

10

YEARS OF
THE BARNES
HOUSING
TRUST FUND

Barnes Housing Trust Fund

Annual Report | FY 2023
July 2022 - June 2023



**HOUSING
DIVISION**

NASHVILLE PLANNING

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CELEBRATING TEN YEARS OF HOUSING PARTNERSHIPS

Ten years ago in 2013, Metro Nashville created its first housing trust fund to leverage affordable housing resources county-wide. Over the past ten years, the Barnes Fund has awarded over \$108 million to more than 30 nonprofit developers of affordable housing, resulting in the creation or preservation of more than 4,700 units.

Named after longstanding community advocate Rev. Bill Barnes, the Barnes Fund perpetuates his dedication to affordable housing for the people of Nashville. The Metro Housing Trust Fund Commission oversees that Barnes Fund grants are administered in this mission-centered and responsible manner.

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

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

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

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

DEFINING AFFORDABILITY

Housing affordability means that a household pays no more than 30% of their gross income on their monthly housing costs, including rent and utilities. Households that spend more than 30% are considered housing cost burdened. Every year the US Department of Housing and Urban Development (HUD) of the federal government defines the Area Median Income, or AMI, for each geographic area.

The Barnes Fund provides grant funding for rental developments for households making at or below 60% AMI and funds homeownership developments for households at or below 80% AMI.

Although exact incomes change each year, the examples below give an idea of what housing costs would be considered affordable for various occupations. Sadly, too few homes in Nashville are currently available at these costs.

Who is earning what percent of the Area Median Income in Nashville?¹

30%

A hotel attendant working fulltime for \$10.01/hour would earn \$20,820/year. To be affordable, housing would need to cost \$520 or less per month.

60%

A pre-kindergarten teacher earning \$17.50/hour makes \$36,400/year. Affordable housing costs would be \$910 per month or less.

80%

A starting firefighter earning \$54,900/year, or \$26.39/hour, would need to pay no more than \$1,375 per month in order for housing to be considered affordable.

¹Source : https://www.bls.gov/oes/current/oes_34980.htm, US Bureau of Labor Statistics

**Less than or equal to
30% of the AMI**

\$0 to \$21,000

Examples of Professions:

Part-time and seasonal workers
Substitute teachers
Entertainment attendant

**Less than or equal to
60% of the AMI**

\$21,000 to \$41,940

Examples of Professions:

Childcare worker
Vet tech
Hairstylist
Medical assistants
Hotel clerk

**Less than or equal to
80% of the AMI**

\$41,941 to \$55,590

Examples of Professions:

Social worker
Paramedic
Firefighter

2023 Area Median Income for Greater Nashville Area

	1 Person Household	2 Person Household	3 Person Household	4 Person Household
30% of AMI	\$21,000	\$24,000	\$27,000	\$30,000
60% of AMI	\$41,940	\$47,940	\$53,940	\$59,880
80% of AMI	\$55,900	\$63,900	\$71,900	\$79,850
100% of AMI	\$69,900	\$79,900	\$89,900	\$99,850

LOOKING BACK

FY23 Grant Rounds

In Fall 2022 and Spring 2023, Metro Council approved the Barnes Fund's highest level of funding in its history. Round 10, approved in November 2022, awarded \$19,995,144 in American Rescue Plan Act (ARPA) funding to 15 organizations to create or preserve 848 units of affordable housing. Three organizations also received 14 parcels of Metro-owned delinquent tax lots.

In Round 11, approved in June 2023, 12 organizations received a total of \$15,813,262 and 11 parcels of Metro-owned delinquent tax lots. The funding was a combination of \$6.5M ARPA funds and \$9.3M in Barnes general funding. The result was 549 total units: 369 Barnes-funded rental and homebuyer units, 44 Barnes-funded rehab units, and 136 Older Adult Rental units funded by ARPA.

Housing Trust Fund Commission

In Fall 2023, the Commission welcomed new commissioners Council Member Brandon Taylor and Antone Christianson-Galina, and regretfully said goodbye to three dedicated commissioners who had served out their five-year terms. To former Chair Jim Schmitz, MDHA appointee James Simmons, and Council Member Zulfat Suara, thank you for your years of expertise and service to advance affordable housing in Nashville.

Staff Capacity

Barnes Fund staffing increased in FY23 as we hired a Barnes Grants Analyst, brought on a new Barnes Manager, and secured funding for a Barnes Compliance Monitor to begin in January 2024. The new staffing structure will provide more capacity to support grantees and applicants as well as to ensure that long-term affordability policies are carried out.

Metro-Owned Land

Barnes funding rounds awarded 25 new delinquent tax parcels in FY23 to build 19 new affordable homeownership units and 50 new rental units. In FY24, we anticipate having new resources to assist grantees with clearing title on Metro-owned land.

Round 10 - Fall 2022*	Type	Barnes Units	<30% AMI	31-60% AMI	61-80% AMI
Urban Housing Solutions	Rental	13		13	
Woodbine Community Organization	Rental	60	15	45	
Habitat for Humanity	Homeownership	14		4	10
New Level Community Development Corporation	Homeownership	15			15
Be a Helping Hand	Rental	5		5	
Living Development Concepts	Homeownership	6			6
CrossBridge, Inc.	Rental	34	24	10	
William Franklin Buchanan Community Development Corporation	Rental	5		5	
Affordable Housing Resources	Homeownership	6			6
Pathway Leading - Birchstone	Rental	228	43	185	
Park Center	Rental	26	22	4	
Mary Queen of Angels, Inc.	Rental	194		194	
Project Return	Rental	2		2	
Appalachian Home & Health	Rental	238		238	
Thistle Farms	Homeownership	2			2
TOTAL		848	104	705	39

*Round 10 was confirmed by Metro Council in November 2022

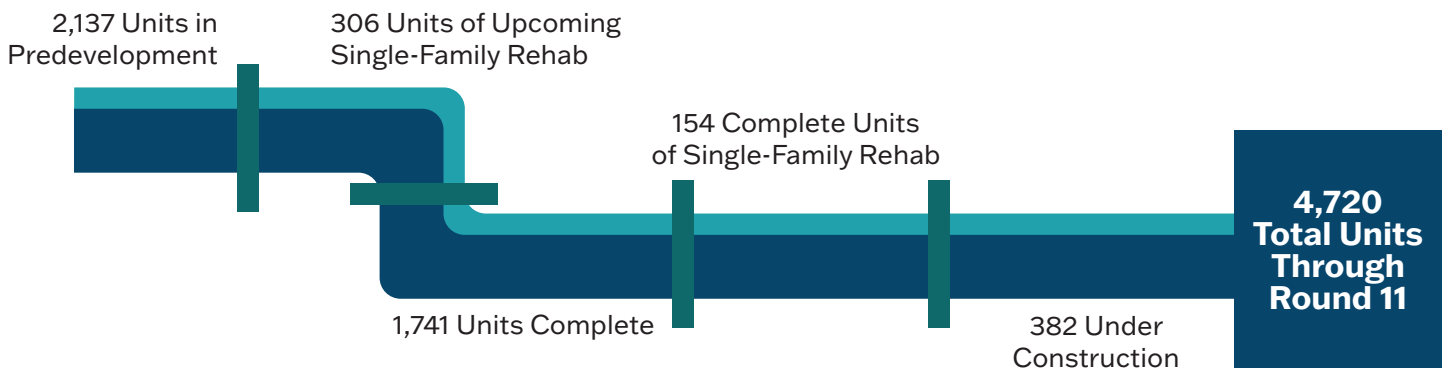
Round 11 - Spring 2023	Type	Barnes Units	<30% AMI	31-60% AMI	61-80% AMI
Barnes General Funding					
Westminster Home Connection	Rehab	24			24
The Housing Fund	Rehab	20			20
Living Development Concepts, Inc.	Homeownership	6			6
Habitat for Humanity	Homeownership	12		6	6
Affordable Housing Resources	Homeownership	3			3
Step Up Nashville	Rental	88	88		
Urban Housing Solutions	Rental	48		48	
Shelter America Group	Rental	124		124	
Urban League of Middle Tennessee	Rental	88	35	53	
TOTAL		413	123	231	59
ARPA Funding					
AWAKE Nashville	Older Adult Rental	47	5	42	
Woodbine Community Organization	Older Adult Rental	39		39	
Urban League of Middle Tennessee	Older Adult Rental	50			
TOTAL		136	5	81	

*\$4M for 166 rental units were rescinded and reallocated to Funding Round 13 due to funding or for-profit development partner issues.

BARNES UNITS AND DEVELOPMENTS

Barnes Fund grants have directly invested in developing or preserving more than 4500 units of income-restricted affordable housing since the first grant round closed in 2014.

- 395 units of Homebuyer units
- 460 units of single-family homeowner rehabilitation
- 3,865 units of new or preserved rental housing



CUMULATIVE UNITS DEVELOPED

Years (🏠 100 unit increments)

Units



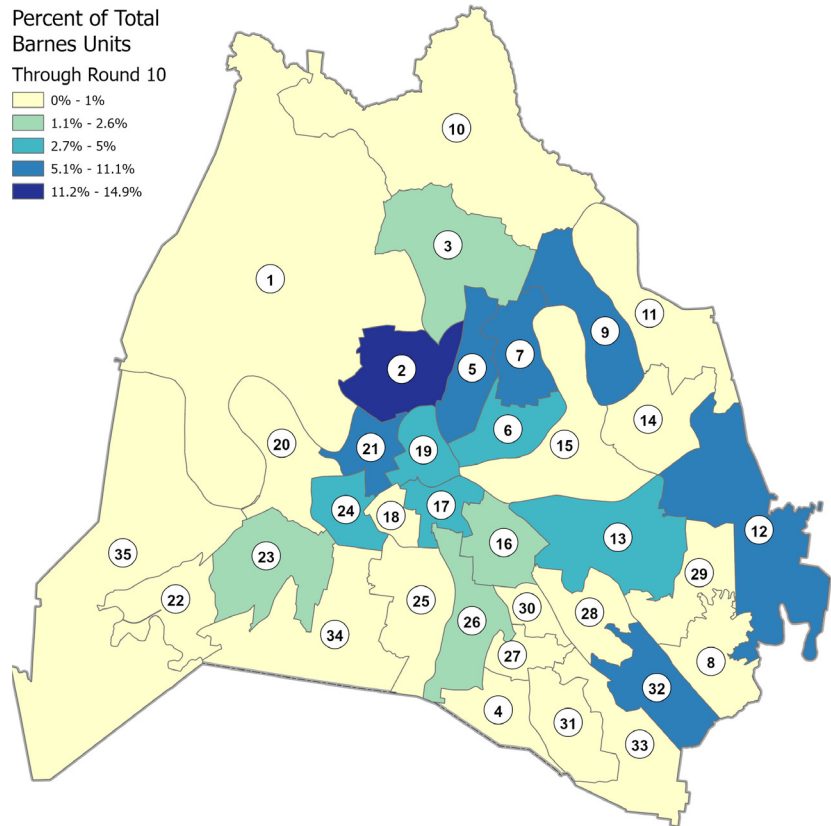
Years (🏠 500 unit increments)

Units

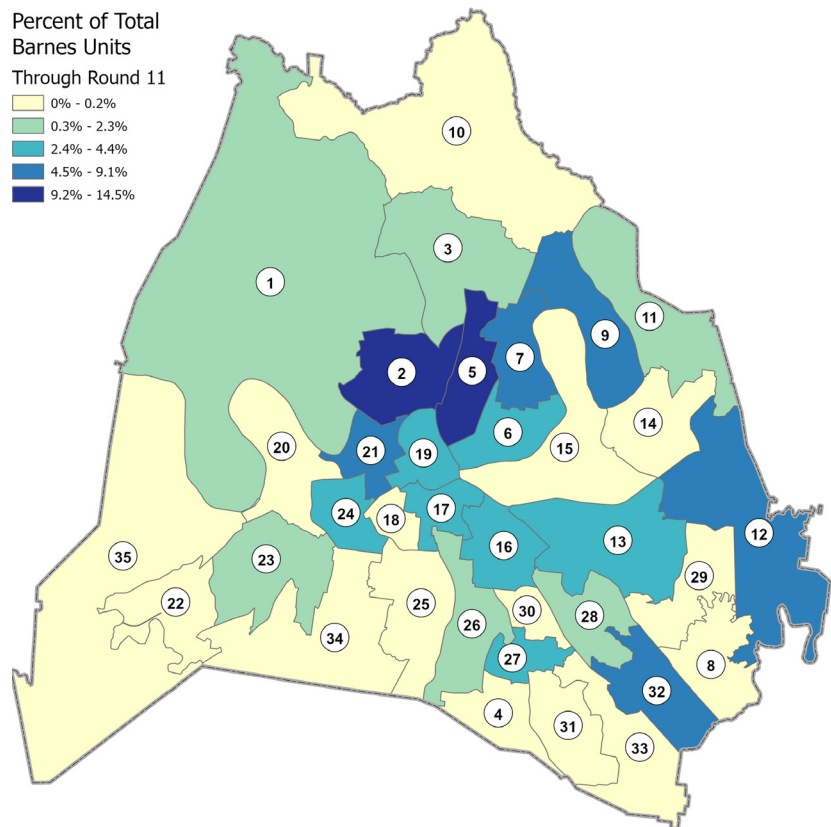


Graph begins when the first units of Barnes were completed. All numbers are estimates subject to change during the development process. *2018 and 2020 data under review.

ALL UNITS MAP - ROUND 10



ALL UNITS MAP - ROUND 11



HOW BARNES MEASURES SUCCESS: LEVERAGED FUNDING

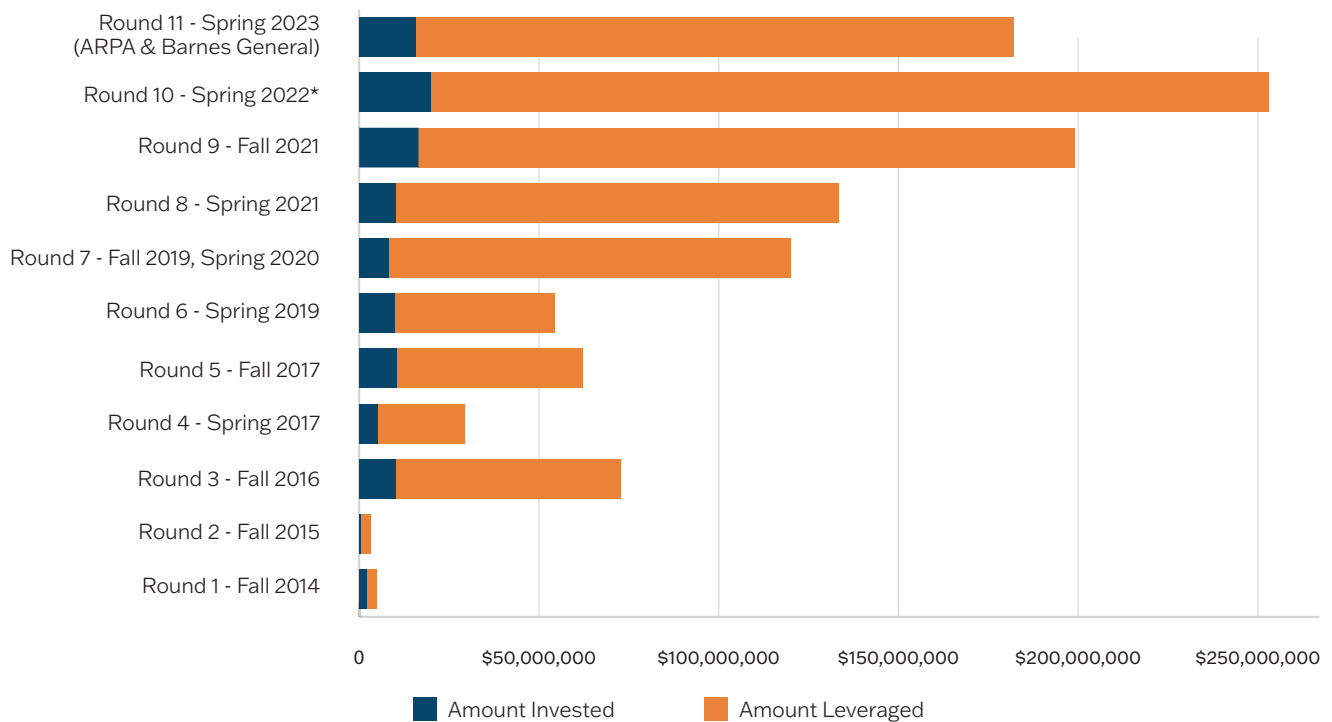
For housing development, leveraged funding includes many diverse funding sources such as grants, tax credits, and debt to complete a project.

The combination of these revenue sources is often referred to as the ‘Capital Stack’ for a capital project. As a housing trust fund, Barnes can be more flexible than other funding sources. When Barnes commits monies in a grant award, developers can then take that commitment to other funding sources and leverage it to obtain more funds for their capital stack.

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

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

Barnes Funding: Amount Invested and Leveraged



*Round 10 was funded with American Rescue Plan Act (ARPA) funds.
 *Round 11 was \$6.5M ARPA funds and \$9.33M Barnes general funds.

BARNES INVESTMENT PORTFOLIO

TOTAL PORTFOLIO

\$108,726,863

awarded by Barnes Fund
which led to

\$1,006,698,608

in private sector,
philanthropic, state, and
federal funding to create
and preserve housing across
Nashville

9:1 Leverage

ROUND 10 LEVERAGE

\$20,000,000

awarded by Barnes Fund
which led to

\$233,100,000

in private sector,
philanthropic, state, and
federal funding to create
and preserve housing across
Nashville

11:1 Leverage

ROUND 11 LEVERAGE

\$15,831,993

awarded by Barnes Fund
which led to

\$166,298,608

in private sector,
philanthropic, state, and
federal funding to create
and preserve housing across
Nashville

10:1 Leverage

SUPPORT

The work of Barnes would not be possible without the support the community partners that implement this funding. Barnes Fund investments have helped 34 nonprofit organizations – including many that are minority- or women-led – grow their mission of developing and preserving affordable housing in our community.

DIVERSITY BREAKDOWN

33 organizations
70% have gender or racial diversity



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

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

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

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

\$108,726,863

in total funding

38%

of funding goes to diverse organizations

7%

increase over last year

\$11,967,366

goes to BIPOC-led organizations

\$16,416,304

goes to women-led organizations

\$15,619,002

goes to organizations that are both BIPOC- and women-led

\$67,763,472

goes to organizations that are neither BIPOC- nor women-led

FUNDING BREAKDOWN

	Affordable Housing Resources	\$2,357,586.00	
	Aphesis House	\$599,000.00	BIPOC Led
	Appalachian Home and Health	\$900,000.00	
	AWAKE Nashville	\$3,000,000.00	Both BIPOC and Women Led
	Be A Helping Hand	\$2,519,926.47	BIPOC Led
	Birchstone dba Pathway	\$1,980,000.00	
	Clark UMC CDC	\$100,000.00	Both BIPOC and Women Led
	Crossbridge, Inc.	\$2,283,024.36	Women Led
	Crossroads Campus	\$1,033,492.08	Women Led
	Dismas	\$3,000,000.00	Women Led
	Habitat for Humanity	\$13,228,683 .00	
	Inspiritus, Inc.	\$2,500,000.00	
	Living Development Concepts	\$1,616,555.37	BIPOC Led
	Mary Parrish	\$607,000.00	Women Led
	Mary Queen of Angels, Inc.	\$1,980,000.00	
	Mending Hearts	\$1,549,402.74	Both BIPOC and Women Led
	New Level CDC	\$5,708,890.73	Both BIPOC and Women Led
	Our Place Nashville	\$3,285,877.48	Women Led
	Park Center	\$2,554,066.00	Women Led
	Project Return	\$461,884.00	BIPOC Led
	Rebuilding Together	\$3,039,281.39	Women Led
	Renewal House	\$1,851,760.49	Both BIPOC and Women Led
	Samaritan Recovery Community	\$2,296,861.62	
	Shelter America Group	\$2,000,000.00	
	Step Up Nashville	\$1,420,000.00	BIPOC Led
	The Housing Fund	\$350,000.00	BIPOC Led
	Thistle Farms	\$195,125.00	Women Led
	TVA dba Pathway	\$1,000,000.00	
	Urban Housing Solutions	\$18,238,337.00	
	Urban League of Middle TN	\$5,000,000.00	BIPOC Led
	Westminster Home Connection	\$418,438 .00	Women Led
	William Franklin Buchanan CDC	\$369,667.00	Both BIPOC and Women Led
	Woodbine Community Organization	\$21,192,004 .00	

QUICK FACTS



11:1

Leverage of Barnes
Investment in Round 9



10:1

Leverage of Barnes
Investment in Round 10



9:1

Total Portfolio Leverage



34

Community Partners



124

Property Donations



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

-Reverend Bill Barnes

ACKNOWLEDGEMENTS

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

Gina Emmanuel, Chair

James Simmons*

Kaki Friskics-Warren

Debra Moore +

Maria Carmen Jackson

Councilmember Zulfat Suara*

Peter Westerholm

Councilmember Brandon Taylor +

Jim Schmitz*

Antone Christianson-Galina +

*Commission term ending in Fall 2023. +Commission term beginning in Fall 2023/Winter 2024

RESOURCES

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

[Barnes Fund](#)

[2022 Affordable Housing Task Force Report](#)

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