

**ORDINANCE NO. BL2018-1439**

**An ordinance amending Section 2.149.040 of the Metropolitan Code of Laws to authorize the Metropolitan Housing Trust Fund Commission to rescind grant contracts and collect funds previously allocated to organizations that fail to execute contractual obligations in a timely manner.**

WHEREAS, the William Barnes Fund for Affordable Housing (the "Barnes Fund") was established in 2013 as a housing trust fund for Metropolitan Nashville and Davidson County to target households earning less than 80% of the HUD area median family income and to help address critical housing needs; and

WHEREAS, in conjunction with the Barnes Fund, the Metropolitan Housing Trust Fund Commission ("the Commission") was simultaneously created in 2013, pursuant to Ordinance No. BL2013-487, to oversee the management and operation of the Barnes Fund, among other duties; and

WHEREAS, the Commission was tasked with overseeing and administering the Barnes Fund in a way that would position it to attract investment and provide good quality affordable housing to boost the prosperity of the entire community; and

WHEREAS, the powers and duties of the Commission include making recommendations to the Metropolitan Council regarding the awarding of grants from the Barnes Fund, including funds appropriated yearly by the Council through the operating budget ordinance, to deserving nonprofit organizations and nonprofit civic organizations; and

WHEREAS, pursuant to section 2.149.040.G of the Metropolitan Code of Laws, the criteria for the awarding of grants from the Barnes Fund are established by the Commission; and once funds have been appropriated to the deserving nonprofit organization(s), the Commission must enter into a grant contract with the organization.

WHEREAS, Tenn. Code Ann. § 7-3-314 allows county legislative bodies with metropolitan forms of government to appropriate funds for the financial aid of nonprofit organizations or nonprofit civic organizations. Such appropriations must be in accordance with the guidelines of the metropolitan government which must provide generally that any funds appropriated shall be used to promote the general welfare of the residents of the municipality; and

WHEREAS, upon the award of grants from the Barnes Fund, if the recipient organization fails to execute its obligations under the grant contract in a timely manner, the appropriation is unlikely to be promoting the general welfare of the residents of Nashville and Davidson County; and

WHEREAS, it is therefore in the best interests of the citizens of Nashville and Davidson County that the Metropolitan Housing Trust Fund Commission be authorized to rescind grant contracts and to collect grant funds awarded pursuant thereto should the recipient organization fail to execute its obligations under the contract within a period of twenty-four (24) months.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That Metropolitan Code of Laws Section 2.149.040 is hereby amended by deleting subsection G in its entirety and replacing it with the following:

- G. 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. In the event the recipient organization fails to complete its obligations under the grant contract within twenty-four (24) months from execution, the commission shall be authorized to rescind the contract and to reclaim previously appropriated funds from the organization, subject to terms and conditions within the grant contract allowing for such.

Section 2. That this Ordinance shall take effect from and after its passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

SPONSORED BY:

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Colby Sledge  
Member of Council