MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE

November 12, 2025

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Board") met on November 12th, 2025 at 9:10 a.m. Metro Council Committee Room 2, (2nd floor), 1 Public Square, Nashville, TN 37201 – Metro Courthouse/City Hall.

Board members present were: Joshua Haston, Nigel Hodge, and Mark Wright

Also present were: Joshua Thomas, Metro Legal; Travis Miller, Metro Planning; Barbara Thomas, Metro Finance; Austin Holmes, Dominium; Frank Hogan, Colliers Securities LLC, Steve Reiter, Member of the public

Public Comment Period:

Chair Hodge opened the floor for comments from the public.

No members of the public wished to speak. Chair Hodge closed the public comment period.

Minutes Consideration:

Board member Wright made a motion to approve the October 8th meeting minutes and was seconded by Board member Haston.

The Board voted with Chair Hodge, and Board members Haston, and Wright voting Yay. The Board approved.

Affordable Housing Research Discussion:

Chair Hodge gave a follow up presentation on Denver's development. Chair Hodge stated that the State of Colorado is working on affordable housing. Chair Hodge stated that Colorado is the 6th least affordable state for housing and 61% of renters have a severe cost burden when it comes to housing. Chair Hodge stated the State is requiring municipalities with population of 500,000 or greater to create an affordable housing action plan. Chair Hodge stated that in 2027 affordable housing grants would be available with priority given to municipalities that have created and action plan.

Chair Hodge stated Denver repealed the minimum parking requirements as a cost saving measure for developers in order to align with State law. Board member Haston asked if this change was for market rate and affordable units. Chair Hodge stated it was for both.

Chair Hodge stated each structure parking space can cost as much as $50,000. Chair Hodge stated that this change lowered parking costs on renters who don't have a vehicle but whose rent pays back the bond. Board member Haston stated that data from his own properties shows residents on average don't have more than one car per household. Board member Haston stated that in addition to cost, additional parking spots take up land that could be used for units.

Board member Wright stated he is working on a project that has three stories, and the first story is parking instead of nine additional units. Board member Wright stated there is additional parking on the site but in order to meet parking requirements they had to build the garage.

Board member Haston stated he wanted to tout legislation before the council in January which changes zoning in RL districts so that if you set aside X number of units for affordable housing you get a density bonus and might get a reduction in parking.

Chair Hodge stated that the change will reduce 650 hours annually spent by staff on calculating parking requirements. Chair Hodge stated that contractors are on a strict timeline and time is money, so saving that time is important. Board member Wright stated that if you need one or two more parking spaces it could set back the plan and cause the contractor to need an extension.

Chair Hodge stated in Denver, Accessory Dwelling Units or granny flats are allowed in residential zoned districts. Board member Haston asked about ways to make building easier. Board member Wright stated that building ADUs has a lot of cost if not zoned. Chair Hodge stated that Denver is committed to increasing density and supply.

Chair Hodge stated Denver requires new developments to have a percentage of affordable units or pay a fee. Chair Hodge stated the fee is used to offset cost of the affordable housing program with remaining funds available to be used to build or preserve households making up to 80% AMI. Chair Hodge stated that these rules applied to build, produce or preserve housing. Chair Hodge stated that preserving housing where people live currently makes this a multifaceted challenge. Board member Haston stated that Tennessee State law prohibits inclusive zoning, so Nashville can't require affordable housing. Board member Haston stated that waiving Water & Sewer tap fees if contractors include affordable housing could be a good incentive in Nashville. Board member Wright stated that 80% AMI is good figure since it adjusts for inflation. Board member Wright stated that water tap fees are hefty and reducing them would be a good incentive. Board member Haston stated that this is potentially a tool for creating mixed use housing in addition to 100% affordable developments.

Chair Hodge stated that the Mayor of Denver issued an executive order to consolidate the permitting process. Chair Hodge stated that a 180-day clock starts when the application is submitted and if the permit isn't processed the applicant can get up to $10,000 in fees reimbursed. Chair Hodge stated that this is a commitment to reduce red tape and save time and money for contractors. Chair Hodge stated that the State offers a 90-day expedited process.

Chair Hodge stated that Denver created a Pilot program for housing for households with an income from $60,000 to $100,000. The housing must be deed restricted for 30 years to be sold to those making less than 100% AMI. Board member Haston stated that Nashville's Pilot program caps AMI at 75%.

Board member Wright stated that other cities are being more aggressive tackling affordable housing. Board member Haston stated that State laws restrict Nashville's options for affordable housing.

<u>Speaker Presentation - Affordable Housing Updates: Dominium Team</u>

Austin Holmes from Dominium gave a presentation on Affordable Housing.

Board member Haston asked why having a higher land price with the lower income housing tax credit is problematic. Mr. Holmes stated that the tax credit is turned into equity to finance the transaction, however land is not eligible for tax credits. Mr. Holmes stated that this is a challenge nationally.

Mr. Holmes stated that bond availability has changed from 50% of eligible basis bond financing to 25%, which should allow for more transactions. This shift also transfers capital from nontaxable to taxable financing. Board member Haston asked how that would affect tax credit pricing. Mr. Holmes stated that in a vacuum as supply of tax credits increases the price goes down. Mr. Holmes stated that the new phase out of solar credits drives down the supply, and the supply and demand is difficult to speculate on.

Frank Hogan from Colliers Securities LLC stated that the State roll out of the percent change in eligible basis will be slower and varied. Board member Haston asked if the equity would increase in the long term. Mr. Hogan stated that everything else being the same there is downward pressure on tax credits.

Mr. Holmes stated that in Texas the State government has the process of tax abatements whereas in Tennessee it is different by municipality. Mr. Holmes stated tax abatements are necessary for the math of affordable developments. Mr. Holmes stated that across the country municipalities don’t offer abatements and those that do have varying requirements. Mr. Holmes stated that it is a patchwork of where to set up projects and the best set ups are arranged at the State level such as Florida and Texas. Mr. Holmes stated that a municipality that understands the desperate need for housing is helpful in choosing where to develop.

Board member Haston asked about what other State’s processes could be beneficial to Nashville. Mr. Holmes stated that having consistency at the State level helps the developer know how they will be treated from a tax abatement perspective. Mr. Holmes stated that in Nashville the process is consistent but as you go out in Tennessee it is more difficult to plan. Mr. Holmes stated that State level tax abatements would allow them to travel to different counties and know what they need for a tax abatement. Mr. Holmes stated in Texas there is a specific affordable housing title you need, so municipalities must approve affordable housing projects even if the zoning is already in place. Mr. Holmes stated it is difficult to deal with from an entitlement perspective because of NIMBY (Not In My Back Yard) reactions from communities which can reject transactions even if everything else is in order. Mr. Holmes stated that affordable housing has messaging challenges and stigmas, and city councils may even think that you are building section 8 housing. Mr. Holmes stated that city councils have the ability to reject projects even when they have zoned for multifamily housing. Mr. Holmes stated that in Tennessee this isn’t an issue.

Board member asked about the, “Live Local,” program in Florida. Mr. Holmes stated that he had not worked a transaction in the program. Mr. Holmes stated the program allows for a tax abatement with a commitment to a 90-year affordability anywhere in the State of Florida.

Chair Hodge stated in the interest of time the Board plans to have Dominium back for a full Ad hoc meeting. Chair Hodge asked for final questions to be answered at that meeting. Board member Haston asked about zoning entitlements in other States and how they might be easier. Board member Wright asked how infrastructure costs are impacting projects.

Adjourn:

The meeting was adjourned at 10:04 am.

APPROVED, this 7th day of January 2026.

Signature on File ____________________________

Nigel Hodge, Chair