
STRATEGY A: ALIGN THE HOUSING ECOSYSTEM

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

What is the focus of this strategy?

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

Why is this strategy important?

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

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

Who will this strategy serve?

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

How will we measure our progress?

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

What will it take to achieve?



**Staff Time,
Capacity or
Expertise**



**Underwriting
Capacity**



**Advisory/
Contractual
Services or
Technical
Assistance**



**Technology,
Marketing, or
Digital Tools**



**Funding
or Financing**



Data



**Executive
Leadership**

Strategy A Actions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Areas of capacity and expertise to grow including the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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