HOUSING TRUST FUND COMMISSION

Work Session Minutes
November 18, 2025
Start Time: 2:30 p.m.
End Time: 4:45 p.m.

Commissioners Present

- Lizzie Goddard
- Peter Westerholm
- Antone Christianson-Galina
- Jayla Thomas

Commissioners Absent

- Debra Moore
- Maria Jackson
- Council Member Berkley Allen

Quorum Present

Staff Present

- Angie Hubbard, Director, Housing Division
- Catherine Middlebrooks, Trust Fund Manager
- James Dean, Housing Division Compliance Manager

Work Session Overview

The work session was led by Director Angie Hubbard.
Purpose: To receive general feedback from Commissioners on the draft Round 16 policies and provide an overview of upcoming opportunities for public and Commission input.

DISCUSSION ITEMS

1. Round 16 Policy Priorities

a. Eligible Project Types and Costs

Project Types: Rental, Ownership, Owner-Occupied Repair (OOR)
Funding: Limited to new projects only.

- Jayla expressed that cooperative housing should not be categorized under ownership and believes it aligns more closely with rental structures.
- Antone provided comments regarding innovation.
- Peter requested additional discussion on cooperative housing based on Jayla's concerns.
- Jayla explained her reasoning that co-ops may serve as a pathway to ownership but function more similarly to rental.
- Peter asked whether point bonuses used in prior rounds would continue. Director Hubbard confirmed that bonus points will differ in Round 16 and will apply only to deeply affordable housing.
- Antone noted that ownership builds equity, while pricing structures for co-ops often resemble rental projects.
- Lizzie questioned whether comparisons across categories were appropriately aligned.

2. Housing Security

a. Income Targets

- Peter: Asked how OOR distribution across the community affects income targeting.
- Andrea (RTN): Noted that applicants are accepted up to 80% AMI, though historically the program serves households at or below 60% AMI.
- Terry (WHC): Reported that typically 40–45% of households served fall under 60% AMI.

b. Affordability Terms

- Antone: Asked whether affordability terms are fixed or flexible, noting that more applicants generally apply than funds available. Suggested consideration of longer affordability periods similar to prior rounds where 99-year terms were used.
- Lizzie: Expressed concern about unintended consequences for rental developments if thresholds are set too high.
- Peter: Asked whether other communities have implemented similar extended terms and what their experiences have been.
- Josh H.: Noted potential challenges with very long affordability terms and issues around rights of first refusal.
- Bryan: Stated that lenders evaluate the residual value after the affordability period; longer terms may reduce flexibility.
- Angies: Noted the importance of preventing affordability loss.
- Jayla: Asked how affordability is scored.
- Lucille: Stressed the need for enforceability and clear documentation to ensure equitable application.
- Rusty: Asked whether lenders had been consulted about impacts to financing.
- Antone: Asked how a first right of refusal requirement might affect lending.
- Angie: Advised that the policy team will provide a response at the December meeting.
- Lizzie: Asked whether scoring could be weighted less heavily compared to other categories.

3. Special Populations

- Lizzie: Noted challenges in identifying partners for highly specialized projects.
- Angie: Stated that UHS identifies populations but does not define narrowly.
- Jayla: Asked how special populations are defined.
- Eddie: Suggested a caveat allowing units to be filled by the general population if a qualifying special-population applicant is not available.
- Angie: Emphasized the need to be able to both target and produce units for selected populations.

4. Fair Housing Policies and Affirmative Marketing

No additional comments from commissioners

5. Housing Access Criteria

- Lizzie: Recommended ensuring language addresses special populations when relevant.

6. Anti-displacement Policies

No additional comments from commissioners

7. Education, Counseling, and Resource Access

No additional comments from commissioners

8. Location and Access

- Peter: Asked whether "high-opportunity area" will be defined.
- Angie: Advised that this information would be available

9. Neighborhood and Community Benefits

No additional comments from commissioners

10. Design Quality

- Antone: Asked whether aesthetic flexibility exists.
- Jayla: Questioned whether including daycare availability may extend beyond appropriate scoring criteria.

11. Sustainability and Resiliency

- Peter: Asked whether definitions will be provided for required or recommended features.

12. Permanent Supportive Housing

- Lizzie: Expressed support for maintaining a 10% baseline.
- Jayla: Asked how applications are balanced when prior rounds funded a high percentage of such projects.

13. Underwriting Criteria

Angie clarified that underwriting includes three components: Developer Qualifications, Project Readiness, and Financial Capacity.

a. Developer Qualifications

- Antone: Stated that requirements help prevent developers from pairing with inexperienced nonprofits solely for eligibility.

b. Project Readiness

No additional comments from commissioners

c. Financial Capacity

- Peter: Asked how many applicants currently have more than three open Barnes Fund contracts.

d. Funding Need / Housing Need Summary / Housing Tools Summary

No additional comments from commissioners

14. Historical Information and Funding Caps

- Antone: Supports per-unit caps, noting that per-unit subsidy approaches can resolve several issues.
- Lizzie: Supports caps for 0–30% AMI units with supplemental layering; expressed hesitance about lowering caps below $4 million.
- Peter: Appreciated the per-unit cap model; noted that prior $4.5 million caps corresponded with larger overall funding amounts.
- Jayla: Asked how many projects could be funded at a $2.5 million cap.
- Angie: Estimated approximately 7.6 projects at $2.5 million each.

15. Funding Tracks

- Lizzie: Supports Track 4, noting rental housing as the community's greatest need.
- Jayla: Prefers Tracks 4 and 1, emphasizing equal opportunity across applicants.
- Antone: Supports Track 4 and suggested raising allocations for rental projects above 60% AMI.

16. Public Comments

- Terry (WHC): Expressed support for Track 4 for maximizing OOR impact; welcomed release of draft policy.
- Andrea (RTN): Commented on universal design applicability, scoring matrix clarity, financial documentation, and funding track preferences.
- Lucille (H4H): Emphasized evaluating caps and scoring categories collectively to ensure equitable competitiveness; recommended clarity on development timeline expectations.
- Shanlee Diamond: Introduced herself.
- Rusty (AAA): Expressed concern about constraints affecting the Barnes Fund.
- Bryan: Noted limitations in producing deeply affordable units in large tax-credit developments; asked about walk-score methodology.
- Stand Up Nashville: Supported Track 4 and requested increased rental allocation.
- Mick (Nelson): Emphasized maximizing high-quality units and lower-AMI production.
- Eddie (AHR): Encouraged funding as many projects as possible.

Final Items & Closing Discussion

Co-Ops

- Jayla reaffirmed her position that co-ops should be classified as rental.

Funding Caps

- Jayla: Recommended $2.5 million
- Peter: Supported lowering the cap
- Angie: Cautioned against going below $3 million
- Lizzie: Supported $3.5 million

Final Decision: $3.5 million cap

Adjournment

The work session concluded at 4:45 p.m.