



Metro Nashville-Davidson County Barnes Fund for Affordable Housing Fall 2023 Grant Policy Round 12: ARPA Special Funding

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BARNES FUND HISTORY

In 2013, Mayor Karl Dean and the Metro Council created Metro Nashville's first housing trust fund to leverage affordable housing developments throughout Davidson County. Named after Reverend William Barnes who worked tirelessly over five decades to improve the lives and housing conditions of Davidson County residents, the Barnes Fund continues that legacy today by granting funds to community efforts that encourage and preserve affordability. The Barnes Fund utilizes operational and other Metro dollars and other donations by awarding proposals that encourage the preservation or construction of affordable homeownership, rehab, and rental opportunities, as well as other supportive efforts that catalyze long-term affordability.

To address critical housing needs, the Barnes Fund supports households with incomes at or below 80% of the HUD area median income (AMI). The Metropolitan Housing Trust Fund Commission provides oversight and administration of the Barnes Fund. The Commission is dedicated to excellent stewardship and investment opportunities that both fulfill the mission of the Barnes Fund and boosts prosperity for the entire community.

Through Round 11, over \$104 million dollars has been granted through the Barnes Fund to create and preserve over 4,800 units of affordable housing throughout Davidson County.

GENERAL FUNDING INFORMATION AND PROCESS

The Metropolitan Nashville and Davidson County operating budget allocates annual funding to the Barnes Fund at the discretion of the Mayor and Metropolitan Council. Each year, the Metropolitan Council allocates a budget comprised of operational dollars and a percentage of short-term rental tax revenue to the Barnes Fund for Affordable Housing. From time to time, the Metro Council may allocate other funds to the Barnes Fund, such as American Rescue Plan Act (ARPA) dollars. The Housing Trust Fund Commission, which oversees the Barnes Fund, determines the amount allocated to each 'round' of funding and utilizes a competitive application model.

Barnes Fund Project Types

Four types of projects are considered for funding:

1. **Affordable Rental Development**
2. **Affordable Homeowner Development**
3. **Owner-Occupied Rehab**, or rehabilitation of existing affordable owner-occupied homes
4. **NEW CATEGORY: Nonprofit-Owned/Operated Rehab (Acquisition/Rehab/Rental)**, or projects where nonprofit organizations acquire and repair existing homes to rent out to program participants

We encourage one application per organization in one category. At a maximum, an organization can submit two applications, provided that the applications are for different funding grants and are for two different development projects.

Once the application window opens, applicants may submit questions in writing to the Housing Trust Fund Manager during the two weeks immediately following the application window opening. The application window generally is open for 30-45 days (will be specified in the Round Timeline). After the application window closes, Barnes staff may ask applicants to clarify aspects of their proposals at the request of the review committee prior to making a recommendation for funding to the Housing Trust Fund Commission.

All applications are reviewed by staff and by a committee of volunteer experts. All review committee members are screened for any potential conflicts of interest. If any reviewer states that they are directly associated with any applicant either professionally or personally, they are ineligible to participate in the review process.

Funding guidelines and an associated scoring matrix determine project scoring and rank. Awards are made to the top scoring applications in each of the funding categories.

Award adjustments may be recommended by the review committee and/or the Housing Trust Fund Commission depending on the funding available and the number of applications received. The Barnes Fund receives requests for, on average, about twice as much funding as is available. This is a very competitive grant opportunity. Scoring feedback and suggestions for improvement can be submitted to karin.weaver@nashville.gov after awards have been announced. Declined applicants will be offered a chance to review the declined application with the Affordable Housing Program Manager after awards are announced.

If a proposal receives an award recommendation by the Housing Trust Fund Commission in an affirmative vote, a contract between Metro and awarded applicants will be recorded through a legislative resolution that must be passed by Metro Council. This contract outlines the invoicing procedure (draw requests) for each awarded applicant. Please note the Barnes Fund remits payment on a reimbursement schedule. All work is to be catalogued, invoiced, paid, and inspected prior to the remittance of Barnes funding.

IS BARNES FUNDING RIGHT FOR ME?

All General Applicant Requirements

- Applicant must be a 501(c)3 nonprofit. The nonprofit may partner with a for-profit developer as long as the nonprofit maintains 51% control of the development. Team and partnership structures should be described in the application.
- Nonprofits who serve their mission through housing, but whose mission is not specifically the creation or preservation of housing, must partner with an experienced general contractor or other experienced partner with development experience. This includes nonprofits seeking to grow their housing expertise.
- Contract terms are for 24 months, and the proposed project must be completed within that timeframe unless an approved contract extension is granted by the Commission. ARPA funds must be expended by December 31, 2026, and no contracts will be extended beyond that date. See Contract Extension policy on page 27.
- Previously funded grantees must be in good standing with the Commission based on their project completion and progress within their contract period.
- Applicants are encouraged to have multiple funding sources outside of the Barnes request.

ARPA Applicant Requirements by Project Type

I. Shared Housing Improvements Applicant Requirements

- Residents served must be 62+ years of age and be homeowners at or below 80% of the Area Median Income; cannot be delinquent on property taxes and mortgage payments (if applicable) unless they are participating in an assistance program; and must have an active homeowners insurance policy.

- Unless otherwise prohibited by local, state, or Federal law, these programs will be open to all at-risk older adults (defined above) regardless of immigration status.
- An investment per unit can be up to 25% of the value of the improved home (per Metro tax assessment), not to exceed \$70,000. Lien on the home is based on the loan amount as follows:

Loan Amt	Up to \$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
Lien	2 years	3 years	4 years	5 years	6 years	7 years	8 years

- Applicant must have demonstrated experience serving older adults.
- Maximum Development Fee allowed is 20%. Higher points may be earned by projects where the Developer Fee is 10% or less.
- Proposals must include Universal Design Checklist.
- Project proposals must meet Energy Efficiency and Sustainability Checklist standards.

II. Shared-Equity Homeownership and Co-op Housing Project Applicant Requirements

- All Barnes-funded Shared Equity Homeownership units must serve residents at 80% AMI or below per the annual HUD AMI adjusted for family size. Cooperative Housing units must serve residents at 50% AMI or below.
- Loans provided by the nonprofit must meet or exceed FHA standards of lending for homebuyers.
- Barnes-funded homes must remain affordable for the 30-year affordability term. Applicants will be asked to describe how they will ensure affordability.
- Applicants are encouraged to have strong land control for the proposed development prior to applying.
- Developer Fee must be below the program maximum of the total project budget request from Barnes. Higher points will be given to projects where the Developer Fee is 10% or less.
 - Grant 2 - ARPA Cooperative Housing for Families: developer fee maximum is 25%.
 - Grant 3 - ARPA Shared Equity Construction: developer fee maximum is 20%.
- Proposals must include Universal Design Checklist.
- Project proposals must meet Energy Efficiency and Sustainability Checklist standards.

III. Minimum Standards Required for Consideration

Several minimum standard criteria must be met in order to be considered for funding.

NOTE: If these criteria are not met, staff will not advance the application for further review.

A. Complete Application and Attachments

- All applications must be completely filled out.
- All uploads required for the relevant category must be attached, including Universal Design Checklist, Affirmative Marketing Plan, and Energy Efficiency and Sustainability Checklist. and Diversity, Equity, Accessibility, and Inclusion (DEAI) Matrix (All are available on [Barnes Housing Fund Applications | Nashville.gov](#))

B. Financial Standing

- All nonprofit Lead Applicants must have good financial standing and a positive cash flow.
- Organizations with an annual budget above \$500,000 must provide an audit with no findings for the Lead Organization, completed within the past 24 months. Small Organizations with annual budgets of \$200,000 to \$500,000 must provide Financial Statements completed by an independent CPA.

C. Organizational/Partnership Structure

- Organizational information must be complete. All partners are listed.
- Applicant must be a 501(c)3 nonprofit organization.
- No part of the leadership team is involved in a lawsuit or subject to outstanding claims related to safety violations or wage payments.
- Portion of administration (developer) fee to be paid by Barnes does not exceed the maximum developer fee allowed for the project type. See Section I and II under General Applicant Requirements above.

D. Due Diligence:

- Applicants will describe the level of due diligence performed to understand zoning, permitting, and code requirements for the proposed project.
- Level of design for the proposed project must be specified
- Because ARPA funds have strict expenditure deadlines, applicants are encouraged to submit proposals for projects that meet zoning and land use requirements.

ROUND 12 FUNDING AMOUNT

Round 12: ARPA Special Funding will consist of \$17,704,856 in American Rescue Plan Act (ARPA) funding for three initiatives:

• ARPA Aging in Place – Shared Housing Improvements	\$ 1,200,000
• ARPA Innovative Housing Solutions – Cooperative Housing for Families	\$ 7,000,000
• ARPA Shared Equity Housing	<u>\$ 9,504,856</u>
Total ARPA Funding Round 12	\$17,704,856

Small organizations with budgets of under \$2M can apply for the Small Organization Set-Aside. Maximum grant that can be requested is based on a per unit subsidy but will not exceed \$750,000 by organizations whose financial stability warrants that size request.

All information related to this funding round will be posted to The Barnes Fund website at [Barnes Housing Fund Applications | Nashville.gov](#).

ROUND 12 TIMELINE AND EXPECTATIONS

- **Applications opened on November 1, 2023**, and are managed through an online application system which can be found through the Barnes webpage: [Barnes Housing Fund Applications | Nashville.gov](#)

- Please complete the online application and attach the completed relevant files using the templates located on the Barnes webpage.
- Information sessions were held November 6 and 7 and on December 20 and 21.
- Please submit questions in writing to karin.weaver@nashville.gov and rasheedah.pardue@nashville.gov.
- **Applications will close on January 22, 2024, at 11:59pm.** Late applications will not be accepted.
- The staff will conduct the internal review followed by the review committee evaluating applications from January 23 to February 6. During this cure period staff will ask clarifying questions or request additional documentation if needed. A 48-hour response is expected.
- External review will begin on February 7, 2024, and conclude February 28.
- The Housing Trust Fund Commission will vote on recommended awards at the March 26 meeting.
- Contracting with awardees will begin immediately after with a goal of a final recorded contract and associated legislation to be filed with Metro Council in May 2024.
- Unfunded applications may seek a consultation with staff to review the application in July 2024.

ROUND 12 OVERVIEW AND INSTRUCTIONS

Grant 1: ARPA Aging in Place – Homesharing (Shared Housing) Improvements

❖ **OVERVIEW**

To create safe and high-quality opportunities for inter-generational living, Metro Nashville has allocated \$1.2 million in ARPA funding to support Shared Housing Improvements for older adults ages 62 and older by making repairs and/or improvements to their existing homes to create additional living space.

Homesharing has been proven to have positive impacts for older adult homeowners. These impacts include increased sense of security, reduced social isolation while aging in place, enhanced economic security, and strengthened inter-generational connection. Notably, a growing amount of research has shown the multitude of benefits for inter-generational living.

A. Purpose

The **ARPA Homesharing Improvements** grant is intended to assist older homeowners in making repairs and/or improvements to their homes to create additional living space, including creating attached accessory dwelling units (ADUs). (Please note, detached accessory dwelling units (DADUs) are not an eligible expense.)

The primary objectives of the ARPA Shared Housing Improvement program are:

- To advance housing security for older adults while promoting additional affordable housing options within the home.
- To assist homeowners in making repairs and/or improvements to their homes to create additional living space, including developing an attached accessory dwelling unit (ADU). Housing assisted through the Shared Housing Improvements Program will be restricted for terms consistent with the Barnes Fund policies for rehabilitation activities.
- While the improvements and repairs needed may vary in scope depending on the needs of the household, awarded applicants are encouraged to provide improvements that would allow for additional safe and high-quality living spaces within the home. Investment per unit should not exceed

\$70,000 (see Eligibility Requirements, Item C, below).

B. Funding

The funding pool for this grant is \$1.2 million. Per Barnes requirements, 20% of the total allocation (\$240,000) will be set aside for small organizations.

Funding will be used for improvements and repairs for homeowners aged 62 or older, with incomes at 80% of the Area Median Income or below.

The funding must be used for one or more of the following three purposes:

- 1) To enable a space of the home to be rented through the Homesharing program;
- 2) To create a safe space for on-site care; and/or
- 3) To accommodate for multi-generational housing

NOTE: The grantee(s) selected must coordinate with the Homesharing program to promote affordable rental opportunities.

C. Eligibility Criteria

- Residents served must be 62+ years of age and be homeowners at or below 80% of the Area Median Income; cannot be delinquent on property taxes and mortgage payments (if applicable) unless they are participating in an assistance program; and must have an active homeowners insurance policy.
- Unless otherwise prohibited by local, state, or Federal law, these programs will be open to all at-risk older adults (defined above) regardless of immigration status.
- An investment per unit can be up to 25% of the value of the improved home (per Metro tax assessment), not to exceed \$70,000. Lien on the home is based on the loan amount as follows:

Loan Amt	Up to \$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
Lien	2 years	3 years	4 years	5 years	6 years	7 years	8 years

- Applicant must have demonstrated experience serving older adults.
- Maximum Development Fee allowed is 20%. Higher points may be earned by projects where the Developer Fee is 10% or less.

D. Timing

All ARPA funding must be expended by December 31, 2026. Organizations that are unlikely to meet that deadline may wish to focus on Barnes General Funding in Round 13, which is expected to open in late January 2024. A detailed timeline will be required in the Project Approach question.

❖ INSTRUCTIONS

Section I: Minimum Standards: Required Elements (Yes/No)

Explanation: Each of these items must be checked off as a YES in order for applicant to be considered for funding. If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.

1. Complete Application (REQUIRED):

Submitted applications must be complete.

- a. All questions are answered thoroughly through entire narrative.
- b. All required uploads listed in the application are attached.

2. Financials/Audit (REQUIRED):

A. Following attachments must be submitted with application.

- a. For organizations with annual budget above \$500,000, attach Audit with no findings for lead applicant organization completed within the past 24 months.
- b. For organizations with annual budgets of \$200,000-\$500,000, attach Financials completed by independent CPA.
- c. All organizations, submit the most recent monthly financial reports presented to your Board of Directors (even if not prepared by CPA).

B through E: Each question must be answered.

F. If you wish to apply for the small organization set aside (only available for organizations with operating budgets below \$2M), you will need to limit your grant request to no more than \$750,000.

3. Organizational Information (REQUIRED):

- a. Applicant/Lead Organization must be a 501(c)3 nonprofit organization.
- b. If any of the organizations in the leadership team is involved in a lawsuit or has outstanding claims for safety violations or wage payments, STOP. Those parties may not participate in the Barnes Funding Round. Please note that more details about your organization and partnership will be required in Question 5.

4. Administration/Developer Fee (REQUIRED):

Portion of administration (developer) fee to be paid by Barnes is no more than 20% of the project's total Barnes grant request. Details will be required in Question 7.

If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.

Section II: Required Elements

5. Development Team Experience and Capacity (10 pts)

- A. A primary nonprofit Lead Organization is required to be the direct contact and accountable partner. Information provided should be for the 501(c)3 Lead Organization.
- B. Later in this question, you will answer questions about your team members' individual expertise. However, this part is about the shared experience of the partnership as a whole.
 - a. How many similar projects has your team completed?
 - b. Over how many total years?
I.e., if Nonprofit ABC has done 2 projects like this over the past 5 years, and Developer XYZ has done 5 projects like this over the past 3 years, the answer to the question would be 7 projects over 5 years.
- C. Please describe the team's bonding capacity.
- D. Experience of leadership team members: Please fill out the questions (name, title, organization, and years of experience) specifically for each person taking a leadership role in the partnership. Please include resumes of key personnel.
- E. Lead Organization must be responsible for at least 51% of the project. You must demonstrate that the Lead Nonprofit is actually leading the project, list the other organizations, and describe how the relationship will work between the partners (i.e., between the lead nonprofit and the for-profit developer, for example). An example:

Sample Model: Nonprofit Developer

- *Nonprofit is the lead developer and will manage all rehab construction aspects of the project, such as:*
 - *Identify, acquire, and hold property that is suitable for their intended use*
 - *Assemble the team of specialists – architects, engineers, and contractors – needed to carry out each project*
 - *Assemble both short-term and long-term financing*
 - *Manage the project through all of its phases: predevelopment, construction, occupancy*
 - *Ensure that clients receive appropriate education or counseling to understand process and responsibilities*
 - *Ensure compliance with affordability constraints*

- *Other nonprofit organizations or for-profit organizations may be engaged and managed by nonprofit developer to provide services included in the project, such as:*
 - *Homeowner counseling*
 - *Wrap-around services*
 - *Other services critical to success of the project*

You will be required to describe in detail the roles, responsibilities, and overall structure for your project to show that the nonprofit is the Lead Organization and has at least 51% of the leadership for the project.

F. Experience & Community Partnerships: We are looking specifically for your team's experience with doing rehab on homes of various scale, including ADUs, as well as expertise working with older adults.

6. Funding Sources and Uses (formerly called Capital Stack) (10 pts)

To receive points, Applicants generally need to request 50% or less of their total project budget in order to score full points. If you request more than 50% of total project budget, the application would be allowed but would be scored accordingly. Ideally you should also have committed funding for the remaining balance, usually from several sources. Funding sources may include private loan, non-federal match, and/or organizational equity. You'll need to include Letters of Commitment or similar confirmation for funding partners. If you have some funding that is not yet confirmed by the date of application, we will still consider your application but please be advised that your scoring will likely be lower on this question than other applicants who have secured their funding.

7. Administration/Developer Fee (10 pts)

Portion of administration (developer) fee to be paid by Barnes is no more than 20% of the project's total Barnes grant request. In an effort to be good stewards of our funding, we will generally award more points on this question to the organizations that have lower development fees (10%, etc.) even though 20% is allowed. Applicant should provide thorough detail on the use of the fee.

If other consultants or services are needed to supplement expertise, Applicant should provide named of committed partners, such as design consultants, and estimates for their fees.

Total Required Elements Sections I & II points available: 30

Applicants must meet threshold of at least 15 points available to continue to Section III: Evaluation Criteria.

Section III: Evaluation Criteria

8. Project Approach (15 pts)

Use this section to describe all aspects of your project, processes, and timeline. Applicant selection process should be detailed, clearly stating required qualifications for applicants, what income levels are served, and how applications will be prioritized. Rehab process descriptions should include details about construction standards, feedback from the resident, and follow-up during the warranty period to ensure work standards. Because ARPA must be expended by 12/31/2026, the timeline should clearly demonstrate that all funds will be expended within the contract period of 24 months for maximum points.

9. Marketing and Outreach (15 pts)

The goal of Barnes Fund grants is to make sure that all Nashvillians have access to affordable housing. As part of that goal, high scoring applicants will include in their proposals detailed plans to reach out to older adults in various communities to reach different cultures, neighborhoods, languages, etc., to make sure all are aware of your programs and development. Community recruitment also includes outreach to diverse

community groups and trusted community advocates for older adults. High scorers will have an Affirmative Marketing Plan to reach multiple cultural communities, collaborate with more than one trusted community organization, develop significant relationships, and show a strong commitment to understanding the current community needs through assets such as a community needs assessment, survey, or other such data analysis.

10. Participant Engagement Details (15 pts)

Describe how homeowners will be engaged in all aspects of the improvement process. Applicants should demonstrate a clear plan for homeowner education about the lien and rehab process, and how significant improvements would differ from minimal repairs. Also please show that your organization (or a partner) has a strong understanding of resources available for older adults and how you will connect homeowners with such resources.

11. Design (15 pts)

It is the expectation of the Commission that all proposed projects will incorporate thoughtful, appealing design and be built with high-quality, energy efficient products and systems. Neighborhoods change rapidly and it is not wholly necessary for the development to meet the exact specifications of the current housing stock. Barnes-funded designs should be sustainable, high-quality, and considerate to neighborhood character, changes, and expectations. To move in this direction, Barnes-funded projects are required to be sensitive to Universal Design and visitability standards. Project includes criteria from the Metro Housing Trust Fund Universal Design Checklist, and meeting a larger number of criteria will be considered in the scoring matrix. The checklist should be submitted with application.

12. Sustainability & Resilience (15 pts)

Applicant goes well above and beyond requirements associated with sustainability and resiliency by placing a clear emphasis on sustainable building design, operation, and owner experience. Project includes criteria from the Energy Efficiency & Sustainability Checklist, plus 3 or more criteria such as:

- A) Energy efficient repairs
- B) Sustainable policies on construction waste
- C) High performing and sustainable building materials

Total points available for Sections I, II, and III before Bonus Points Section: 105

Applicants must have a cumulative score of at least 50 points before bonus points in order to be considered for funding.

Section IV: Bonus Section

Bonus points may be awarded to proposals that address the following criteria through their narrative and proposed project design. Funding priorities allow the Commission to prioritize different aspects of proposals depending on the changing housing environment for each funding cycle. For this funding round, the Commission has chosen the following criteria for additional consideration:

13. Diversity, Equity, Accessibility, and Inclusion (5 points)

Diversity, equity, accessibility, and inclusion are essential to the work of all organizations serving communities. Research has shown that more diverse organizations both perform better and can deliver more appropriate offerings to existing homeowners with cultural humility. Housing is both deeply personal and communal, and as such applicant organizations that show a commitment to DEAI through both their work and policies internally and externally are more equipped to ensure that the housing they provide is both dignified and suitable for the populations they serve. Housing specifically has a well-documented history of racist laws and practices. Thus, purposeful and proactive policies to redress racial harms are critical to the future of housing policies.

Applicant goes above and beyond representation in terms of equity. Board and staff are representative of

the communities they serve.

- Proposal includes 3 or more examples of additional efforts for DEAI practices such as:
- Innovative incorporation of user experience or lessons learned from previous projects
- Policies promote resident dignity
- Subcontracting promote inclusion beyond representation
- Narrative shows a commitment to underrepresented people and minority groups that have historically been excluded from the benefits of housing policies
- Diverse outreach to community groups including partnerships with culturally competent organizations with language access for homeowners
- Number of accessibility points for differently-abled persons

Additional information about the history of Nashville's policies and priorities were outlined in [Mayor Cooper's 2021 Affordable Housing Task Force report](#).

14. Deeply Affordable Housing (5 points)

Program targets at least 10% of households with incomes below 30% AMI. Households with incomes below 30% AMI are most vulnerable to housing insecurity. Provide details of how your project will serve that population.

15. Safe and High-Quality Living Spaces (5 points)

While the improvements and repairs needed may vary in scope depending on the needs of the household, describe improvements to be provided that would allow for additional safe and high-quality living spaces within the home.

Total points available for Bonus Points Section: 15

Total points available for Sections I, II, III, and all Bonus Points: 120

Grant 2: ARPA Innovative Housing Solutions – Cooperative Housing for Families

❖ OVERVIEW

The **ARPA Cooperative Housing for Families** grant is for \$7,000,000 intended to fund the creation or preservation of cooperative housing units for families at or below 50% AMI in a mixed-income environment.

In Davidson County, 38% of all households with children under the age of 18 are earning below 60% of the area median income (AMI) and more than 2/3 of these households are cost burdened. Utilizing resources to advance housing options for families has far-reaching implications for other aspects of families' and children's lives, including increased economic stability, improved health, and increased educational achievement.

In addition to cost, a primary threat to housing stability for families is displacement from existing housing especially when affordable inventory is extremely limited. Traditional funds for affordable housing often limit creativity and innovation needed to expand housing options for families.

Cooperative housing offers an innovative, non-traditional option for families through equitably shared ownership and control. Cooperative means the resident shares in the autonomy of their environment. Cooperative insinuates a model which provides renters with homeownership benefits, primarily housing security and, if possible through additional philanthropic funding, long term wealth generation. This is a creative model, and we are looking for applicants to provide creative proposals to achieve this goal. The model will not look exactly like home ownership but the goal is to provide housing security that is more robust than a typical rental

agreement.

Co-op models decrease the barrier to entry of ownership and increase housing security. In addition to offering needed housing security, co-op housing for families below 50% of the AMI could yield positive impacts on educational outcomes, health access and job security.

A. Purpose

The **ARPA Cooperative Housing for Families** funding is intended to fund the creation or preservation of units for families at or below 50% AMI in a mixed-income environment. Competitive proposals will reflect a deep understanding of how to support the launch of a cooperative housing model for families at or below 50% AMI and how to prioritize at-risk families.

The primary objectives of the **ARPA Cooperative Housing for Families** program are:

- New construction or conversion of existing housing to a cooperative in order to create housing security for existing residents at or below 50% AMI.
- Units must remain affordable for a minimum of 30 years.
- Create strong partnerships for this program as strong, sustainable delivery involves intimate knowledge of best practices for all aspects of the cooperative model.
- Build a local system of expertise that can replicate this model beyond this current funding round.

B. Funding

The funding pool for this grant is \$7.0 million. Per Barnes requirements, 20% of the total allocation (\$1.4M) will be set aside for small organizations.

Funding will be used to:

- Convert existing rental housing into a cooperative housing community in order to create housing security for existing residents OR
- Build new construction of a cooperative community for families below 50% AMI.

For new and conversion: Applicant should use application to demonstrate thoughtful approach to prioritizing housing security while also achieving goal of housing families below 50%AMI.

C. Eligibility Criteria

- Units must remain affordable for a minimum of 30 years
- Resident income limits for participation in this grant are capped at 50% AMI
- Program will prioritize at-risk families that are facing or experiencing a housing crisis, such as:
 - i. Experiencing homelessness
 - ii. One or more forced moves in the past 12 months
 - iii. Doubled-up for economic reasons or living in hotels or motels
 - iv. Severely cost burdened – paying more than 50% of their income on housing costs

- v. Missed one or more rent or utility payments in the past 12 months
 - vi. Received an eviction noticed an/or was evicted in past 12 months
 - vii. A family who is fleeing or attempting to flee domestic violence
 - viii. Loss of employment or reduction in wages.
 - ix. Unless otherwise prohibited by local, state, or Federal law, these programs will be open to all at-risk families (defined above) regardless of immigration status.
- Proposals should clearly demonstrate how the co-op will be structured and managed as well as anticipated fees. Applicants are encouraged to have strong land control for the proposed development prior to applying.
 - Developer Fee must be at or below 25% of the total project budget request from Barnes.

D. Timing

All ARPA funding must be expended by December 31, 2026. Organizations that are unlikely to meet that deadline may wish to focus on Barnes General Funding in Round 13. A detailed timeline will be required in Question 8.

❖ **INSTRUCTIONS**

Section I: Minimum Standards: Required Elements (Yes/No)

Explanation: Each of these items must be checked off as a YES in order for applicant to be considered for funding. If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.

1. Complete Application (REQUIRED):

Submitted applications must be complete.

- a. All questions are answered thoroughly through entire narrative.
- b. All required uploads listed in the application are attached.

2. Financials/Audit (REQUIRED):

A. Following attachments must be submitted with application.

- a. For organizations with annual budget above \$500,000, attach Audit with no findings for lead applicant organization completed within the past 24 months.
- b. For organizations with annual budgets of \$200,000-\$500,000, attach Financials completed by independent CPA.
- c. All organizations, please submit the most recent monthly financial reports presented to your Board of Directors (even if not prepared by CPA).

B through E: Each question must be answered.

F. If you wish to apply for the small organization set aside (only available for organizations with operating budgets below \$2M), you will need to limit your grant request to no more than \$750,000.

3. Organizational Information (REQUIRED):

- a. Applicant/Lead Organization must be a 501(c)3 nonprofit organization.
- b. If any of the organizations in the leadership team is involved in a lawsuit or has outstanding claims for safety violations or wage payments, STOP. Those parties may not participate in the Barnes

Funding Round. Please note that more details about your organization and partnership will be required in Question 5.

- c. The percentage of total Barnes request that will be used for your administration/development fee cannot exceed 25%.

4. Due Diligence (REQUIRED):

Applicants will need to describe the level of due diligence performed to understand the zoning, permitting, and code requirements for the proposed project. If you have met with a Metro official, you will need to provide the name of the official and date of the meeting in Question 8.

You will also need to describe the level of design for the proposed project in Question 12.

Because ARPA funds have strict expenditure deadlines, applicants are encouraged to submit proposals for projects that meet zoning and land use requirements.

If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.

Section II: Required Elements

5. Development Team Experience and Capacity (10 pts)

- A. A primary nonprofit Lead Organization is required to be the direct contact and accountable partner. Information provided should be for the 501(c)3 Lead Organization.
- B. Later in this question, you will answer questions about your team members' individual expertise. However, this question is about the shared experience of the partnership as a whole.
 - a. How many similar projects has your team completed?
 - b. Over how many total years?
I.e., if Nonprofit ABC has done 2 projects like this over the past 5 years, and Developer XYZ has done 5 projects like this over the past 3 years, the answer to the question would be 7 projects over 5 years.
- C. Please describe the team's bonding capacity.
- D. Experience of leadership team members: Please fill out the questions (name, title, organization, and years of experience) specifically for each person taking a leadership role in the partnership. So your answers would look like:
 - *Executive Director: Jane Smith, Construction Director, ABC Nonprofit, Development and Construction, 25 years*
 - *Finance Director: John Brown, HUD Counseling Manager, DEF Organization, Financial expertise with low-income housing, 6 years*
- E. Lead Organization must be responsible for at least 51% of the project. You must demonstrate that the Lead Nonprofit is actually leading the project and describe how the relationship will work between the partners (i.e., between the lead nonprofit and the for-profit developer, for example). Some possible models include:

Model 1: Nonprofit Developer

- *Nonprofit is the lead developer and will manage all development and new construction or rehab construction aspects of the project, such as:*
 - *Identify, acquire, and hold property that is suitable for their intended use*
 - *Assemble the team of specialists – architects, engineers, and contractors – needed to carry out each project*
 - *Assemble both short-term and long-term financing*
 - *Manage the project through all of its phases: predevelopment, construction, occupancy*
 - *Ensure that clients receive appropriate education or counseling to understand process and responsibilities*
 - *Ensure compliance with affordability constraints*
- *Other nonprofit organizations or for-profit organizations may be engaged and managed by nonprofit developer to provide services included in the project, such as:*
 - *Resident counseling*
 - *Wrap-around services*
 - *Other services critical to success of the project*

Model 2: Nonprofit Service Provider with For-Profit Developer

- *Nonprofit is the Lead Organization responsible for the following:*
 - *Identify, acquire, and hold property that is suitable for their intended use*
 - *Ensure that clients receive appropriate education or counseling to understand process and responsibilities*
 - *Wrap-around services*
 - *Ensure compliance with affordability constraints*
- *For-profit company is the developer and will manage development and new construction or rehab construction aspects of the project, such as:*
 - *Assemble the team of specialists – architects, engineers, and contractors – needed to carry out each project*
 - *Assemble both short-term and long-term financing*
 - *Manage the project through all of its phases: predevelopment, construction, occupancy*
 - *Help provide or secure legal representation for the project closing, title, etc.*
 - *Provide financial expertise*
- *Nonprofit and for-profit will work together to develop proformas and other financial models for the project*
- *Other nonprofit organizations or for-profit organizations may also be engaged and managed by nonprofit Lead Organization to provide additional services included in the project, such as:*
 - *Resident counseling*
 - *Additional wrap-around services such as physical or mental health services*
 - *Other services critical to success of the project*

You will be required to describe in detail the roles, responsibilities, and overall structure for your project to show that the nonprofit is the Lead Organization and has at least 51% of the leadership for the project.

6. Funding Sources and Uses (formerly called Capital Stack) (10 pts)

To receive points, Applicants generally need to request 50% or less of their total project budget in order to score full points. If you request more than 50% of total project budget, the application would be allowed but would be scored accordingly. Ideally you should also have committed funding for the remaining balance, usually from several sources. Funding sources may include private loan, non-federal

match, and/or organizational equity. You'll need to include Letters of Commitment or similar confirmation for funding partners. If you have some funding that is not yet confirmed by the date of application, we will still consider your application but please be advised that your scoring will likely be lower on this question than other applicants who have secured their funding.

Due to the time sensitive nature of the ARPA funding, applications should propose projects that utilize currently available or secured funding. Catalyst should not be counted among sources and uses.

7. Administration/Development Fee (10 pts)

Portion of administration (developer) fee to be paid by Barnes is no more than 25% of the project's total Barnes grant request. In an effort to be good stewards of our funding, we will generally award more points on this question to the organizations that have lower development fees (20%, 15%, 10%, etc.) even though 25% is allowed. Applicant should provide thorough detail on the use of the fee.

Applicant has written agreements for committed consultancies or partnerships including legal, financial, and limited-equity cooperative development expertise. Lower scores will be awarded on this question for organizations that have cost estimates or informal agreements with prospective partners providing needed expertise.

8. Site Control, Zoning, and Development Timeline (10 pts)

There are two options for this question:

- Option 1: Apply for Metro-owned property available only for applicants applying for Grant #2: Cooperative Housing.
- Option 2: Applicant provides own land. This option will also apply for any applicant who does not receive the Metro-owned property.

Option 1:

For Round 12, Metro is making the property listed below available for affordable housing development through the Barnes Fund application process. Additional information on this property is available [online](#) on the Barnes Website.

- 136 Jacksonian Dr. 37076 – only available to applicants applying for Grant #3: Shared Equity Homeownership Development.

This property is currently owned by Metro Water Services and will go through the legislative process to be made available for affordable housing. We expect the process to conclude by 12/31/2023. These parcels will not be transferred through the typical quitclaim process. Rather, Metro intends for long-affordability to be maintained through either a ground lease or the use of a land trust. Metro will not require a lease payment.

An applicant must propose which option it will utilize as part of its application. Metro will not consider property requests that do not include one of these options. The Housing Trust Fund Commission and Metro Council must approve the award before construction can begin.

Applicants should consider current land use policies and zoning designations when requesting these properties, keeping in mind that the project must be completed by December 31, 2026.

In the event two or more organizations request the same lot, the property will be awarded to the organization with the highest scoring application.

Option 2:

Applicant will need to state whether they have another site if they are not awarded the Metro-owned property described above. Answering whether the title is clear and the form of the site control (option,

signed sales contract, deed in hand, or signed 99-year ground lease) will be part of Question 8 on the application.

Highest scores will go to those applicants who own the site (deed in hand) or have a 99-year ground lease, and whose property is already zoned for the proposed development. Somewhat lower scores would be awarded on this question for applicants who have signed sales contract or purchase option, but property is already zoned. If the property is neither owned by the applicant nor zoned for the development, the score on this question would likely be low. Applicants are expected to perform due diligence on and understand zoning, code, and permit requirements prior to application. Because ARPA funds must be expended by 12/31/26, proposals should include a timeline that clearly demonstrates that the project will be completed and funds expended by that date.

Total Required Elements Sections I & II points available: 40.

Applicants must meet threshold of at least 20 points to continue to Section III: Evaluation Criteria.

Section III: Evaluation Criteria

9. Project Type (15 pts)

Proposal should include converting existing rental housing to a cooperative model in order to create housing security for existing residents, or construction of a new cooperative community. Conversion is often the fastest way to set up a cooperative partnership. For conversions, applicant should address how families will be housed while their units are under renovation. Applicant should demonstrate thoughtful approach to prioritizing housing security while also achieving goal of housing families below 50%AMI.

10. Marketing and Outreach (15 pts)

The goal of Barnes Fund grants is to make sure that all Nashvillians have access to affordable housing. As part of that goal, high scoring applicants will include in their proposals detailed plans to reach out to various communities to reach different cultures, neighborhoods, languages, etc., to make sure all are aware of your programs and development. High scorers will have an affirmative marketing plan to reach multiple cultural communities, collaborate with more than one trusted community organization, develop significant resident relationships, and show a strong commitment to understanding the current community needs through assets such as a community needs assessment, survey, or other such data analysis.

Applicant should describe how program will prioritize at-risk families that are facing or experiencing a housing crisis:

- Experiencing homelessness
- One or more forced moves in the past 12 months
- Doubled-up for economic reasons or living in hotels or motels
- Severely cost burdened – paying more than 50% of their income on housing costs
- Missed one or more rent or utility payments in the past 12 months
- Received an eviction noticed an/or was evicted in past 12 months
- A family who is fleeing or attempting to flee domestic violence
- Loss of employment or reduction in wages.
- Unless otherwise prohibited by local, state, or Federal law, these programs will be open to all at-risk families (defined above) regardless of immigration status.

11. Participant Engagement Details (15 pts)

Educating new cooperative residents (existing residents) about cooperative housing, roles, and responsibilities is critical to engage them throughout the process. High scoring applicants will show a robust

plan for educating members, demonstrate experience working with multiple populations, show a strong understanding of all aspects and challenges of cooperatives, and set a path for educating partners (lenders, philanthropic partners, city officials) and the community on the cooperative model. Our goal is for applicants to show how lessons learned can be used to replicate the model for other Nashville limited-equity cooperatives.

12. Design (15 pts)

It is the expectation of the Commission that all proposed projects will incorporate thoughtful, appealing design and be built with high-quality, energy efficient products and systems. Neighborhoods change rapidly, and it is not wholly necessary for the development to meet the exact specifications of the current housing stock. Barnes-funded designs should be sustainable, high-quality, and considerate to neighborhood character, changes, and expectations. To move in this direction, Barnes-funded projects are required to be sensitive to Universal Design and visitability standards. At least 10 of the criteria on the Metro Housing Trust Fund Universal Design Checklist must be met to be considered for funding, and meeting more than 10 will be considered in the scoring matrix. The checklist should be submitted with application. For this project, units designed to serve families and therefore have 2 or more bedrooms may receive favorable scoring.

13. Sustainability & Resilience (15 pts)

Housing that is designed and built to operate with reduced environmental impacts and to withstand a variety of extreme weather events is demonstrated to provide environmental, economic, and social benefits to occupants, owners, neighborhoods, and entire communities. At least 5 of the criteria on the Metro Housing Trust Fund Energy Efficiency & Sustainability Checklist must be met to be considered for funding, and incorporating more features such as those described below will be considered in scoring.

To encourage availability of such sustainable building stock and associated benefits, funding proposals that incorporate concepts such as resource conservation, heat mitigation, access to green space, use of more stringent building codes than currently required, access to multimodal transit options, or other measures generally accepted as sustainable or resilient in excess of what is required in the checklists for universal design and energy efficiency and sustainability will be considered in scoring. The checklist should be submitted with application.

14. Access to Transit (5 pts)

Access to Public Transit is not only crucial for individuals to access high-need assets like education, employment, healthy food options, etc., but it encourages development in Nashville's transit corridors. Although immediate access within .25 walkable miles is preferred, walkable access within even a 1-mile radius of public transportation means there will be higher-quality neighboring community assets and the potential for additional downstream economic development nearby. A list of frequent transit corridors can be found below.

If mitigating distance to transit, options for residents to access transit points such as provided shuttles to transit stops and/or subsidization for residents to access WeGo will also be considered in the scoring matrix.

Total points available for Sections I, II, and III before Bonus Points Section: 120

Applicants must have a cumulative score of at least 60 points before bonus points in order to be considered for funding.

Section IV: Bonus Section

Bonus points may be awarded to proposals that address the following criteria through their narrative and proposed project design. Funding priorities allow the Commission to prioritize different aspects of proposals depending on the changing housing environment for each funding cycle. For this funding round, the Commission has chosen the following criteria for additional consideration:

15. Diversity, Equity, Accessibility, and Inclusion (5 points)

Diversity, equity, accessibility, and inclusion are essential to the work of all organizations serving communities. Research has shown that more diverse organizations both perform better and can deliver more appropriate offerings to new cooperative members with cultural humility. Housing is both deeply personal and communal, and as such applicant organizations that show a commitment to DEAI through both their work and policies internally and externally are more equipped to ensure that the housing they provide is both dignified and suitable for the populations they serve. Housing specifically has a well-documented history of racist laws and practices. Thus, purposeful and proactive policies to redress racial harms are critical to the future of housing policies.

Applicant goes above and beyond representation in terms of equity. Board and staff are representative of the communities they serve, and additional efforts are described on the DEAI matrix.

- Proposal includes 3 or more examples of additional efforts for DEAI practices such as:
- Innovative incorporation of user experience or lessons learned from previous projects
- Policies promote resident dignity
- Subcontracting promote inclusion beyond representation
- Narrative shows a commitment to underrepresented people and minority groups that have historically been excluded from the benefits of housing policies
- Diverse outreach to community groups including partnerships with culturally competent organizations with language access for homeowners
- Number of accessibility points for differently-abled persons

Additional information about the history of Nashville's policies and priorities were outlined in Mayor Cooper's 2021 Affordable Housing Task Force report.

16. Deeply Affordable Housing (5 points)

Units below 30% AMI are included in the development in a meaningful way (10% or more of included units). Units below 30% AMI are some of the most difficult units to build and maintain yet are some of the most needed units in Nashville for our most underserved populations and guarantees long-term community safety net housing.

17. Promotion of Healthy Communities (5 points)

Access to high quality affordable housing is widely recognized to positively impact health. Housing developments, especially those serving communities experiencing significant health disparities, should be intentionally designed to address the physical and behavioral health needs of residents. Proposals that promote healthy, stable living conditions will incorporate health-conscious features and amenities into their design. Applications that desire to create effective, sustainable health interventions will make a concerted effort to research health disparities within the community and seek input from residents, community members, and public health professionals. Developments that go above and beyond to promote healthy communities will be preventive in nature and designed to address neighborhood conditions or barriers to health resources.

Bonus points will be considered for applicants who demonstrate that they have assessed research, learned about health needs and inequities within the development's community, and has utilized data or analysis of projects intended and unintended impacts on Social Determinants of Health (SDOH), or has developed evidence-driven strategies to address health equity issues.

Metro Public Health Department: [2021 Health Equity in Nashville Report](#)

National Center for Healthy Housing: [Housing Standards & Principles of a Healthy Home](#) Riverside

University Health System: [Healthy Development Checklist](#)

18. Urban Zoning Overlay (5 points)

Proposals that are planned within the Urban Zoning Overlay (UZO) will receive bonus points to address geographic high-need access to housing. To determine whether a proposal is eligible, please visit the [Planning Department Parcel Viewer here](#) and check the 'Zoning History' tab once you locate the proposed parcel by address or ID. If you see OV-UZO in the Zone Code, it is within the Urban Zoning Overlay. More information about [how to use the Parcel Viewer can be found here](#). Any funding not utilized in this organization prioritization will be reallocated to the broader funding pool.

19. Walkability and Food Access (5 pts)

Bonus points will be awarded to accessible, connected developments. Determine the walk score for the proposed development including transit access, walkability and amenity access including access to grocery stores at <https://www.walkscore.com/>

Total points available for Bonus Points Section: 25

Total points available for Sections I, II, III, and all Bonus Points: 145

Grant 3: ARPA Shared Equity Housing

❖ **OVERVIEW:**

The **ARPA Shared Equity Housing** grant is for \$9,504,856 and is intended to fund the creation or preservation of housing for shared equity homeownership for populations with incomes at or below 80% AMI with historical barriers and demonstrated inequities in homeownership. The Shared Equity grant is a development subsidy for an organization to construct housing to be sold using a shared equity model.

Racial inequity permeates Nashville's past and present – and housing is no exception. While existing Fair Housing policies are intended to protect vulnerable communities, many Black and brown Nashvillians still face housing discrimination. The chronic disenfranchisement and disinvestment in these communities have left a generational wealth divide and deepening racial wealth gap for Black and brown households. Both issues are only exacerbated by housing pressures put on Davidson County residents by remaining a growth market over the last decade.

To illustrate this disparity, 62% of all white households in Davidson County own homes, while 38% of all Black households in Davidson County own homes. If Black households owned their homes at the rate of white households, there would be an additional 17,500 Black homeowners. Using this same analysis, there would be an additional 5,800 Hispanic homeowners.

Opportunities for homeownership for Black and brown families has become even more challenging with the pandemic. According to the U.S. Bureau of Labor Statistics, the pandemic's economic impacts disproportionately impacted some demographic groups more than others. For example, the overall unemployment rate in the United States was 4.2% in November 2021, but the unemployment rate was 6.7% for Black workers and 5.2% for Hispanic or Latino workers. Without intentional intervention, the racial wealth gap will continue to widen.

A. Purpose

The **ARPA Shared Equity Housing** is intended to fund the creation or preservation of housing for shared equity homeownership for populations with incomes at or below 80% AMI with historical barriers and demonstrated inequities in homeownership.

B. Funding

The funding pool for this grant is \$9,504,856. Per Barnes requirements, 20% of the total allocation (\$1,900,971) will be set aside for small organizations.

C. Eligibility Criteria

- Homes must remain affordable for a minimum of 30 years.
- Homebuyer income limits for participation in this grant are capped at 80% AMI.
- Program must target populations with historical barriers and demonstrated inequities in homeownership as evidenced by objective data, such as data available under the Home Mortgage Disclosure Act or other valid, reliable sources.
- Unless otherwise prohibited by local, state, or Federal law, these programs will be open to all potential homebuyers regardless of immigration status.
- Proposals should clearly demonstrate how the program will be structured and how buyers will be educated about shared equity homeownership pre- and post-purchase.
- Applicants are encouraged to have strong land control for the proposed development prior to applying.
- Developer Fee must be below 20% of the total project budget request from Barnes.

D. Timing

All ARPA funding must be expended by December 31, 2026. Organizations that are unlikely to meet that deadline may wish to focus on Barnes General Funding in Round 13, which will open in late Fall 2023. A detailed timeline will be required in Question 8.

❖ **INSTRUCTIONS**

Section I: Minimum Standards: Required Elements (Yes/No)

Explanation: Each of these items must be checked off as a YES in order for applicant to be considered for funding.

If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.

1. Complete Application (REQUIRED):

Submitted applications must be complete.

- a. All questions are answered thoroughly through entire narrative.
- b. All required uploads listed in the application are attached.

2. Financials/Audit (REQUIRED):

A. Following attachments must be submitted with application.

- a. For organizations with annual budget above \$500,000, attach Audit with no findings for lead applicant organization completed within the past 24 months.
- b. For organizations with annual budgets of \$200,000-\$500,000, attach Financials completed by independent CPA.
- c. All organizations, submit the most recent monthly financial reports presented to your Board of Directors (even if not prepared by CPA).

B through E: Each question must be answered.

- F. If you wish to apply for the small organization set aside (only available for organizations with operating budgets below \$2M), you will need to limit your grant request to no more than \$750,000.

3. Organizational Information (REQUIRED):

- a. Applicant/Lead Organization must be a 501(c)3 nonprofit organization.
- b. If any of the organizations in the leadership team is involved in a lawsuit or has outstanding claims for safety violations or wage payments, STOP. Those parties may not participate in the Barnes Funding Round. Please note that more details about your organization and partnership will be required in Question 5.
- c. The percentage of total Barnes request that will be used for your administration/development fee cannot exceed 20%.

20. Due Diligence (REQUIRED):

Applicants will need to describe the level of due diligence performed to understand the zoning, permitting, and code requirements for the proposed project. If you have met with a Metro official, you will need to provide the name of the official and date of the meeting in Question 8.

You will also need to describe the level of design for the proposed project in Question 12.

Because ARPA funds have strict expenditure deadlines, applicants are encouraged to submit proposals for projects that meet zoning and land use requirements.

If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.

Section II: Required Elements

5. Development Team Experience and Capacity (10 pts)

- A. A primary nonprofit Lead Organization is required to be the direct contact and accountable partner. Information provided should be for the 501(c)3 Lead Organization.
- B. Later in this question, you will answer questions about your team members' individual expertise. However, this question is about the shared experience of the partnership as a whole. We are most interested in your experience creating or preserving housing for shared equity homeownership for populations with incomes at or below 80% AMI with historical barriers and demonstrated inequities in homeownership.
 - a. How many similar projects has your team completed?
 - b. Over how many total years?
I.e., if Nonprofit ABC has done 2 projects like this over the past 5 years, and Developer XYZ has done 5 projects like this over the past 3 years, the answer to the question would be 7 projects over 5 years.
- C. Please describe the team's bonding capacity.
- D. Experience of leadership team members: Please fill out the questions (name, title, organization, and years of experience) specifically for each person taking a leadership role in the partnership. So your answers would look like:

- *Executive Director: Jane Smith, Construction Director, ABC Nonprofit, Development and Construction, 25 years*
- *Finance Director: John Brown, HUD Counseling Manager, DEF Organization, Financial expertise with low-income housing, 6 years*

E. Lead Organization must be responsible for at least 51% of the project. You must demonstrate that the Lead Nonprofit is actually leading the project and describe how the relationship will work between the partners (i.e., between the lead nonprofit and the for-profit developer, for example). Some possible models include:

Model 1: Nonprofit Developer

- *Nonprofit is the lead developer and will manage all development and new construction or rehab construction aspects of the project, such as:*
 - *Identify, acquire, and hold property that is suitable for their intended use*
 - *Assemble the team of specialists – architects, engineers, and contractors – needed to carry out each project*
 - *Assemble both short-term and long-term financing*
 - *Manage the project through all of its phases: predevelopment, construction, occupancy*
 - *Ensure that clients receive appropriate education or counseling to understand process and responsibilities*
 - *Ensure compliance with affordability constraints*
- *Other nonprofit organizations or for-profit organizations may be engaged and managed by nonprofit developer to provide services included in the project, such as:*
 - *Homeowner counseling*
 - *Wrap-around services*
 - *Other services critical to success of the project*

Model 2: Nonprofit Service Provider with For-Profit Developer

- *Nonprofit is the Lead Organization responsible for the following:*
 - *Identify, acquire, and hold property that is suitable for their intended use*
 - *Ensure that clients receive appropriate education or counseling to understand process and responsibilities*
 - *Wrap-around services*
 - *Ensure compliance with affordability constraints*
- *For-profit company is the developer and will manage development and new construction or rehab construction aspects of the project, such as:*
 - *Assemble the team of specialists – architects, engineers, and contractors – needed to carry out each project*
 - *Assemble both short-term and long-term financing*
 - *Manage the project through all of its phases: predevelopment, construction, occupancy*
 - *Help provide or secure legal representation for the project closing, title, etc.*
 - *Provide financial expertise*
- *Nonprofit and for-profit will work together to develop proformas and other financial models for the project*
- *Other nonprofit organizations or for-profit organizations may also be engaged and managed by nonprofit Lead Organization to provide additional services included in the project, such as:*
 - *Homeowner counseling*
 - *Additional wrap-around services such as physical or mental health services*
 - *Other services critical to success of the project*

You will be required to describe in detail the roles, responsibilities, and overall structure for your project to show that the nonprofit is the Lead Organization and has at least 51% of the leadership for the project.

6. Funding Sources and Uses (formerly called Capital Stack) (10 pts)

To receive points, Applicants generally need to request 50% or less of their total project budget in order to score full points. If you request more than 50% of total project budget, the application would be allowed but would be scored accordingly. Ideally you should also have committed funding for the remaining balance, usually from several sources. Funding sources may include private loan, non-federal match, and/or organizational equity. You'll need to include Letters of Commitment or similar confirmation for funding partners. If you have some funding that is not yet confirmed by the date of application, we will still consider your application but please be advised that your scoring will likely be lower on this question than other applicants who have secured their funding.

Due to the time sensitive nature of the ARPA funding, applications should propose projects that utilize currently available or secured funding. Catalyst should not be counted among sources and uses.

7. Administration/Development Fee (10 pts)

Portion of administration (developer) fee to be paid by Barnes is no more than 20% of the project's total Barnes grant request. In an effort to be good stewards of our funding, we will generally award more points on this question to the organizations that have lower development fees (10%, etc.) even though 20% is allowed. Applicant should provide thorough detail on the use of the fee.

Applicant has written agreements for committed consultancies or partnerships including legal, financial, and limited-equity cooperative development expertise. Lower scores will be awarded on this question for organizations that have cost estimates or informal agreements with prospective partners providing needed expertise.

8. Site Control, Zoning, and Development Timeline (10 pts)

There are two options for this question:

- Option 1: Apply for Metro-owned property available only for applicants applying for Grant #2: Cooperative Housing.
- Option 2: Applicant provides own land. This option will also apply for any applicant who does not receive the Metro-owned property.

Option 1:

For Round 12, Metro is making the property listed below available for affordable housing development through the Barnes Fund application process. Additional information on this property is available [online](#) on the Barnes Website.

- 0 Hagan Street – only available to applicants applying for Grant #2: Cooperative Housing.

This property is currently owned by Metro Water Services and will go through the legislative process to be made available for affordable housing. We expect the process to conclude by 12/31/2023. These parcels will not be transferred through the typical quitclaim process. Rather, Metro intends for long-affordability to be maintained through either a ground lease or the use of a land trust. Metro will not require a lease payment.

An applicant must propose which option it will utilize as part of its application. Metro will not consider property requests that do not include one of these options. The Housing Trust Fund Commission and Metro Council must approve the award before construction can begin.

Applicants should consider current land use policies and zoning designations when requesting these properties, keeping in mind that the project must be completed by December 31, 2026.

In the event two or more organizations request the same lot, the property will be awarded to the organization with the highest scoring application.

Option 2:

Applicant will need to state whether they have another site if they are not awarded the Metro-owned property described above. Answering whether the title is clear and the form of the site control (option, signed sales contract, deed in hand, or signed 99-year ground lease) will be part of Question 8 on the application.

Highest scores will go to those applicants who own the site (deed in hand) or have a 99-year ground lease, and whose property is already zoned for the proposed development. Somewhat lower scores would be awarded on this question for applicants who have signed sales contract or purchase option, but property is already zoned. If the property is neither owned by the applicant nor zoned for the development, the score on this question would likely be low. Applicants are expected to perform due diligence on and understand zoning, code, and permit requirements prior to application. Because ARPA funds must be expended by 12/31/26, proposals should include a timeline that clearly demonstrates that the project will be completed and funds expended by that date.

Total Required Elements Sections I & II points available: 40

Applicants must meet threshold of at least 20 points to continue to Section III: Evaluation Criteria.

Section III: Evaluation Criteria

9. Project Type (15 pts)

Proposal should share a robust plan for how shared equity housing will be undertaken, i.e., through new construction and/or acquisition and rehab. Applicant should demonstrate thoughtful, detailed approach to creating shared equity housing.

10. Marketing and Outreach (15 pts)

The goal of Barnes Fund grants is to make sure that all Nashvillians have access to affordable housing, especially those who have experienced historical barriers to homeownership. As part of that goal, high scoring applicants will include in their proposals detailed plans to reach out to various communities to reach different cultures, neighborhoods, languages, etc., to make sure all are aware of your programs and development. High scorers will have an affirmative marketing plan to reach multiple cultural communities, collaborate with more than one trusted community organization, develop significant homebuyer relationships, and show a strong commitment to understanding the current community needs through assets such as a community needs assessment, survey, or other such data analysis.

11. Participant Engagement Details (15 pts)

Educating homeowners about shared equity housing, roles, and responsibilities is critical to engage them throughout the process. High scoring applicants will show a robust plan for educating homebuyers pre- and post-purchase, demonstrate experience working with multiple populations, and use your understanding of all aspects and challenges of shared equity housing to build a strong program.

12. Design (15 pts)

It is the expectation of the Commission that all proposed projects will incorporate thoughtful, appealing design and be built with high-quality, energy efficient products and systems. Neighborhoods change rapidly and it is not wholly necessary for the development to meet the exact specifications of the current housing stock. Barnes-funded designs should be sustainable, high-quality, and considerate to neighborhood character, changes, and expectations. To move in this direction, Barnes-funded projects are required to be sensitive to Universal Design and visitability standards. At least 10 of the criteria on the Metro Housing Trust

Fund Universal Design Checklist must be met to be considered for funding, and meeting more than 10 will be considered in the scoring matrix. The checklist should be submitted with application.

13. Sustainability & Resilience (15 pts)

Housing that is designed and built to operate with reduced environmental impacts and to withstand a variety of extreme weather events is demonstrated to provide environmental, economic, and social benefits to occupants, owners, neighborhoods, and entire communities. At least 5 of the criteria on the Metro Housing Trust Fund Energy Efficiency & Sustainability Checklist must be met to be considered for funding, and incorporating more features such as those described below will be considered in scoring.

To encourage availability of such sustainable building stock and associated benefits, funding proposals that incorporate concepts such as resource conservation, heat mitigation, access to green space, use of more stringent building codes than currently required, access to multimodal transit options, or other measures generally accepted as sustainable or resilient in excess of what is required in the checklists for universal design and energy efficiency and sustainability will be considered in scoring. The checklist should be submitted with application.

14. Access to Transit (5 pts)

Access to Public Transit is not only crucial for individuals to access high-need assets like education, employment, healthy food options, etc., but it encourages development in Nashville's transit corridors. Although immediate access within .25 walkable miles is preferred, walkable access within even a 1-mile radius of public transportation means there will be higher-quality neighboring community assets and the potential for additional downstream economic development nearby. A list of frequent transit corridors can be found below.

If mitigating distance to transit, options for residents to access transit points such as provided shuttles to transit stops and/or subsidization for residents to access WeGo will also be considered in the scoring matrix.

Total points available for Sections I, II, and III before Bonus Points Section: 120

Applicants must have a cumulative score of at least 50 points before bonus points in order to be considered for funding.

Section IV: Bonus Section

Bonus points may be awarded to proposals that address the following criteria through their narrative and proposed project design. Funding priorities allow the Commission to prioritize different aspects of proposals depending on the changing housing environment for each funding cycle. For this funding round, the Commission has chosen the following criteria for additional consideration:

15. Diversity, Equity, Accessibility, and Inclusion (5 points)

Diversity, equity, accessibility, and inclusion are essential to the work of all organizations serving communities. Research has shown that more diverse organizations both perform better and can deliver more appropriate offerings to new homeowners with cultural humility. Housing is both deeply personal and communal, and as such applicant organizations that show a commitment to DEAI through both their work and policies internally and externally are more equipped to ensure that the housing they provide is both dignified and suitable for the populations they serve. Housing specifically has a well-documented history of racist laws and practices. Thus, purposeful and proactive policies to redress racial harms are critical to the future of housing policies.

Applicant goes above and beyond representation in terms of equity. Board and staff are representative of the communities they serve.

Proposal includes 3 or more examples of additional efforts for DEAI practices such as:

- Innovative incorporation of user experience or lessons learned from previous projects
- Policies promote resident dignity
- Subcontracting promote inclusion beyond representation
- Narrative shows a commitment to underrepresented people and minority groups that have historically been excluded from the benefits of housing policies
- Diverse outreach to community groups including partnerships with culturally competent organizations with language access for homeowners
- Number of accessibility points for differently-abled persons

Additional information about the history of Nashville’s policies and priorities were outlined in Mayor Cooper’s 2021 Affordable Housing Task Force report.

16. Deeply Affordable Housing (5 points)

Units below 60% AMI are included in the development in a meaningful way (>10% of included units). Units below 60% AMI are some of the most difficult units to build and maintain yet are some of the most needed units in Nashville for our most underserved populations and guarantees long-term community safety net housing.

17. Promotion of Healthy Communities (5 points)

Access to high quality affordable housing is widely recognized to positively impact health. Housing developments, especially those serving communities experiencing significant health disparities, should be intentionally designed to address the physical and behavioral health needs of residents. Proposals that promote healthy, stable living conditions will incorporate health-conscious features and amenities into their design. Applications that desire to create effective, sustainable health interventions will make a concerted effort to research health disparities within the community and seek input from residents, community members, and public health professionals. Developments that go above and beyond to promote healthy communities will be preventive in nature and designed to address neighborhood conditions or barriers to health resources.

Bonus points will be considered for applicants who demonstrate that they have assessed research, learned about health needs and inequities within the development’s community, and has utilized data or analysis of projects intended and unintended impacts on Social Determinants of Health (SDOH), or has developed evidence-driven strategies to address health equity issues.

- Metro Public Health Department: 2021 Health Equity in Nashville Report
- National Center for Healthy Housing: Housing Standards & Principles of a Healthy Home
- Riverside University Health System: Healthy Development Checklist

18. Urban Zoning Overlay (5 points)

Proposals that are planned within the Urban Zoning Overlay (UZO) will receive bonus points to address geographic high-need access to housing. To determine whether a proposal is eligible, please visit the Planning Department Parcel Viewer here and check the ‘Zoning History’ tab once you locate the proposed parcel by address or ID. If you see OV-UZO in the Zone Code, it is within the Urban Zoning Overlay. More information about how to use the Parcel Viewer can be found here. Any funding not utilized in this organization prioritization will be reallocated to the broader funding pool.

19. Walkability and Food Access (5 pts)

Bonus points will be awarded to accessible, connected developments. Determine the walk score for the proposed development including transit access, walkability and amenity access including access to grocery stores at <https://www.walkscore.com/>

Total points available for Bonus Points Section: 25

Total points available for Sections I, II, III, and all Bonus Points: 145

STANDARD BARNES FUNDING POLICIES

Round 12 Parcel Donation Policy

For Round 12, Metro is making the properties listed below available for affordable housing development through the Barnes Fund application process. Additional information on each of these properties is available [online](#).

- 0 Hagan Street - only available to applicants applying for Grant #2: Cooperative Housing.
- 136 Jacksonian Drive - only available to applicants applying for Grant #3: Shared-Equity Homeownership Development Subsidy.

These properties are currently owned by Metro Water Services and will go through the legislative process to be made available for affordable housing. We expect the process to conclude by 12/31/2023. These parcels will not be transferred through the typical quitclaim process. Rather, Metro intends for long-affordability to be maintained through either a ground lease or the use of a land trust. Metro will not require a lease payment. An applicant must propose which option it will utilize as part of its application. Metro will not consider property requests that do not include one of these options. The Housing Trust Fund Commission and Metro Council must approve the award before construction can begin.

Applicants should consider current land use policies and zoning designations when requesting these properties, keeping in mind that the project must be completed by December 31, 2026.

In the event two or more organizations request the same lot, the property will be awarded to the organization with the highest scoring application.

Round 12 Grant Extension Policy

Metro Nashville grant contracts must not exceed 24 months in execution. Grant extensions will be considered and granted on a case-by-case basis. However, under no circumstances will contracts be extended beyond 12/31/2026. Extension requests must be made no later than 4 months prior to the termination of the original contract to be considered by the Commission. All extensions must be voted on by the Metro Housing Trust Fund Commission. The Commission will consider the following criteria when evaluating a grant contract extension request:

- Deadlines imposed by ARPA funding
- Financial standing of the development in question
- Deed and title status for the property
- Construction, zoning, infrastructure, and financial obstacles encountered during execution of proposal

All extensions, if approved by the Commission, must then be considered by the Metro Council prior to becoming effective. If approved and passed by Metro Council, the contract extension will move the termination date of the original legislation, not the extension legislation.

Contract Breach Policy

All Metro Nashville contracts are binding and begin execution once approved by the Metropolitan Council and filed by the Metro Clerk. Any failure to comply to the contents therein would constitute a breach of contract.

The Metropolitan Housing Trust Fund Commission will implement the following process for any organization who breach their contract within their grant execution period. All infractions are cumulative up to 10 years for each organization and not related to individual contracts.

- First Infraction
The Metro Housing Trust Fund Commission will review the breach in question and determine subsequent consequences.
- Second Infraction
Any grant funds spent will require return and the grant award will be rescinded for the contract in question. Prior contracts will remain effective until their termination as determined by the contract date, but any extensions may not be granted.
- Third Infraction
The organization will return grant funds and be prohibited from applying in future Barnes grant funding cycles for up to 5 years as determined by the Metropolitan Housing Trust Fund Commission.

File Retention Policy

The Barnes Housing Trust Fund will utilize a shared drive to track the progress of work and expenditure of funds and maintain thorough client and program files for at least 3 full years following the termination date of the deed restriction.

Electronic Project Management

1. Barnes Housing Trust Fund has established a shared drive to track the progress of projects and expenditure of funds.
2. Barnes Housing Trust Fund project staff are required to update the drive each time a client reaches a designated milestone in the process.
3. Barnes Housing Trust Fund staff will meet with the Housing Director at least monthly to review the progress of open contracts.
4. Barnes Housing Trust Fund staff will update the Housing Trust Fund Commission at each commission meeting of open contract progress.

Recipient Files

1. Barnes Housing Trust Fund will create a file/folder for each award recipient that includes all documentation related to the recipient and the project.
2. Recipient files will be stored at the Planning Department's Division of Housing offices and may only be removed if needed in the field.
3. At the conclusion of a project, the file/folder will be reviewed by a separate Barnes Housing Trust Fund staff person to ensure completeness.
4. To the greatest extent possible, Barnes Housing Trust Fund staff will scan the complete file to create a full electronic record.
5. At all times, Barnes Housing Trust Fund staff will take appropriate measures to safeguard client information.

Recordkeeping

1. The Barnes Housing Trust Fund will maintain all files related to the grant for at least 3 full years following the termination date of the deed restriction.

2. Barnes Housing Trust Fund staff will conduct periodic spot audits of file keeping ensuring files are stored appropriately by recipients.