be lower-density than LIHTC projects. In recent years, most rental properties receiving HOME funding have also received Barnes funding. During Fiscal Year 2023, MDHA funded 46 rental units, a slight increase from average production during the prior 4 years.

# Mixed-Income PILOT

## ***About the Program:***

Launched in 2022, the Housing Division runs the Mixed-Income PILOT program, which aims to create an alternative mechanism for financing affordable housing through the use of property tax abatement. Offered in three tiers (where deeper tax abatements correspond to deeper affordability), developers can access tax relief and create a mix of market-rate and units affordable to renters at 75% of AMI and below.

# Property Tax Freeze Program: Seniors

## ***About the Program:***

As enabled by State statute, elderly homeowners in Tennessee are eligible for property tax freezes if they fall below certain 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. The Property Tax Relief program is structured analogously, only with more restrictive income eligibility thresholds, and recipient homeowners can have their property tax payments reduced, rather than capped at current levels.

# Property Tax Relief Program: Seniors | Disabled | Veterans

## ***About the Program:***

As enabled by State statute, elderly homeowners in Tennessee are eligible for property tax reductions if they fall below certain income thresholds. These income eligibility thresholds are set by the Tennessee State Legislature. In 2023, Davidson County's income eligibility for the Property Tax Relief program was raised to \$36,370 annually. The Property Tax Freeze program is structured analogously, only with more higher income eligibility thresholds, and recipient homeowners can have their property tax payments capped, rather than reduced.

## Rental Rehab (MDHA)

### ***About the Program:***

Utilizing Community Development Block Group (CDBG) funds, MDHA makes annual funds available for the rehabilitation of renter-occupied units, in exchange for 10-year commitments to keep the unit affordable to renters at 80% AMI or below. Individual units are eligible for up to \$50,000 in repair activity, with most recipient units falling within single family homes and duplexes. Data from annual reporting to HUD indicates that the program has supported 3 to 4 units per year (not buildings) over the past five years.

## Section 8 Vouchers Administered by MDHA

### ***About the Program:***

As the public housing authority, MDHA is Nashville's largest Section 8 housing choice voucher agency (THDA issues some within the County as well). As a federal program, MDHA uses Section 8 Housing Choice Voucher funding to provide low income renters in Nashville with a voucher for private market rental housing. Renters receiving a voucher pay 30% of their incomes towards rent and utilities, while the voucher pays the difference between this tenant-contributed rent and a HUD-determined Fair Market Rent (FMR) to the landlord. In Nashville, like in virtually all jurisdictions across the U.S., demand for the Housing Choice Voucher program greatly outpaces voucher availability, with waitlists being years long.

## Temporary Interim Housing

### ***About the Program:***

The Temporary Interim Housing program, administered by Metro OHS, was created with a \$9M allocation of ARPA funding to bolster Nashville's emergency shelter operations, that has run from 2022-2024. Over three years of operation, the \$9M in ARPA funding has supported the operations of the Salvation Army, Launch Pad, and the Community Cares Fellowship to provide emergency housing for 489 individuals. In particular, the program's support to the Salvation Army allowed for the housing of 142 persons displaced by the closure of homeless encampments. In an indication of the program's demand relative to available funds, OHS awarded an additional \$2.0M to Salvation Army from the Low Barrier Housing Competitive Grants program (detailed elsewhere in this report), or 57% of its total grant pool, to continue supporting its Temporary Interim Housing operations.

## Weatherization Assistance Program (Renters & Homeowners)

### ***About the Program:***

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.

# Affordable Housing Finance 101

## Housing Continuum

All housing types play a role in meeting the diverse range of housing needs within Nashville. The Unified Housing Strategy seeks to address the full continuum of housing needs in Nashville. The housing continuum shows the types of housing that support residents across a range of circumstances, from homelessness to homeownership, and everything in between. These include:

- Emergency shelters and permanent supportive housing available to unhoused households
- Public housing and private housing supported by project-based vouchers (PBVs) or project-based rental assistance (PBRA), receiving Section 8 – these homes are typically for households making the lowest incomes, with the majority under 50% AMI. These homes require ongoing public subsidy to maintain. There are more than 650 homes supported by PBVs, while one of the primary sources of PBRA in Nashville is MDHA, responsible for a portfolio of over 6,000 homes, making them one of the main sources of deeply affordable homes in Nashville. MDHA converted its portfolio from public housing (Section 9) to Section 8 PBRA through the RAD program in 2018, preserving affordability while allowing the agency to access new financing.<sup>1</sup> There are 200 homes that use project-based vouchers and 6,240 active Section 8 vouchers in Nashville.
- Subsidized affordable rental homes – these are rental homes that use public funding to help pay for their construction and typically are available to households making between 50% to 70% AMI, with some as low as 30% AMI. There are 20,800 subsidized rental homes, excluding public housing vouchers in Nashville.
- Existing market-rate rental homes – these are rental homes that were built by the market previously. A large share of these are affordable, and referred to as Naturally Occurring Affordable Housing because they are affordable but did not receive public funding. There are 26,300 of these homes in Nashville, but the number has been shrinking in recent years as rents have risen faster than incomes.
- Existing for-sale homes – these are homes that are for-sale homes that were not recently built. Many are affordable to the households that live there because they were bought when home prices were lower, although rising costs to repair these homes and cover property taxes can make them unaffordable.
- New market rate rental homes affordable to middle- and high-income households. These are rental homes that were recently built by the market. They are typically more expensive than existing rental homes because of the higher cost to build new homes and high demand for homes.
- New market homes for homeownership - these are generally affordable to higher income households. These are for-sale homes that were recently built by the market.

<sup>1</sup> MDHA. N.d. “Rental Assistance Demonstration.” <https://www.nashville-mdha.org/rad/>

Table 1: Household Income, Area Median Income and Total Households

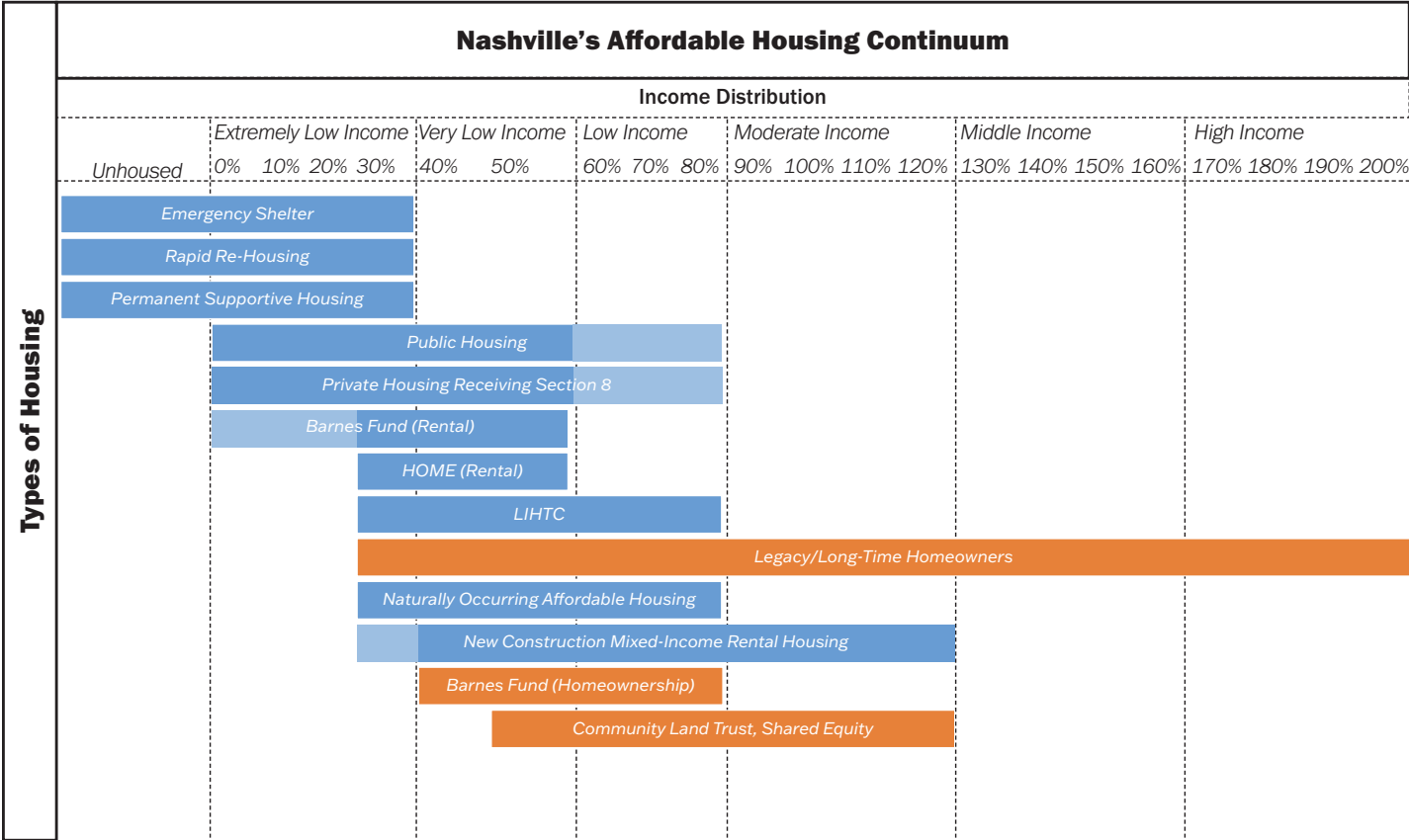
Household Income	Area Median Income	Households
\$0-20K	20%	34,568
\$20K-35K	30%	31,727
\$35K-50K	50%	36,678
\$50K-75K	70%	54,469
\$75K-100K	100%	40,128
\$100K-150K	140%	48,970
\$150K+	+140%	56,123

Source: HUD, ACS 5-Year Estimates

Figure 41: Nashville's Housing Continuum



Source: Tennessee Housing Development Agency



■ Renter-Occupied     
 ■ Owner-Occupied

# Defining Housing Access, Stability and Affordability

**Housing access** refers to the ability of people to find, afford and secure housing that meets their needs, whether that is housing of sufficient size, housing with sufficient disability accommodation, or housing that is physically safe. This includes the financial capacity to find and secure housing, but also includes the capacity to secure housing while navigating additional factors, such as an on-record eviction filing or order, protected class status, long waiting lists, or other barriers.

**Housing stability** refers to the ability of households to stay in their home without unplanned or unwanted disruptions or moves. Housing stability can be threatened by **forced displacement** brought on by eviction, foreclosure, or emergencies, like fire or natural disaster, as well as **pressured displacement**, such as rising rents or property taxes, the absence of critical public services or amenities, or changes in neighborhood culture or perceptions of safety.

One of the most critical factors impeding housing access and stability is a decline in housing affordability for many households across Nashville. **Housing affordability** is formally defined by the U.S. Department of Housing and Urban Development (HUD) as the condition in which housing costs are less than 30% of a household's gross income. It is a product of two factors: household incomes and housing costs. In most cities, housing costs have grown faster than incomes in the past decade, leading to growing affordability challenges for low- and middle-income households across America. This is true in Nashville; as home prices have risen, households have experienced reduced housing stability and housing choice.

Table 2: Nashville 2024 Area Median Income (AMI)

	Persons in Household							
	1	2	3	4	5	6	7	8
Area Median Income	\$74,900	\$85,600	\$96,300	\$106,900	\$115,500	\$124,100	\$132,600	\$141,200

Source: HUD (2024)

Figure 42: Housing 101: Land Use and Subsidy Tools

# Housing 101:

## Land Use and Subsidy Tools

There are many factors outside of local government control that influence the housing market. However, Metro plays an important role in promoting housing affordability through land use policies and subsidy tools.

### How does land use impact affordable housing?

Land use regulations determine where homes can be located, what types of homes can be built, and how many homes are constructed. These regulations encompass zoning, minimum lot sizes, and height restrictions. Additionally, the speed of the review and approval process affects the developers' choices about what to build.

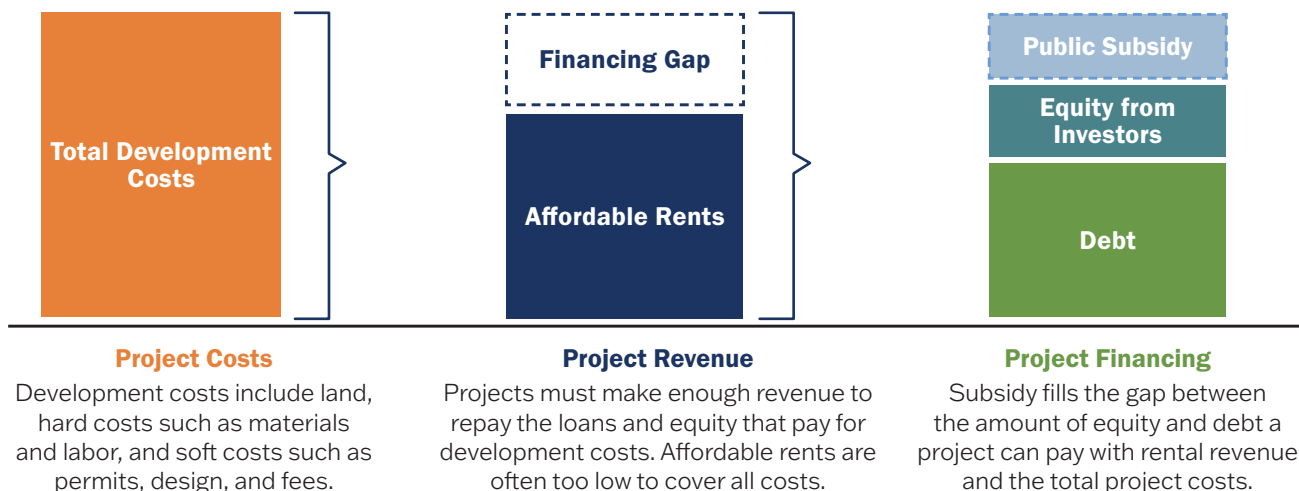


Local governments can support affordability by minimizing delays in the development review process. A 2018 study found that, **on average, multifamily projects experienced 4-month delays in approvals, increasing rents by 5% to account for the cost of the delays.**<sup>1</sup>

Land use tools are important to ensure sustainable development patterns. However, when regulations only allow single-family homes, or require special approvals to build other types, this increases the cost of land and development timelines, driving up home prices. **When regulations allow for various types of housing, more homes and a greater diversity of homes can be produced.**

### What is the role of subsidy in promoting affordable housing?

Subsidy tools such as the Barnes Housing Trust Fund grants, vouchers, and tax abatements close the gap between what households can afford to pay and the substantial cost to develop and operate housing. Public subsidy is costly but necessary to make the development and preservation of homes affordable to lower-income households feasible.



<sup>1</sup> Based on a survey of podium-style apartments in the Mid-Atlantic. Rent increase projected for an average 2-BR apartment.

Figure 43: Housing 101: Affordable Housing Finance

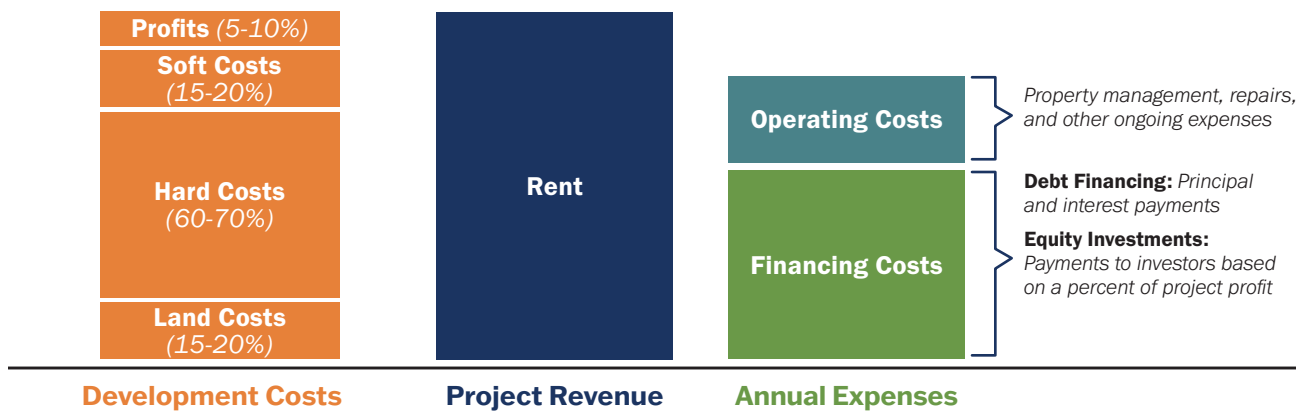
# Housing 101:

## Affordable Housing Finance

Both affordable and market-rate housing developments are dependent on market factors, such as interest rates. Changes in these conditions affect what developers are able to build and what rents they charge.

### How is housing financed?

Development projects can be quite costly. Beyond the hard costs, which include materials and labor, developers must also cover the expenses of purchasing land and soft costs, such as lender fees, permits, design, and engineering. Additionally, they need to ensure they are compensated for their efforts. Typically, these projects are financed through a combination of debt and equity. Debt is traditionally a mortgage loan from a bank or other lender, while equity often consists of the developer’s funds along with outside investments raised from various investors.



The cost of financing, or how much lenders and investors expect to be paid, depends on a variety of factors. A project **must generate enough revenue from rent to cover both the costs** of financing and ongoing operations costs.

### What market factors influence affordable housing finance?

Most developers are not self-funded, meaning they provide only a small portion of the funds for a project. Instead, developers must meet the demands of lenders and investors who fund the rest of the costs.



#### Interest Rates

Although base rates are set by the Federal Reserve, **lenders determine their rates based on an assessment of the strength of each individual project.** This review can be based on location, developer experience, or other factors.



#### Investor Activity

Like lenders, investors have different repayment, or “return” thresholds, influenced by many factors, including market strength. **In slow economic times, investors may be less willing to invest or may increase their requirements.**



#### Policy and Regulation

**Policy can influence the behavior of lenders and investors,** although much of this power rests at the federal level. For example, the Community Reinvestment Act (CRA) rewards lenders who finance affordable housing.

# Analysis of Potential New Revenue Sources

The 2021 Affordable Housing Task Force recommended a variety of possible revenue sources to increase funds for affordable housing. The chart below provides an analysis of the potential for each source.

Potential Revenue Source	Analysis
<p>0.125% (1/8 penny) sales tax increase inside the Tourism Development Zone. Based on past revenue levels, this could produce about \$5.5M in annual revenue.</p>	<p>Levying additional sales tax just on consumers/businesses within Music City Center TDZ as opposed to those without to fund countywide affordable housing initiatives could be considered unconstitutional unless “reasonable basis” can be explained for extra tax burden in just TDZ for this purpose. This proposal is different than the redirect/ dedication of revenues generated in TDZ from countywide-applicable tax, or the downtown CBID fee that is used to fund expenses incurred for or related to activity in CBID.</p> <p>Other considerations:</p> <ol style="list-style-type: none"> <li>1. Proposed local sales tax increase requires state enabling legislation. Metro has no authority to levy sales tax to a limited geographic area of county under current law.</li> <li>2. Any change to local sales tax would require both Council approval and voter referendum.</li> <li>3. Under present law, max local sales tax is 2.75%; Metro is at 2.25%. Increases must be in ¼ increments, not 1/8.</li> <li>4. Transit Improvement Program statute has 20% max cap on aggregate of TIP surcharge and other applicable taxes and fees.</li> </ol>
<p>Redirect Real Estate Transfer Tax at state level.</p>	<p>The transfer tax authorized pursuant to TCA 67-4-409 is a state tax, used for state purposes, and would require state legislation to change.</p>
<p>Create an additional affordable housing fee of 0.001% for any property built or sold for \$500,000 or more that does not preserve affordable housing.</p>	<p>This proposal seems to be technically like a tax, not a fee. But either way, state enabling legislation would be required.</p>
<p>Issue General Obligation Bonds to fund affordable housing.</p>	<p>Tennessee Constitution would require a voter referendum where a ¾ supermajority would have to approve issuance of bonds. The state law governing local governments’ issuance of debt already contemplates “affordable housing” as an eligible public works project in Davidson County but states constitutional requirements must be met. In addition to foregoing, bond counsel also would need to be consulted on any federal tax issues if the bonds are to be tax-exempt.</p>

<p>Introduce an Issuer Fee of 5 basis points on [tax-exempt] bond issuances. Unlike most markets, Nashville does not charge an issuer fee for any of its tax-exempt bond issuing authorities, including the Sports Council, Health and Education Board, Industrial Development Board, and others. This fee should be standard to avoid “issuer shopping”. As bond partners receive a taxpayer subsidized rate, they would be contributing to affordable housing in Nashville.</p>	<p>This presumably would apply to conduit bonds issued by HEFB and IDB, the latter which already imposes a bond issuance fee. Metro cannot unilaterally impose a fee; the respective boards are separate legal entities and would have to agree to impose fees and turn over money to Metro or dedicate their use of these revenues to affordable housing.</p>
<p>Increase STR fees and per night/per bedroom charge. This would both discourage STRs (which reduce the supply of long-term housing) and raise revenue for affordable housing. A portion of the STR tax currently contributes approximately \$1M to the Barnes Fund annually.</p>	<p>The short-term rental taxes referenced are the hotel occupancy taxes charged to STRs. For the portion of the occupancy taxes that flow to general fund, Metro previously passed legislation that dedicated to the Barnes Fund those revenues attributable to just STRs. State legislation would be required to increase occupancy taxes.</p> <p>Metro can only charge fees (such as STR permit fees) in a reasonable amount to offset costs for regulating STRs. Otherwise, state legislation would be required.</p>
<p>\$2 per night additional hotel tax (current tax is \$2/night). Based on 2019 occupancy levels, \$2/night increase would generate about \$1.5M per month or \$18M per year.</p>	<p>State legislation would be required to authorize additional hotel occupancy tax (HOT). Also, additional HOT (or any other applicable tax or combinations thereof under TIP statute) will need to be monitored to make sure any imposition of additional fees/taxes don't affect transit surcharge given TIP 20% cap on aggregates fees/taxes + surcharge.</p> <p>In 2023, General Assembly passed a law amending TCA 7-89-112 to limit use of excess revenues remaining after the Convention Center Authority satisfied debt + contractual obligations (which include most of HOT) to tourism-related uses. But like Titans stadium additional 1% HOT diversion, General Assembly could specifically authorize additional tax for affordable housing purposes.</p>
<p>Establish linkage fees or impact fees on residential and commercial development and earmark those for affordable housing development (currently prohibited by State law).</p>	<p>TCA 67-4-2913 prohibits Metro from doing impact fees or development taxes. State legislation change required (previous unsuccessful legislation in 2000 (HB2013/SB2908) and 2022 (HB1675/SB1840)). A 2024 law change allows a “county schools privilege tax” to defray costs of providing school facilities from development but must meet requirements of TCA 67-4-2907.</p>
<p>Issue or increase a document recording fee.</p>	<p>Pursuant to TCA 8-21-101, the County Register (of Deeds) is not permitted to receive any fees other than those authorized by state law. Further, state law would have to specifically allow a redirect/allocation of all or a portion of any fee for this purpose.</p>
<p>Initiate a special assessment for building permits, which would directly tax the creation of new homes and commercial development. Instead of a conveyance or mortgage tax assessment, an assessment of 0.21% of the value of the building permit can be charged.</p>	<p>A special assessment is technically an additional tax imposed on taxpayers in specified area (e.g., a “district”) to fund public improvements located in or benefitting that area. Any tax will require state authorizing legislation. Any fee charged not used to offset costs related to reason for imposition of fee will require state legislation. This proposal could be considered a tax because its purpose is to raise general revenue that would just be dedicated to a particular purpose.)</p>

# 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)<sup>1</sup>:** 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.

<sup>1</sup> 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.

Funding Sources					
Name	Fund Use(s)	Appropriate Lead	Level of Effort	Priority Level	Scale of Resource
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

Funding Sources					
Name	Fund Use(s)	Appropriate Lead	Level of Effort	Priority Level	Scale of Resource
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>					

# The Barnes Fund

# Recommended Policy and

# Organizational Changes

## Recommended Structure

### Affordable Rental Home Track

The Affordable Rental Home Track should focus on the production of rental homes for households earning up to 60% AMI and to offer deeper incentives for PSH and deeply affordable units (homes for households earning 30% AMI or below). This focus is based on existing and projected supply gaps in Nashville, further explained in the housing needs assessment and demand projection. The Affordable Rental Home Track should also invest in critical preservation projects.

Recognizing the need to maximize impact, Metro should adjust eligibility requirements for the Affordable Rental Home Track to allow any affordable housing developer with requisite capabilities—both nonprofit and for-profit—to compete for Barnes funds. All project sponsors awarded funds should be required to propose and implement a plan for stewarding the affordability of the asset, which will encourage partnerships with nonprofits. Stewardship plans may include permanent affordability, tenant boards, or other forms of community-based control, as examples.

All projects should be fully underwritten to determine the amount and terms of funding awarded. Awards may be structured as grants, soft-pay and hard-pay debt. Metro should pursue the necessary changes to the Barnes authorizing legislation to allow for more efficient use of public funds. For-profit organizations will not be eligible for grants.

### Homeownership Track

The Homeownership Track should focus on the development of for-sale homes and the provision of financial assistance to first generation homeowners and households earning less than 80% of AMI, as well as rehabilitation of existing owner-occupied homes. When homes are built in a neighborhood of opportunity, the priority should be households that are first-generation homeowners.

Only nonprofit organizations focused on expanding affordable homeownership and rebuilding historically disinvested communities within Nashville should directly receive funding. These organizations may choose to partner with for-profit organizations.

All projects should be fully underwritten to determine the amount and terms of funding awarded. Awards may be structured as grants, soft-pay and hard-pay debt as adjustments to the legislation authorizing the Barnes Fund allow.

## Capacity Building Track

The Capacity Building Track should focus on building the capacity and expertise of nonprofit affordable housing developers and operators to produce affordable housing efficiently.

Eligible activities could include training to become more familiar with available and underutilized financing tools, such as bonds, as well as projects that enable recipients to exercise new capacity or learnings through demonstration projects that produce or preserve housing.

### Barnes Fund Program Track

	Rental Homes Track	Homeownership Track	Capacity Building Track
<b>Recommended percentage of allocation</b>	60%	30%	10%
<b>Objective or Focus</b>	<p>Increase 50% AMI rental housing, with ability to support up to 80% AMI at discretion of commission with justification;</p> <p>Incent PSH/30% AMI</p> <p>Can support preservation of rental housing of up to 60% AMI if project sponsor has exhausted opportunities for federal funds;</p> <p>Can support production of homeownership units up to 100% AMI</p>	<p>Build high-quality for-sale homes in neighborhoods that have historically been disinvested in.</p> <p>Expand access to HO in communities of opportunity for first-generation homeowners.</p> <p>HO rehabilitation in coordination with MDHA's HO rehabilitation program</p> <p>Support production of homeownership units up to 100% AMI</p>	<p>Build capacity of nonprofit and mission-driven affordable housing developers and operators to effectively produce and preserve affordable housing</p> <p>Can include demonstration projects that produce new housing, training, and skill building</p>
<b>Target or Eligible Recipients</b>	<p>Affordable housing developer with demonstrated capability to deliver 50% AMI multifamily rental</p> <p>Could include mission-driven (e.g. nonprofit, quasigovernmental such as MDHA or redevelopment authorities) or for-profit, but not required (a change from current)</p>	<p>Nonprofit developers with experience creating quality for-sale homes and a commitment to investing in disinvested communities in Nashville.</p>	<p>Nonprofit developer or affordable housing operator/manager with annual budget up to \$4 million (same eligibility as current small business set-aside)</p>

	Rental Homes Track	Homeownership Track	Capacity Building Track
Award Structure	<p>Grants, Soft debt or cash flow loans as the default, hard pay as an option. No grants for for-profit member of the ownership entity.</p> <p>Reimbursable grant optional for entirely non-profit sponsors, if deemed beneficial in underwriting.</p>	<p>Grants, Soft debt or cash flow loans as the default, hard pay as an option. No grants for for-profit member of the ownership entity.</p> <p>Reimbursable grant optional for entirely non-profit sponsors, if deemed beneficial in underwriting.</p> <p>Awarded in coordination with MDHA homeowner rehabilitation program.</p>	Reimbursable Grant
Review Process	Subject to underwriting and utilization/ROI targets	Subject to underwriting and utilization/ROI targets	Subject to underwriting and impact metrics related to organizational capacity building
Terms	<p>Prioritize resource utilization and stewardship of asset – mission-driven organizations will have advantage (e.g. permanent affordability, tenant board, community-based control)</p> <p>30 years affordability – standard, preference for longer-term affordability</p> <p>ROFR requirement</p> <p>Tenant protections</p> <p>Progress reports and clawback provisions trigger at six months</p>	<p>Prioritize first generation homeowners and disinvested communities</p> <p>Terms based on underwriting and project priorities</p> <p>Progress reports and clawback provisions trigger at six months</p>	<p>30 years affordability</p> <p>ROFR requirement</p> <p>Tenant protections</p> <p>Progress reports and clawback provisions trigger at six months</p>

## Recommended Policies

### **Strengthen the Public Benefit Terms Required by the Barnes Fund**

The terms in Barnes Fund agreements with sponsors should be strengthened in several areas to increase the impact of the public investment and better protect residents from displacement.

### **Introducing a Right of First Refusal**

Current Barnes agreement templates require consent from Metro to reassign the contract. The Barnes Fund should take a broader approach by requiring grantees to notify the Housing Division in advance of intended sale of the property and establishing a process by which Barnes recipients (and other recipients of Metro financial

support) may sell their properties, retaining the right to find a buyer who will keep the property affordable. Also ensure that notices are sent to the Housing Division (at least some agreements instruct recipients to notify Metro Department of Finance).

As Housing builds out a pre-approved pool of mission-driven affordable housing developers/managers, it should require properties it has invested in to be first offered to this pool. See Action 34: “Support a preservation pool that includes ability to acquire expiring affordable stock.

### ***Institute Tenant Protections***

Housing should work with the Housing Trust Fund Commission to add to the agreement templates conditions that improve outcomes for existing tenants for properties that are approved to proceed to market sale. This could include adding requirements for tenant relocation, assistance, and minimum time periods for notice, perhaps in the form of requiring a Tenant Relocation Plan in all circumstances. These protections could help to prevent the displacement of residents.

### ***Strengthening Affordability Requirements***

Housing should work with the Housing Trust Fund Commission to (1) require 30+ years of affordability whenever possible; (2) address income requirement by unit size (the number of bedrooms required at different affordability levels); and (3) include guidance about how to address changes in tenants’ income that does not conflict with LIHTC guidance.

### ***Requiring Progress Among Grantee/Strengthening Clawbacks***

Barnes grant agreements currently require a clawback provision if the recipient does not complete its obligations within 24 months of grant execution.<sup>3</sup> In reality, this means that clawing back funds would likely not occur until 2.5-3 years from execution, given the need to issue warnings and document noncompliance, recognize the accounting change and recommit funds. In practice, many projects encounter delays, while their awards sit in the bank not advancing affordable housing development. For example, across funding rounds 6 through 10, 38 extensions have been approved, with some projects requiring multiple extensions. Lack of project progress has resulted in significant sums of non-deployed awards sitting in the bank accruing approximately \$2 million annually in interest.<sup>4</sup> While some delays are outside the control of project sponsors, it is probable that a fair number could be remedied by more aggressive action. Housing should work with the Housing Trust Fund Commission to implement progress milestones beginning 6 months from award that are documented in written reports. A grantee falling behind on these milestones should preclude them from receiving an additional Barnes award, until such delays are resolved.

### ***Prioritizing Special Populations***

The “Key Findings” sections describe how the housing affordability challenges in Nashville have a greater impact on certain populations, including older adults, single-parent households, and individuals with disabilities. The Barnes Fund should prioritize special populations in their funding. Senior and single-parent households are among those struggling the most with rental affordability. Prioritizing these households and projects that incorporate design standards that support aging in place as well as those with disabilities should be explored. Shifting design standards can have cost implications and those should be balanced against the need to provide homes that meet the needs of the most vulnerable.

### ***Structuring Affordable Housing Fund Awards as Debt, Rather than Grants***

Housing should work with Metro’s Law Department, Metro Council and the Housing Trust Fund Commission to allow awards from Barnes to be made as loans as well as grants, either through adjusting the authorizing legislation or entering into a partnership with MDHA, the Catalyst Fund or another nonprofit partner capable of originating loans on the Barnes Fund’s behalf. The ability to originate loans as well as make grants will allow the Barnes Fund to calibrate the terms under which public funds are invested to maximize the public benefit.

In most cases, the soft debt, or cashflow debt, will be the most appropriate form for a loan. Soft debt, or cashflow debt, is public or philanthropic financing that is not 'hard' pay in that interest and principal payments can be deferred if the project cannot afford to pay them, i.e., does not have enough cashflow. There is also often an expectation that the loan will be rolled over at the end of the term in exchange for continued affordability. It covers the 'gap' between the first mortgage, LIHTC or other grant funding, and the total cost of development. It is typically seen as the last money in and the key to unlocking or making a deal go.

There are two main reasons why structuring awards as soft debt would be advantageous for the Barnes Fund. The first is to better position Metro to keep its Barnes-subsidized properties affordable in future decades, beyond the 30 years stipulated in the program. Barnes Fund investments would accrue interest over time and give the Metro greater leverage to protect the affordability of the property in the long term, by agreeing to resubordinate (not require repayment) in exchange for continued affordability or be repaid and reinvest the funds to create other affordable homes. Most local governments use a cashflow or soft debt structure for their investments in affordable rental homes, not to recoup revenue, but to advance affordability goals. This ability to preserve affordability through a loan is a key anti-displacement tool.

### ***Introduce a Dedicated Underwriting Process***

Barnes Fund applications for the Affordable Rental Home and Homeownership Tracks should be required to be underwritten by Housing Division. (See Action 11: "Establish underwriting capacity, requirements, and criteria to maximize public investments in housing")

To maximize the public benefits secured by public investment, each project will be underwritten. While scoring each application on a uniform scoring matrix, as the Barnes Fund currently does is a good process, an individualized underwriting review of each project is imperative to ensure that Barnes supports deals that address identified priorities and objectives and actually need public funding, and particularly the type of public funding the project is seeking, or whether it should be able to secure financing from other sources. Additionally, underwriting aims to size the appropriate amount and type of subsidy, identify and mitigate risks to project delivery (i.e., the success of the investment). **Project underwriting is critical to ensuring that Metro achieves the greatest public good with each public dollar invested in affordable homes.**

Underwriting should consider the following factors:

- **Sizing the gap:** How much additional funding a project needs to proceed, independent of what the applicant's request is.
- **Structuring the investment:** What form of investment, grant, soft-debt or hard-debt is most appropriate.
- **Role of public investment:** if Barnes funding is needed to catalyze the development as the first funding source committed, or filling a gap that remains after other sources have been exhausted, and how that should influence the form and amount of funding invested.
- **Validating ownership structure:** The underwriting team should have the financial sophistication to verify that a nonprofit does control at least 51% of a project's ownership entity. In recent years, approximately 20% of awards went to nonprofit/for-profit joint ventures.

- **Evaluation of return on investment:** In assessing applications for public subsidy, underwriting staff should take into account the expected return on investment (ROI). Target ROI performance metrics may include:
  - ◊ Cost efficiency, such as cost per unit created;
  - ◊ Depth of affordability, prioritizing the creation of affordable homes that otherwise wouldn't be produced in the private market;
  - ◊ Amount of local public subsidy;
  - ◊ Leverage of non-local public funding;
  - ◊ Depth of affordability and alignment with income priorities;
  - ◊ Alignment with policy goals including location, special needs population, etc.
  - ◊ But-for test: but for the investment from the Barnes Fund, would this project achieve a similar public benefit?

Program guidelines for each of these areas should be incorporated into the solicitation process such that developers can evaluate the amount and structure of funding they are likely to secure if they are successful.

### ***Coordinate Barnes Funding with Metro's Housing Priorities and Tools***

As the body that oversees the largest allocation of Metro's local funding for affordable homes, the Barnes Housing Trust Fund Commission should be well prepared to maximize its impact on affordable housing priorities through its role in guiding Barnes. Metro should work with the Commission to:

- Ensure commissioners have a sound understanding of fundamental affordable housing concepts, the basics of affordable housing finance, Nashville's housing market and the development process through trainings, briefings and experience.
- Audit current conflicts of interest and ethics policies pertaining to the Commission to ensure adequacy and full understanding among Commission members.

The Barnes Fund website lists five diverse approaches to addressing a broad mission, and the enabling code includes additional purposes. These include functions as broad as building capacity of new or smaller nonprofit developers, to funding new rental and homeownership units up to 80% AMI, to activating and sustaining a public land portfolio, to promoting the study of good affordable housing, to supporting education about affordable housing.<sup>5</sup> The range of priorities was also reflected in a recent meeting and listening session in which Commission members shared a wide-ranging set of responses to questions about how they set priorities and define success. As the primary funder of the Barnes Fund, Metro should define the priorities for the funding it allocates to the Barnes Fund. Housing should work with Metro to establish guidance for which tracks, Rental Homes, Homeownership, and Capacity Building, Metro funds should be allocated to, in which amount and what priorities should be reflected in the scoring criteria for each track.

The Housing Division may need to work with the Metro Legal and other stakeholders to identify necessary changes to the code to effectuate this new approach.

# Philanthropic Contributions Opportunities

Throughout the Unified Housing Strategy, the vital role of philanthropy is highlighted in addressing specific areas and initiatives where their expertise and structure are particularly needed. Below, are key action items that call for the philanthropic community's support. A strong partnership between the housing ecosystem and Nashville's strong philanthropic community will be key to long term success.

### Critical Role in Advancing the Unified Housing Strategy

- **Capacity Building & Support for Housing Stability**
  - ◊ Support capacity building, emergency rental assistance, and programs that help keep homeowners stably housed.
- **Leadership & Capital Attraction**
  - ◊ Provide leadership for attracting and providing mission-motivated capital and driving the continued implementation of the UHS.
- **Funding for Housing Services**
  - ◊ Fund services for permanent supportive housing and the Low Barrier Housing Collective.

### Key Actions Needing Philanthropic Support

#### Strategy A

- Action 6: Enhance support of emerging developers and diverse business enterprises

#### Strategy B

- Action 7: Explore new dedicated local and state funding sources for affordable housing and homelessness services
- Action 9: Attract Mission-motivated capital and corporate partners
- Action 10: Build strategic partnership with philanthropic sector

#### Strategy D

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

## **Strategy E**

- Action 28: Advance the Office of Homeless Services and the Homelessness Planning Council's Strategic Plan
- Action 28d: Bolster the tools, resources, strategies, and funding to support the Low Barrier Housing Collective

## **Strategy G**

- Action 36: Support the Eviction Right to Counsel program
- Action 38: Monitor need for expanded emergency rental assistance funding and infrastructure
- Action 39: Support the Tennessee Fair Housing Council

## **Implementing the Unified Housing Strategy**

- Provide critical leadership to the continued delivery of the UHS.

# Summary of Public Feedback on Draft

Following the release of the Unified Housing Strategy (UHS), Metro invited the public to provide feedback through various means including filling out the public feedback form, attending virtual or in-person informational sessions, and signing up for virtual office hours. This feedback is crucial to the development of the Unified Housing Strategy and is the first step in ensuring the UHS is a living document that is adaptable and responsive to community needs and Metro’s housing priorities.

## Public Feedback Opportunities

### Public Feedback Form

The public feedback form was open following the release of the Unified Housing Strategy on April 29 through May 30. During that period 32 individuals responded. 24 (75%) respondents identified as residents, 7 (21.87%) respondents identified as affordable housing developers/practitioners, and 1 (3.13%) respondent chose not to identify. See below for a breakdown of the number responses for each question.

	Residents	Affordable Housing Developers/ Practitioners	Blank	Total
Was the document easy for you to navigate and understand? How can we make it more digestible to the general public?	19	6		25
Which parts of the strategy feels most relevant or helpful for your current housing situation or the work that you do?	16	4		20
Do you feel your voice, or the needs of the people you work with, are reflected in this plan? Are there housing needs or concerns you shared that you feel still aren’t addressed in this strategy?	16	4		20
Do you feel your community’s or your work’s needs are reflected in this plan? If so, where? If not, what’s missing?	9	4		13
How would you like to stay involved as the strategy moves into action? What would effective and inclusive participation look like for you or the communities you serve?	13	3		16
Do you have other thoughts or comments that you would like to share?	14	5	1	20

## Public Presentations

The Housing Division hosted virtual and in-person Unified Housing Strategy presentations. These sessions consisted of presentation that walked through an overview of the UHS with discussion time at the end for residents to ask questions and respond to feedback questions. Public presentation details can be found below.

### Presentation to the Metro Planning Commission

Thursday, May 8, 2025 | 4:00 p.m.

Note: Informational only; no public comment was taken.

### Virtual Public Presentation | 11 attendees

Thursday, May 15, 2025 | 6:00 – 7:30 p.m.

### Virtual Public Presentation | 25 attendees

Wednesday, May 21, 2025 | 12:00 – 1:30 p.m.

### Presentation to the Housing Trust Fund Commission

Tuesday, May 27, 2025 | 2:00 – 4:00 p.m.

### Virtual Public Presentation | 3 attendees

Wednesday, May 29, 2025 | 6:00 – 7:30 p.m.

## Office Hours

The Housing Division offered 30-minute virtual office hour appointments for direct conversations with residents. Below are the dates and times of the sessions, along with the number of appointments scheduled during each offering (when applicable).

**Friday, May 9 from 1:00–3:00 p.m.**

**Wednesday, May 14 from 10:30 a.m.–12:00 p.m.**

**Friday, May 16 from 10:00 a.m.–12:00 p.m. & 2:00–3:30 p.m.**

**Wednesday, May 21**

**2:00–4:00 p.m.** Two appointments scheduled

**Friday, May 23 from 10:00 a.m.–12:00 p.m. & 1:00–3:00 p.m.** Four appointments scheduled

**Friday, May 30 from 10:00 a.m.–12:00 p.m. & 1:00–3:00 p.m.** Two appointments scheduled

## Summary of Public Feedback

At the informational sessions and in the public feedback form, residents were asked to respond to feedback questions ranging from their reactions to the UHS including its accessibility and digestibility, if and where their voice and needs were reflected, and how they would like to stay involved. These questions and a summary of community responses can be found below.

### Was the document easy for you to navigate and understand? How can we make it more digestible to the general public?

Many people found the Unified Housing Strategy to be well organized and easy to follow. Residents appreciated having access to the Executive Summary before reviewing the full UHS and 10-Year Implementation Plan which helped them focus on the most relevant sections. People thought that the YouTube video series provided a beneficial alternative to learn about the UHS.

That said, some community members felt overwhelmed by the length and density of the full document. Suggestions for improvement included:

- Using more bullet points to reduce dense paragraphs
- Incorporating more graphics to simplify concepts and visualize impact
- Providing clearer timelines with specific responsible parties.

## **Which parts of the strategy feels most relevant or helpful for your current housing situation or the work that you do?**

Many respondents pointed to Strategy C: “Create a range of new and affordable housing choices for all Nashvillians as appropriate across the county, as the most relevant and urgent.” Residents cited the ongoing pressure on housing choice and affordability due to a lack of housing supply. People expressed enthusiasm for actions related to zoning changes, mixed-income financing tools, and the use of publicly owned land for housing.

Homeowners, particularly older adults and those on fixed incomes, appreciated Strategy D: “Keep homeowners in their homes and create more opportunities for sustainable homeownership and wealth creation.” Prospective homeowners were excited to see actions in this strategy that can expand access to starter homes and address historical barriers to ownership.

Strategies A and G were especially important to residents, developers, service providers, and advocates since these strategies’ focus on strengthening and coordinating Nashville’s housing ecosystem and developing tools for deeper subsidies, permanent supportive housing, and innovative funding sources.

## **Do you feel your voice, or the needs of the people you work with, are reflected in this plan? Are there housing needs or concerns you shared that you feel still aren’t addressed in this strategy? Do you feel your community’s or your work’s needs are reflected in this plan? If so, where? If not, what’s missing?**

Community members had mixed feelings about whether their voice and needs were reflected in the UHS. Most residents agreed with the Key Findings section and felt that their voices were heard and their needs amplified through these findings; however, many people felt that the strategies and actions did not do enough to address those concerns.

People expressed a need to provide more support for those in need of deeply affordable housing especially for vulnerable populations such as justice-impacted and unhoused communities. Additionally, Nashvillians who do not qualify for income-restricted housing yet still struggle to afford housing did not feel like the Unified Housing Strategy addressed their need for safe, modest starter homes. Finally, people expressed a need to provide more details on how to proactively prevent displacement, especially in areas where development is rapidly occurring.

## **How would you like to stay involved as the strategy moves into action? What would effective and inclusive participation look like for you or the communities you serve?**

Nashvillians expressed a desire for real, responsive, and ongoing engagement throughout implementation. Suggestions included:

- A clear communications plan with annual updates
- Accessible, well-publicized public events
- Collaboration with local groups such as Metro Council, the Barnes Fund Commission, and the Continuum of Care
- Direct engagement with the UHS Community Ambassador network

Additionally, affordable housing developers and service providers have asked for a more collaborative and iterative process between Metro and the development and affordable housing community. They suggest that this could look like Metro sharing proposed solutions, stakeholders providing input and alternatives, and together refining the product.

Several community-based organizations and housing advocates expressed a clear desire to remain deeply involved. These organizations and advocates welcome Metro to engage directly in community-based settings to further bring communities together rather than expecting communities to come to Metro.

## Do you have other thoughts or comments that you would like to share?

Several people shared emotional, lived experiences of being priced out of homeownership or affordable rental options despite working full time and raising child. This included homeowners who have felt the impacts of rising property values in their area as well as residents that make slightly over the cut off for income restricted housing. These sentiments bolster the Key Findings in the UHS that show we do not have the supply of housing needed for people to find housing that is affordable at any income level, as the price of housing increases when our supply does not keep up with demand and limits the variety of options available to residents.

People echoed the need for more variety in the types of housing being constructed. For example, residents emphasized the lack of affordable 4+ bedroom homes for working families which does not align with the needs of Nashvillians with children or larger households.

Residents provided recommendations for improving the Unified Housing Strategy and its implementation:

- Clarify time frames for each action to improve accountability and track progress.
- Replace vague language, such as “consider”, with firmer commitments like “will” or “commit to” to signal clear intent.
- Enhance data visualization by including percentages, numbers, and charts that make the plan’s impact more transparent and accessible.
- Offer greater insight into trade-offs, helping residents understand the potential consequences, priorities, and resource constraints associated with specific strategies and tools.

Some residents called for better alignment with state and federal funding schedules and tools such as the Low-Income Housing Tax Credit program and more efficiently using our local tools such as the Barnes fund. Many people expressed the need to create a central clearinghouse to help residents navigate public, private, and nonprofit housing resources.

However, some residents voiced skepticism about Metro’s ability to implement the Strategy effectively. These individuals questioned whether the plan would be acted on or simply “sit on a shelf,” and raised concerns about Metro’s capacity to deliver. Others stressed that implementation cannot fall on Metro alone, and will require coordinated action across community partners and residents.

Finally, a few residents expressed opposition to government involvement in housing. They felt that Metro should leave housing to the private market and opposed public funding for affordable housing or financial assistance for moderate- and low-income Nashvillians, viewing such actions as unwarranted interference in the market.

## Moving Forward

Metro expresses its gratitude to everyone who engaged with the Unified Housing Strategy by providing their feedback, attending a public presentation, and joining the Housing Division for an office hour appointment. Your voices and lived experiences were vital to shaping the UHS, so your feedback is crucial to ensuring the final product matched your needs and desires for Nashville-Davidson County.

This first round of public feedback marks the beginning and not the end of community engagement. The Unified Housing Strategy is intended to be a living document, and its success depends on continuous input and collaboration across Metro departments, partner organizations, and the community.

As implementation begins, Metro commits to:

- **Providing regular updates** on progress through public dashboards, annual reports, and public engagement events.
- **Maintaining ongoing engagement channels** such as community meetings, office hours, surveys, and partnerships with community organizations.
- **Creating feedback loops** so that community concerns and emerging needs can help revise or adapt strategies as needed.
- **Collaborating with local partners and community leaders** to build shared ownership of housing solutions.

Achieving the vision of housing security for all Nashvillians will require ongoing partnership, transparency, and mutual accountability. Metro is committed to working alongside residents, developers, advocates, and service providers to make this strategy real and lasting.



**Metro Nashville Planning Department**  
800 Presidential Ronald Reagan Way  
Nashville, TN 37210