The cover features a dark blue background with a pattern of light blue geometric shapes, including triangles and a large central arrow pointing right. Two horizontal teal bands are positioned on the left and right sides, framing the central text.

The Barnes Housing Trust Fund Annual Report

FY 2022
July 2021 -
June 2022

Table of Contents

Introduction	3
Defining Affordability	4-5
Looking Back	6-7
Spring 2022 Awards	8
Spring 2022 Funding Round 9	9
Unit Growth & Maps	10-12
Leveraged Funding	13
Investments	14
Looking Forward	15
Support	16-17
Quick Facts	18
Acknowledgments & Resources	19

Introduction



In 2013, Metro Nashville created its first housing trust fund to leverage affordable housing resources county-wide. Named after longstanding community advocate Rev. Bill Barnes, the Barnes Fund perpetuates his dedication to affordable housing* for the people of Nashville. The Metro Housing Trust Fund Commission oversees that Barnes Fund grants are administered in this mission-centered and responsible manner.

Believing that community and belonging are essential, the Barnes Fund contributes to a city in which affordable housing is plentiful, dignified and accessible through:

- Funding new rental up to 60% area Median Income and homeownership units up to 80% AMI;
- Prioritizing the rehabilitation of existing properties in rapidly changing areas;
- Prioritizing housing for populations that have been historically locked out of the city's affordable housing resources; and
- Activating and sustaining a public land portfolio
- Building capacity of new and/or smaller nonprofit developers;

The Barnes Fund makes awards to nonprofit housing developers and partnerships to create and preserve affordable housing options for Nashvillians using a competitive application process. Applicants may apply for both equity funding and back-tax Metro-owned properties. All funding is distributed to grantees on a reimbursement basis to support the renovation and new construction of affordable homeownership and rental opportunities, as well as other supportive efforts to encourage long-term affordability.

Barnes helps address issues of affordability in two distinct ways. Properties that receive Barnes funding for rental or homeownership opportunities remain affordable for a 30-year affordability period. Additionally, Barnes awards funding to rehab programs that help income-eligible homeowners receive assistance maintaining healthy and habitable homes. This helps Nashville retain affordable options for long-term affordability.

Defining Affordability*

Every year the US Department of Housing and Urban Development (HUD) of the federal government sets income limits for each geographic area. Barnes funds rental developments at or below 60% of the Area Median Income and at or below 80% of the Area Median Income for homeownership. Although these exact incomes change each year, the ranges here will provide examples of the types of occupations someone might have if they qualified for affordable housing.

*Housing is considered affordable for a particular family or individual if it costs equal or less than 30% of their income.

“Workforce Housing” is housing that is considered affordable (30% or less of total income) for households that earn more than 60% but less than 120% of the median household income.

Source - Affordable Housing (Mayor’s Office). In Nashville.gov. Retrieved from <https://www.nashville.gov/departments/mayor/housing>

Who is earning what percent of the Area Median Income in Nashville?

30%

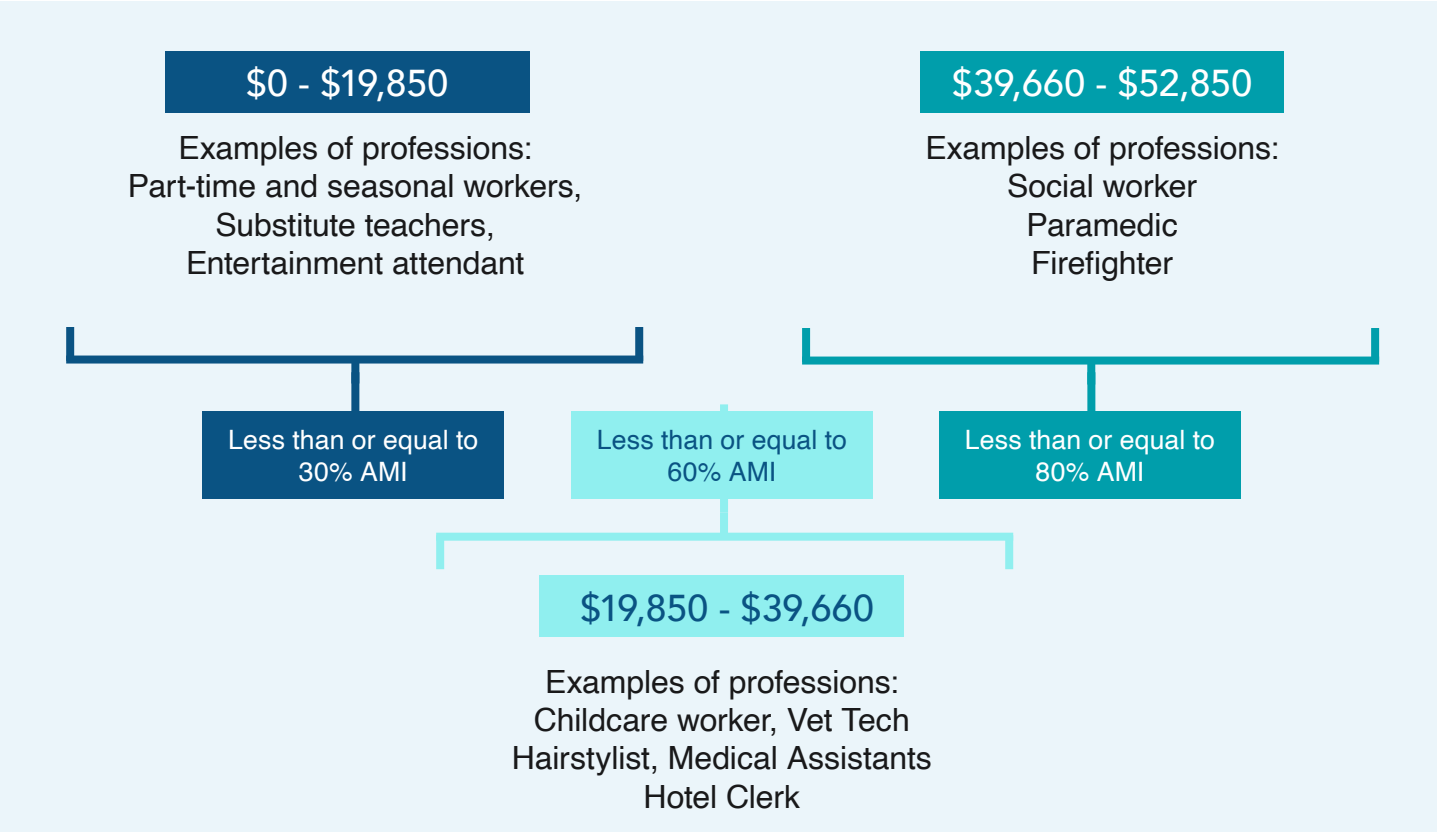
An individual earning minimum wage (\$7.25/hour) who works 40 hours would earn approximately \$1,160 per month or \$13,920 per year. Affordable housing costs would be ~\$350/month

60%

Hairstylists earn on average \$36,000/year or ~\$18.75 per hour. Affordable housing costs would be ~\$900/month.

80%

A starting Metro Nashville teacher earns on average \$50,000 per/year or ~\$26.00 per hour. Affordable housing costs would be ~\$1,250 per month.



2022 Area Median Income for Greater Nashville Area

	1 Person Household	2 Person Household	3 Person Household	4 Person Household
30% of AMI	\$19,850	\$22,650	\$25,500	\$28,300
60% of AMI	\$39,660	\$45,300	\$50,940	\$56,580
80% of AMI	\$52,850	\$60,400	\$67,950	\$75,450
100% of AMI	\$66,100	\$75,500	\$84,900	\$96,700

Sources: – HUD, May 2021 Metro and Non-metro Area Occupational Employment and Wage Estimates

Looking Back

In the 2021 Annual report, 6 priority areas described the ongoing work staff and the Housing Trust Fund Commission would commit to within the coming 12-month period. Provided below are updates on the significant work completed for each of the identified priority areas.

FY22 Grant Rounds

Round 9 completed in FY22 on April 5, 2022, when \$15,497,279 in funding and 6 parcels of Metro-owned delinquent tax lots for 12 community organizations were approved by Metro Council. This funding round is described in further detail within. An additional application cycle was opened on March 15, 2022, for the \$20,000,000 in American Rescue Plan Act funding which was allocated to the Barnes Fund in December 2021. This funding for round 10 will be finalized in fall 2022 and included in the FY23 annual report.

As a response to grantee concerns about increased pricing and material availability due to the 2020 pandemic, the Housing Trust Fund Commission additionally allocated a per unit subsidy of \$1522 for open grant contracts. This assisted the nonprofit development community by covering some unforeseen and unprecedented cost increases.

New Commissioners

Two vacant seats on the Housing Trust Fund Commission were filled by community members and elected to the commission by Council in September 2022. Maria Carmen Jackson, recommended by Conexión Americas, and Peter Westerholm from Greater Nashville Regional Council now sit on the Metro Housing Trust Fund Commission for a term of five years.

Strategic Planning

Metro Housing Trust Fund Commissioners participated in a preliminary strategic planning session in January 2022 where they defined the scope of the Barnes Fund and altered their mission statement. Since vacancies on the commission have now been filled, they will continue further strategic work in FY23.

Looking Back cont.

New Staff at Planning

The Barnes Housing Trust Fund staff moved to the newly created Housing Division of the Planning Department in January 2022 under the leadership of the first Nashville Housing Director, Angela Hubbard. Staffing for the Housing Division continues to grow, and the Barnes Fund will gain a second dedicated, full-time staff member in FY23.

Activating Public Land Portfolio

Working with the Public Property Administration, Barnes staff identified more than 30 new delinquent tax parcels for application cycles in 2022. In December 2021, legislation passed by the Metro Council ensures that delinquent tax property deemed unbuildable may be sold as surplus and those surplus sale proceeds are transferred to the Barnes Fund. This created an additional revenue stream for the Barnes Fund. First sales of surplus delinquent tax properties concluded in fall 2022 and will be included in the FY23 annual report.

Updated Audit

The Barnes Fund completed the internal Metro Audit in May 2021. The report did not include any critical findings. All recommendations of the audit team were completed prior to the Audit Committee hearing in fall 2022.

Spring 2022 Awards

Applications for funding round 9 opened in October 2021 and awards were announced in December 2021, after which they were confirmed at Metro Council in April 2022. All grant applications received funding in Round 9, including the most rehabilitation for homeownership units ever in a single funding round. Other notable awards included funding for a mixed-use development in the busy Germantown neighborhood, new units for a development that serves survivors of interpersonal violence and their families, and rental preservation of two complexes that provide affordable units in southeast Nashville.

\$16,497,279 Granted

848 Barnes Units

12 Grantees

12:1 Leverage (*\$199,239,221 Total Project Costs : \$16,497,279 in Barnes Subsidies*)



2 Homebuyer

Habitat for Humanity
26 Barnes Units

Living Development Concepts
2 Barnes Units

3 Rehab

Rebuilding Together Nashville
87 Barnes Units

Westminister Home Connection
25 Barnes Units

TVA dba Pathway
150 Barnes Units

7 Rental Proposals Granted

Urban Housing Solutions
185 Barnes Units

Woodbine Community Orgs
265 Barnes Units

Be a Helping Hand
5 Barnes Units

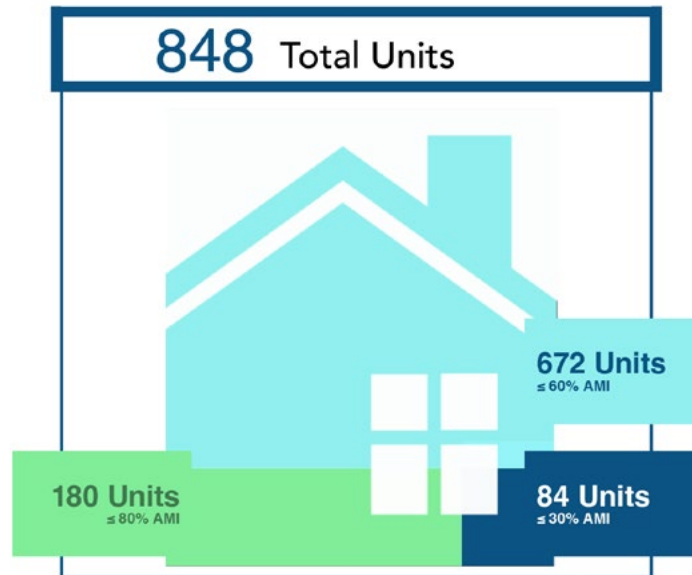
Aphesis House
12 Barnes Units

Mary Parrish
5 Barnes Units

Inspiritus
80 Barnes Units

Clark UMC CDC
6 Barnes Units

Spring 2022 - Funding Round 9



Round 9 - Fall 2021		>30 AMI	31-60% AMI	80% AMI
Urban Housing Solutions	Rental	15	170	50
Woodbine Community Organization	Rental		265	33
Be a Helping Hand	Rental		5	
Aphesis House	Rental	12		
Mary Parrish	Rental	8	2	
<u>Inspiritus</u>	Rental		80	
Clark UMC CDC	Rental		6	
Habitat for Humanity	HB		8	18
Living Development Concepts	HB			2
Rebuilding Together Nashville	Rehab		25	62
Westminster Home Connection	Rehab		10	15
TVA dba Pathway	Rehab	49	101	
TOTAL		84	672	180

■ Rental
 ■ Homebuyer
 ■ Rehab

How Barnes Measures Success: Unit Growth

The 2021 Affordable Task Force Report noted that 1500 units of affordable housing are needed each year to address the widening gap of available housing to those who need it.

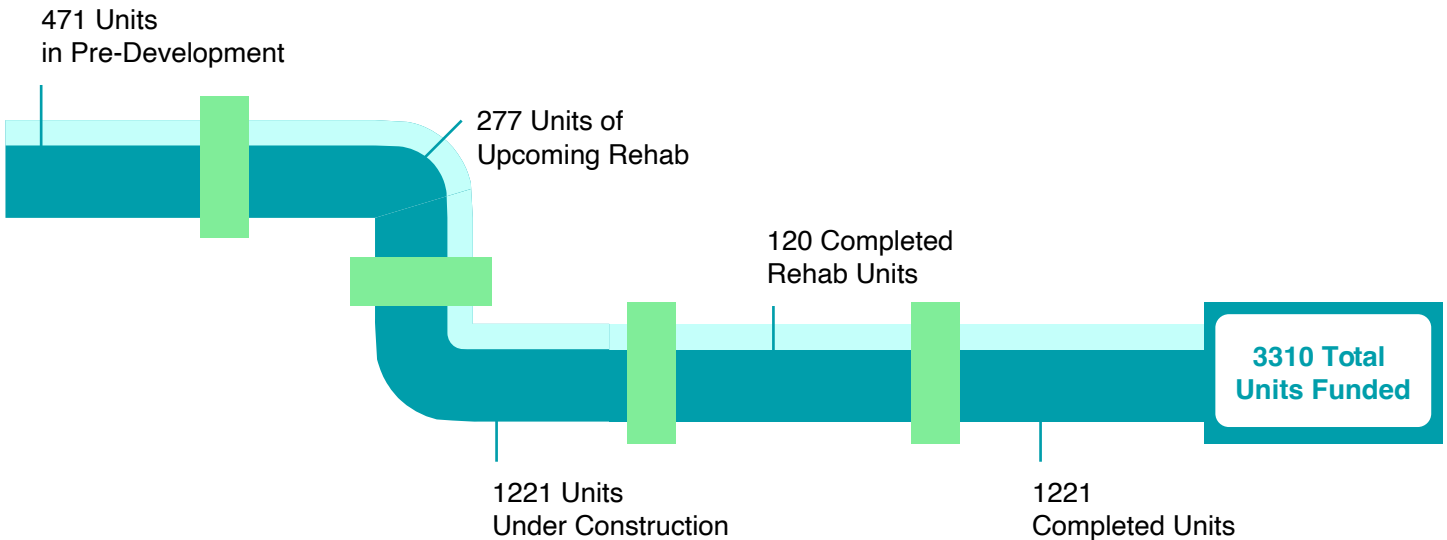
Although Barnes grantees cannot meet this need alone, Barnes-funded units provide thousands of Nashville residents with a safe, affordable home and help ensure community stability across Davidson County. Barnes has proven since 2013 to be one of the most reliable and functional tools of Nashville's housing strategy.

As more housing tools come online to address different areas of affordable housing needs in Nashville, Barnes continues to adapt. The Housing Trust Fund Commission acknowledges that in addition to growing the unit count, Barnes can assist by creating deeper subsidies for harder to house populations, new or scaling developers, and innovative solutions that lack the first money into a project.

Barnes Funded Unit Growth

Barnes Fund grants have directly invested in developing or preserving more than 3300 units of income-restricted affordable housing since the first grant round closed in 2014.

- 331 units of Homebuyer units
- 397 units of single-family homeowner rehabilitation
- 2574 units of new or preserved rental housing



Cumulative Units Developed

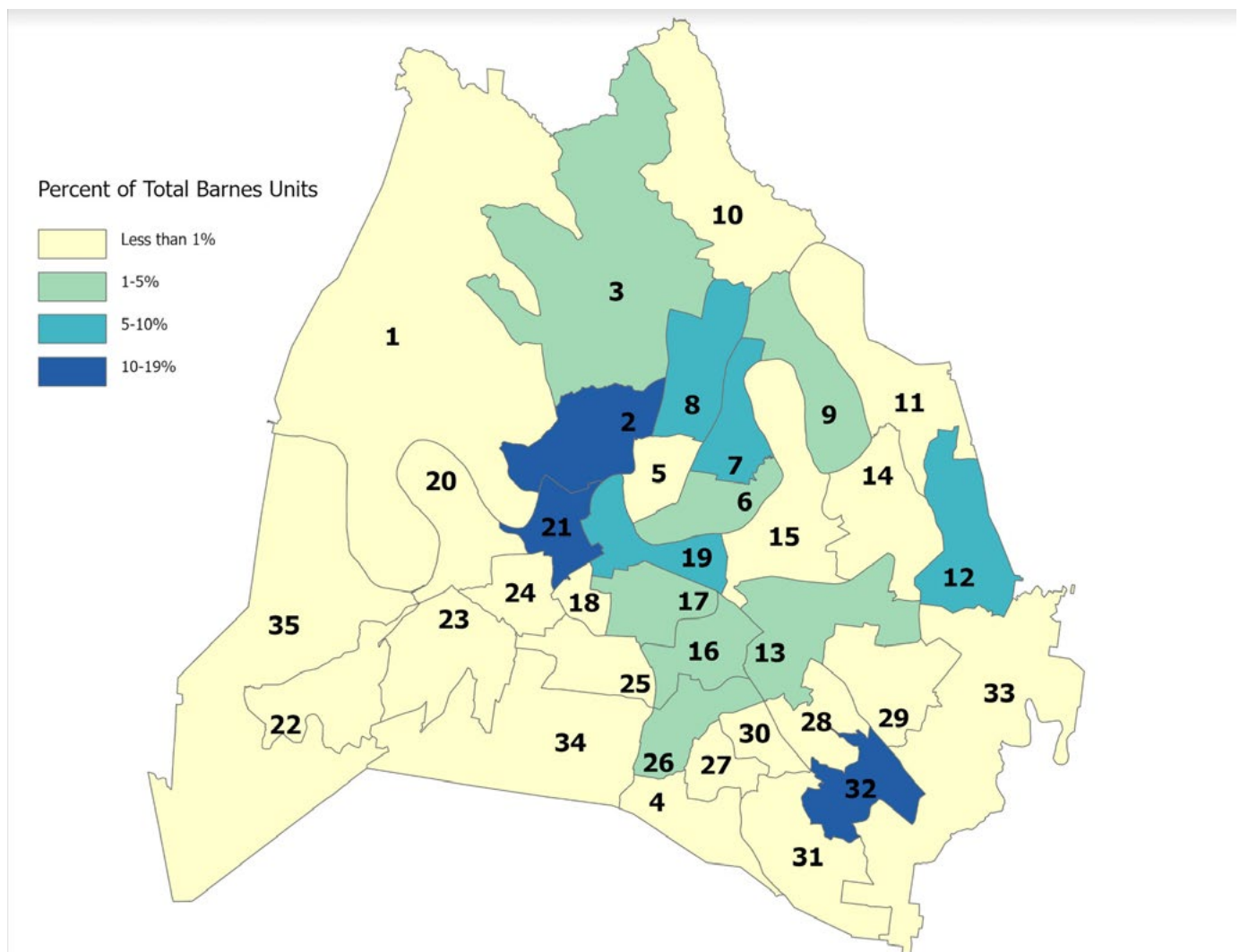
Years (100 unit increments)	Units
2015	43
2016	539
2017	539
2018	1114
2019	1455
Years (500 unit increments)	Units
2020	2014
2021	2439
2022	3310

*our graph begins in 2015 when the first units of Barnes were completed

= 100 = 500

All Units Map

Although it is important that Barnes continues to be mindful of unit growth and investment per unit, Barnes is also committed to growing the capacity of traditionally underfunded small organizations through deeper investments that catalyze growth.



How Barnes Measures Success: Leveraged Funding


What is Leveraged Funding?

For housing development, leveraged funding includes many diverse funding sources such as grants, tax credits, and debt to complete a project. The combination of these revenue sources is often referred to as the 'Capital Stack' for a capital project. As a housing trust fund, Barnes can be more flexible than other funding sources. When Barnes commits monies in a grant award, developers can then take that commitment to other funding sources and leverage it to obtain more funds for their capital stack.

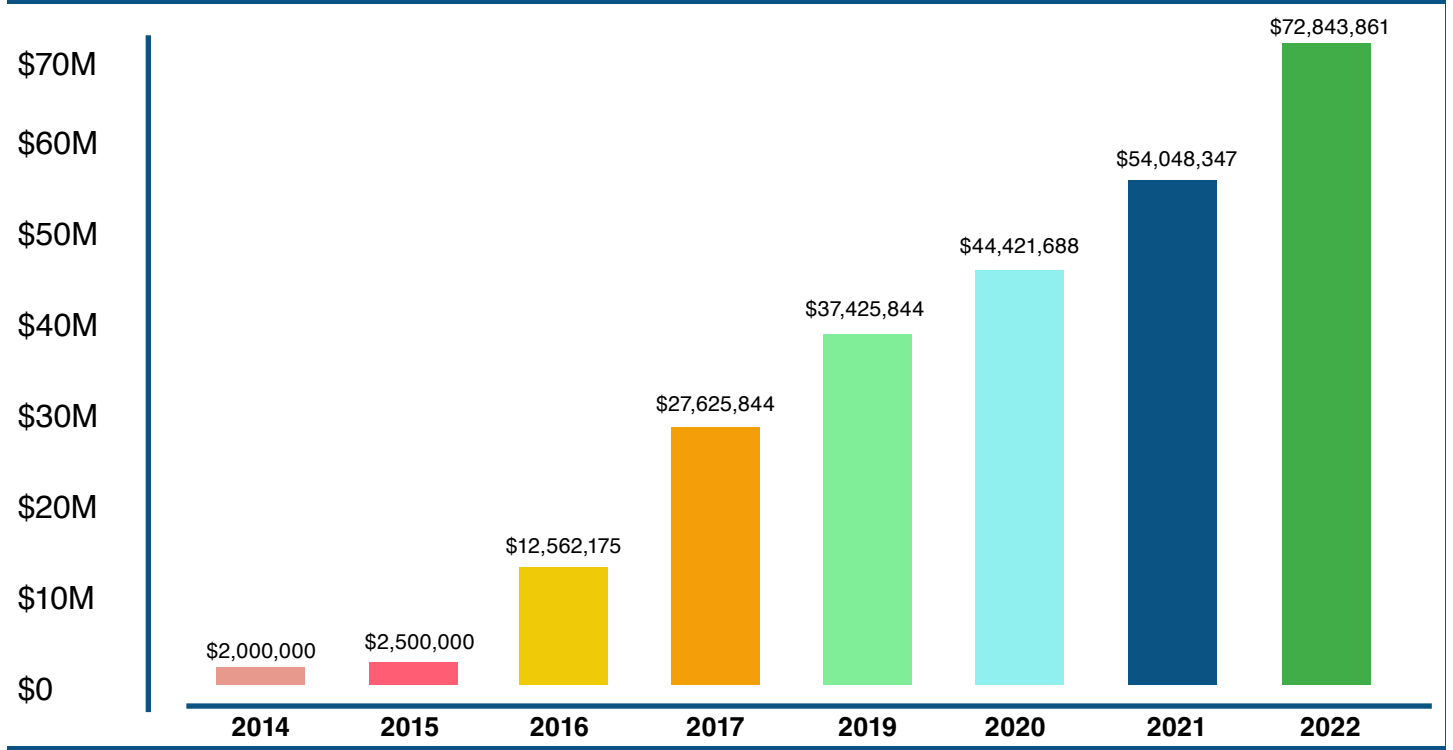
When Barnes contributes the first grant funds to a capital stack, it offers legitimacy and valuable risk mitigation for other funders.

For experienced developers, Barnes offers crucial equity to access additional debt.

Investments

<p>Total Portfolio</p> <p>\$72,843,861</p> <p>awarded by Metropolitan Housing Trust Fund Commission</p> <p><i>which led to</i></p> <p>\$607,478,635</p> <p>in private sector, philanthropic, state and federal funding to create and preserve housing across Nashville</p> <p>8:1 leverage</p>	<p>Spring Round 9</p> <p>\$16,497,279</p> <p>awarded by Metropolitan Housing Trust Fund Commission</p> <p><i>which led to</i></p> <p>\$182,741,942</p> <p>in private sector, philanthropic, state and federal funding to create and preserve housing across Nashville</p> <p>11:1 leverage</p>	 <p>86 Metro Owned Properties</p> <p><i>donated to affordable housing developers with</i></p> <p>\$4,326,700 collective land value</p>
--	--	---

Total Barnes Funding



Looking Forward

FY23 Funding Rounds

The Barnes fund plans to finalize the ARPA funding round in fall 2022 and open a new funding round in spring 2023.

Strategic Planning

With new commissioners, the Barnes Fund will further its strategic planning into 2023 and develop updated milestones.

New Housing Tools

The Housing Division will continue to add new resources and staff to its toolbox to better serve Nashville and Davidson County in its second year.

Barnes Dashboard

The first iteration of a public-facing dashboard with Barnes data will be available in FY23.

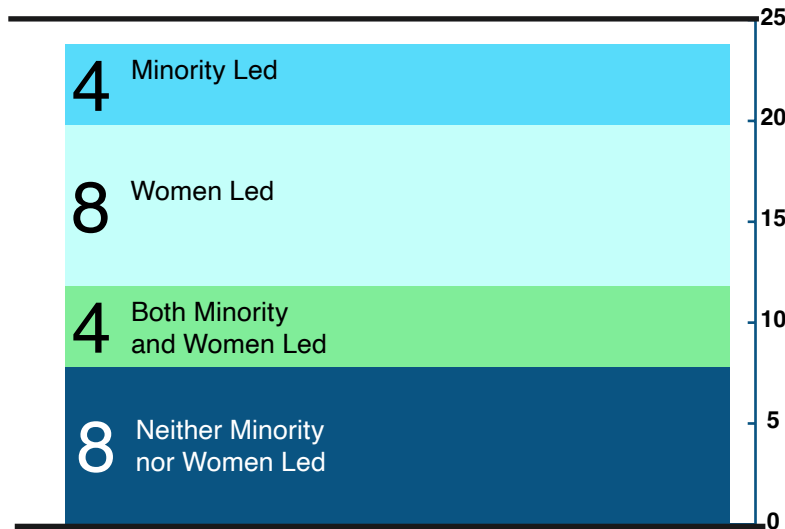
Support

The work of Barnes would not be possible without the support of the community partners that implement this funding.

Diversity Breakdown

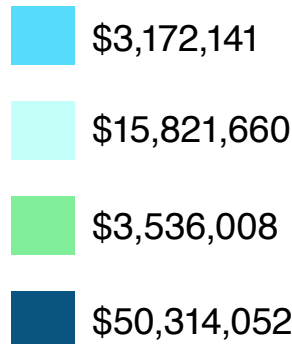
24 Organizations

67% have gender or racial diversity



\$72,843,861
in Funding

31%
of funds allocated
to Diverse Organizations



Support cont.

Funding Breakdown

Be A Helping Hand	\$1,731,585
Crossbridge, Inc.	\$1,876,118
Crossroads Campus	\$1,033,492
Dismas	\$3,000,000
William Franklin Buchanan CDC	\$34,845
Living Development Concepts	\$591,555
Mary Parrish	\$607,000
Mending Hearts	\$1,549,403
New Level CDC	\$2,708,891
Our Place Nashville	\$3,285,877
Project Return	\$271,000
Rebuilding Together	\$3,039,281
Renewal House	\$1,851,760
Habitat for Humanity	\$9,879,183
Affordable Housing Resources	\$1,648,990
The Housing Fund	\$250,000
Urban Housing Solutions	\$15,483,768
Westminster	\$315,238
Samaritan Recovery Community	\$2,296,862
Woodbine	\$17,190,011
Aphesis House	\$599,000
Inspiritus, Inc.	\$2,500,000
Clark UMC CDC	\$100,000
TVA dba Pathway	\$1,000,000

The Commission is dedicated to the capacity growth of smaller organizations with the goal of widening the developer pool, especially for traditionally underfunded organizations.

As an action step, the legislation passed by BL2021-725 dedicated 20% of grants for small organizations.

Although the measurement of DEAI by organization leadership is not the only way to gauge the DEAI of an organization, it is one metric that is easily tracked.

The Commission recognizes the critical need to continue this work through future policies and grant rounds to become more reflective our community at large.

Quick Facts



11:1

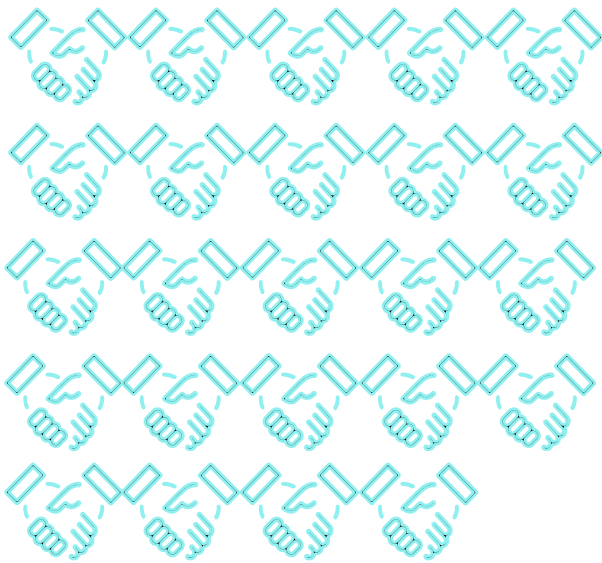
Leverage of Barnes Investment in Round 9



8:1

Total Portfolio Leverage

24 Community Housing Partners



86
Property Donations



Acknowledgements

We would like to thank the Metropolitan Housing Trust Fund Commission, who governs The Barnes Fund, for their continued guidance and support.

Gina Emmanuel, Chair Councilmember Zulfat Suara

Kaki Friskics-Warren Chris Ferrell*

Jim Schmitz Maria Carmen Jackson+

James Simmons Peter Westerholm+

*Commission term ending in 2022

+Commission term beginning in 2022

Resources

For more information about the Barnes Fund, affordable housing, and the housing needs of Nashville:

[Barnes Fund](#)

[2021 Affordable Housing Task Force Report](#)

[Affordable Housing 101 | Civic Design Center](#)

“My hope of ours is that as The Barnes Fund expands, it can become the vehicle for long range and serious change in Metro.”

Reverend Bill Barnes