

# Unified Housing Strategy

## FY26 Annual Policy Priorities

### Purpose

This *Annual Policy Priorities* document stems from the Unified Housing Strategy (UHS). Each year, the Metro Nashville Housing Division will release a set of policy priorities for the upcoming fiscal year (FY). These priorities are a combination of initiatives funded in the FY26 budget as well as policy and programmatic changes the Housing Division will implement to advance the recommendations of the UHS.

This year's edition begins by outlining the Housing Division's planned housing investments and goals followed by the key initiatives the Division will pursue to further the Actions outlined in the UHS. A breakdown of the UHS performance metrics is also included at the end.

In future years, the Annual Policy Priorities will serve as a platform to reflect on progress made, reengage with community needs, and respond to evolving political and economic conditions.

### Policy Priorities

#### 1 **Permanent Housing** *Create permanent housing options for unhoused and vulnerable populations.*

The UHS found that Metro's greatest housing needs are for households at or below 60% of the Area Median Income (AMI) with the largest gap in available supply being for households at or below 30% AMI. Given this gap, it is necessary for Metro to prioritize **creating permanent housing options for unhoused and vulnerable populations.**

#### 2 **Anti-Displacement** *Keep people in their homes.*

Both renters and homeowners have expressed fear of being displaced due to forced drivers, such as evictions, and pressured drivers, such as rising property values in their neighborhoods and the inability to afford or complete necessary maintenance. Thus, it is imperative that Metro prioritizes programs and policies that aim to **keep people in their homes.**

#### 3 **Impact & Stability** *Optimize existing tools to maximize impact and provide greater housing stability*

Federal resources for affordable housing, especially deeply affordable housing, are vulnerable and unreliable; therefore, Metro must **optimize existing tools to maximize impact** to fill this gap. Additionally, the UHS found that residents, service providers, and developers have trouble accessing resources which inhibits the effectiveness of existing tools, so Metro must also make available tools and programs more accessible to **provide greater housing stability.**

#### 4 **Capacity** *Expand local capacity*

Metro cannot effectively accomplish the above priorities without ecosystem alignment, subject matter expertise, and the necessary tools and must **expand local capacity** to deliver on Nashville's housing needs.

# Housing Initiatives and Goals for FY26

The Housing Division will play a leading role this fiscal year in laying the foundation to advance the strategies and actions of the Unified Housing Strategy (UHS).

The following pages begin with an overview of each initiative funded through the FY26 budget that the Housing Division will lead, including goals for the upcoming year. In addition to these funded efforts, the Division will also drive key policy and programmatic changes throughout the fiscal year related to the UHS.

We invite our partners across the Metro government, private sector, and community to align efforts with these priorities, identify opportunities for collaboration, and help us advance housing solutions that meet the needs of all Nashvillians.

## Housing Investments in FY26 Budget

Metro Council approved \$45,733,030.54 for housing initiatives for FY26. The table below outlines the funded initiatives including the funded amount and the lead agency.

Priority	Action	Lead Agency	Budget
Permanent Housing	Operating costs for new Permanent Supportive Housing (PSH) Projects	Office of Homeless Services (OHS)	\$2,000,000.00
	Re-housing support for households without vouchers	Office of Homeless Services (OHS)	\$2,400,000.00
	PSH Strategic Plan	Housing Division	\$250,000.00
	Landlord Incentives for Veterans Affairs Supportive Housing (VASH) Vouchers	Office of Homeless Services (OHS)	\$100,000.00
Anti-Displacement	Eviction Right to Counsel (ARPA)*	Housing Division	\$2,395,322.00
	Anti-displacement Initiatives	Housing Division	\$1,750,000.00
Impact & Stability	Barnes Fund	Housing Division	\$16,000,000.00
	Mixed Income PILOT Abatements	Housing Division	\$316,901.40
	LIHTC PILOT Abatements	Metropolitan Development and Housing Agency (MDHA)	\$12,065,907.14
	LIHTC PILOT Cap	Metropolitan Development and Housing Agency (MDHA)	\$5,000,000.00
	Underwriting Services	Housing Division	\$500,000.00
	Housing Dashboard	Housing Division	\$75,000.00
Capacity	Staffing ( 10 existing + 3 new)	Housing Division	\$1,879,900.00
	Grants Management Technology	Housing Division	\$1,000,000.00
Total UHS Year 1 Investments			\$45,733,030.54
Total Housing Division Investments			\$24,167,123.40
*Comes from reallocated American Rescue Plan Act (ARPA) funding.			



## Permanent Housing

*Create permanent housing options for unhoused and vulnerable populations.*

The UHS found that Metro's greatest housing needs are for households at or below 60% of the Area Median Income (AMI) with the largest gap in available supply being for households at or below 30% AMI. Given this gap, it is necessary for Metro to prioritize creating permanent housing options for unhoused and vulnerable populations.

### Funded Priorities

Action	Lead Agency	Budget
Permanent Supportive Housing (PSH) Strategic Plan	Housing Division	\$250,000.00

### Permanent Supportive Housing (PSH) Strategic Plan

**Action 29 in Strategy E: Increasing Supportive Housing Opportunities is to develop a strategic plan for Permanent Supportive Housing to support the annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness.**

The Housing Division has been allocated \$250,000 towards technical assistance to form a strategic plan for Permanent Supportive Housing in which the Housing Division will serve as the lead agency.

Elements of the PSH strategic plan will include, but are not limited to, the following components:

- Qualifying the need for PSH to be updated annually;
- Identifying target populations;
- Organizing key partners and outlining their responsibilities in advancing the strategy with accountability measures;
- Determining funding and capacity requirements; and
- Establishing referral processes and procedures through Coordinated Entry.

#### Goals for this FY:

- Partner with a qualified technical assistance provider.
- Form a working group with key actors including OHS, the Housing Division, MDHA, Metro Social Services, persons with lived experience, developers, and service providers.
- Release PSH Strategic Plan



# Anti-Displacement

*Keep people in their homes.*

Both renters and homeowners have expressed fear of being displaced due to forced drivers, such as evictions, and pressured drivers, such as rising property values in their neighborhoods and the inability to afford or complete necessary maintenance. Thus, it is imperative that Metro prioritizes programs and policies that aim to **keep people in their homes**.

## Funded Priorities

ACTION	LEAD AGENCY	BUDGET
Eviction Right to Counsel (ERTC) program	Housing Divison	\$2,395,322.00
Anti-displacement initiatives	Housing Division	\$1,750,000.00

## Eviction Right to Counsel (ERTC) Program

### Action 36 in Strategy G: Improve Access and Stability is to support the Eviction Right to Counsel Program

The ERTC program began in 2022 as a collaboration between the Legal Aid Society of Middle Tennessee, Conexion Americas, the Hispanic Bar Association and several other key community partners. Prior to ERTC's launch only 1% of tenants had legal representation in an eviction proceeding compared to 99.8% of landlords. A final report published in 2025 produced by Stout, an independent evaluator, found that the program's attorneys helped residents facing eviction avoid adverse consequences in 95% of cases. Metro has allocated \$2,395,322.00 of American Rescue Plan Act dollars towards operationalizing the Eviction Right to Counsel Program into the Housing Division.

#### Goals for this FY:

- Fully operationalize and manage the program within the Housing Division
- Integrate this program into its existing affordable housing programs

## Anti-Displacement Initiatives

### Actions 27 and 43 in Strategy D: Support Homeownership Opportunities and Strategy G: Improve Access to and Stability focus on preventing displacement

Between MDHA and the Housing Division, Nashville currently provides a suite of programs supporting existing homeowners, including home repair programs, weatherization programs, and a new Homesharing program. Additionally, the Housing Division has begun collaborating with Metro Codes to find homeowners with existing code violations and referring them to available resources. However, these programs alone cannot meet the need. The FY26 investment into anti-displacement initiatives will allow Metro to expand its ability to support homeowners stay in their homes.

#### Goals for this FY:

- Launch a formal anti-displacement program in collaboration with MDHA and Metro Codes



## Impact & Stability

*Optimize existing tools to maximize impact and provide greater housing stability*

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### Funded Priorities

Action	Lead Agency	Budget
Barnes Fund	Housing Division	\$16,000,000.00
Mixed Income PILOT Abatements	Housing Division	\$316,901.40
Underwriting Services	Housing Division	\$500,000.00
Housing Dashboard	Housing Division	\$75,000.00

### Barnes Fund

**Action 12b in Strategy B: Fortify Funding and Resources is to focus the Barnes Fund to maximize its impact**

The Barnes Fund is Metro's most robust tool for affordable housing development. The UHS has recommended adjustments to make this tool even more effective, and the Housing Trust Fund Commission will be tasked with implementing the recommendations and the priorities of the UHS into future funding rounds. For specific details on the recommendations for adjustments to the Barnes Fund, see Appendix I of the UHS.

#### Goals for this FY:

- Launch Round 16
- Begin incorporating recommendations from the UHS
  - ◊ Establish & implement underwriting capacity
  - ◊ Establish 3 funding tracks: Rental, Ownership, and Capacity Building

### Mixed Income PILOT Abatements

**Action 16b in Strategy C: Build New Housing is to optimize the Mixed Income Payment-in-lieu of Taxes (PILOT) program.**

In 2022, Metro Launched the Mixed Income PILOT program for projects that include up to 40% affordable to be eligible for up to an 80% reduction in property taxes. The Health and Educational Facilities Board has approved PILOT agreements for 2 projects to provide housing income-restricted to 11 households at or below 50% AMI and 38 households at or below 75% AMI. The Mixed Income PILOT program has been paused for FY26 while the Housing Division refines the program guidelines to maximize its impact.

#### Goals for this FY:

- Refine program guidelines to maximize the impact of the program



## Impact & Stability

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### Funded Priorities

Action	Lead Agency	Budget
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Underwriting Services	Housing Division	\$500,000.00
Housing Dashboard	Housing Division	\$75,000.00

### UNDERWRITING SERVICES

#### Action 11 in Strategy B: Fortify Funding and Resources is to establish underwriting capacity for Metro housing tools

Underwriting is an essential process used to evaluate whether and how public resources should be invested in a specific affordable housing project. Establishing underwriting capacity and implementing underwriting criteria will allow Metro dollars to maximize the impact of investment.

##### Goals for this FY:

- Partner with a consultant to establish underwriting capacity
- Implement underwriting criteria into all of the Housing Division development tools
- Expand underwriting criteria into Tax Increment Financing and Payment-in-lieu-of-Taxes (PILOT) deals for residential and mixed-use projects

### HOUSING DASHBOARD

Pursuant to BL2023-1742, the Housing Division has created a housing dashboard that can be found on the State of Housing page on the Housing Division's webpage on Nashville.gov. This dashboard has traditionally tracked the state of Nashville-Davidson County's housing market and the performance of our local housing development tools. With the release of the UHS, the Housing Division aims to utilize this dashboard to include the UHS performance metrics as well.

##### Goals for this FY:

- Update the housing dashboard to include UHS performance metrics

### Policy and Program Priorities

These initiatives are not directly funded through the FY26 budget but will be advanced through staff effort, interagency collaboration, and systems development.

- **Action 12:** Position existing housing tools to align with UHS priorities
- **Action 14:** Implement voluntary zoning incentives for attainable housing
- **Action 15:** Leverage publicly owned land portfolio by advancing infill development, co-location, and policy changes to ensure strong management of land assets
- **Action 16b:** Optimize the Mixed Income PILOT while evolving and strengthening priorities and requirements to increase focus on deeper affordability, geographic choice, and market adaptability
- **Action 41:** Strengthen and expand hubNashville to centralize and improve access to housing resources for residents



## Capacity

*Expand local capacity*

Metro cannot effectively accomplish the above priorities without alignment and the necessary tools and must **expand local capacity** to deliver on Nashville's housing needs.

### Funded Priorities

Action	Lead Agency	Budget
Staffing (10 existing + 3 new)	Housing Division	\$1,879,900.00
Grants management technology	Housing Division	\$1,000,000.00

### Staffing

#### Action 2 in Strategy A: Align the Housing Ecosystem is to expand capacity and expertise of Metro Agencies.

The UHS identified areas of capacity and expertise that the Housing Division needs to grow within existing staff and through new staff members such as data management & analysis and compliance monitoring. The Housing Division will be growing to include 13 team members in the upcoming FY to include a Data Analyst, a Compliance Manager, and a Senior Manager for Housing Programs. These staff will allow the division to begin filling the capacity gaps outlined in the UHS and more effectively implement the UHS.

#### Goals for this FY:

- Hire and onboard a Data Analyst
- Hire and onboard a Compliance Manager
- Hire and onboard a Senior Manager for Housing Programs

### Grants Management Technology

#### Action 5 in Strategy A: Align the Housing Ecosystem recommends coordinating request-for-proposals (RFPs) for allocating resources.

Nashville's available public funds for housing are administered across multiple agencies through independent application and review process. A coordinated request-for-proposals (RFP) or application review process will both help coordinate review and investment decisions while also streamlining the application process for the development community.

#### Goals for this FY:

- Procure technology to streamline funding & grant management process

### Policy and Program Priorities

These initiatives are not directly funded through the FY26 budget but will be advanced through staff effort, interagency collaboration, and systems development.

- **Action 7:** Explore new dedicated local and state funding sources for affordable housing and homeless services
- **Action 10:** Build strategic partnerships with philanthropic sector

# Unified Housing Strategy

## UHS Performance Metrics

<b><u>Strategy B</u></b> <b>Fortify Funding and Resources</b>	<b>Performance Metrics:</b> <ul style="list-style-type: none"> <li>• Local Investments</li> <li>• Federal Investments</li> <li>• Partner Investments</li> <li>• Philanthropic Investments</li> </ul>	<b><u>Strategy E</u></b> <b>Increase Supportive Housing Opportunities</b>	<b>Performance Metrics:</b> <ul style="list-style-type: none"> <li>• Permanent Supportive Housing Production</li> <li>• Average Length of Homelessness</li> <li>• Homelessness Return Rate</li> <li>• Voucher Utilization</li> <li>• Homelessness Exit Rates &amp; Homelessness Exit Destinations</li> </ul>
<b><u>Strategy C</u></b> <b>Build New Housing</b>	<b>Performance Metrics:</b> <ul style="list-style-type: none"> <li>• Affordable Housing Production—Rental</li> <li>• Rental Housing Gap by Income</li> <li>• Housing Cost Burden</li> <li>• Jobs:Home Ratio</li> <li>• Percentage of Homes Affordable to Median Renter</li> <li>• Vacancy Rate</li> </ul>	<b><u>Strategy F</u></b> <b>Preserve Existing Housing</b>	<b>Performance Metrics:</b> <ul style="list-style-type: none"> <li>• Home Preservation</li> </ul>
<b><u>Strategy D</u></b> <b>Support Homeownership Opportunities</b>	<b>Performance Metrics:</b> <ul style="list-style-type: none"> <li>• Affordable Housing Production—Homeownership</li> <li>• Homeownership Rate</li> <li>• Foreclosure Prevention Rate</li> <li>• Months of Supply—Homeownership</li> <li>• Homeownership Support</li> </ul>	<b><u>Strategy G</u></b> <b>Improve Access and Stability</b>	<b>Performance Metrics:</b> <ul style="list-style-type: none"> <li>• Residents Served</li> <li>• Resident Outreach</li> <li>• Fair Housing Complaints</li> <li>• Eviction Prevention—Number of Households</li> </ul>