

METROPOLITAN GOVERNMENT OF
**NASHVILLE &
DAVIDSON COUNTY**

ROUND 1 AWARD: \$5,000,000



Overview: To expand housing supply and lower housing costs, HUD's Office of Community Planning and Development awarded **\$5 million to the Metropolitan Government of Nashville & Davidson County**. This grant funding will be used to identify and remove barriers to affordable housing production and preservation.

Nashville-Davidson County estimates a shortage of nearly 13,000 units for those at or below 30% Area Median Income. The City has invested resources in housing development, updated local policies to boost housing supply, and expanded the capacity of local developers.

PRO Housing funding will enable the Nashville-Davidson County to continue to update local policies, invest in affordable housing, and expand the capacity of local developers and community organizations.

Restrictive Local Land Use Policies

- Only 7% of land in Metro Nashville allows for the construction of multifamily apartments and homeownership units. Metro Nashville is exploring flexibilities to allow more duplexes, triplexes, and other housing typologies for homeownership.

High Land Cost

- Per-acre land values in Nashville's urban core are approximately six times higher in 2022-2023 compared with sales in 2010-2013.
- Limited land availability and high acquisition costs make it financially challenging to create affordable housing — especially permanent supportive housing — without a subsidy or incentive.

LOCAL BARRIERS TO HOUSING IDENTIFIED BY METRO NASHVILLE

RECENT ACTIONS TO BOOST HOUSING SUPPLY LOCALLY

Nashville and Davidson County

- Invested \$100 million — including nearly \$20 million through the American Rescue Plan — to support the preservation and creation of affordable homes. The Barnes Fund has created more than 4,800 new rental and homebuyer units.
- Established the Connecting Housing to Infrastructure Program which provides \$4 million to enhance infrastructure in areas surrounding affordable housing.
- Expedited the review of and shortened the approval timeline for building permits for income-restricted affordable housing.
- Created the Mixed-Income Payment in Lieu of Taxes (PILOT) program which promotes affordability in market-rate buildings.
- Established the City's first permanent supportive housing center to provide on-site supportive services to people experiencing chronic homelessness.



ANTICIPATED IMPACT OF PRO HOUSING FUNDING

as contemplated in grant application

Build Deeply Affordable and Permanent Supportive Housing

- Through PRO Housing, Metro Nashville will establish a Affordable Housing Finance Program to build permanent supportive housing and deeply affordable housing in high opportunity areas.
- Leveraging PRO Housing funding, the Barnes Fund and other funding sources, the Affordable Housing Finance Program will support acquisition, new construction, rehabilitation of existing units, and conversion of hotels or other properties into deeply affordable and permanent supportive housing.

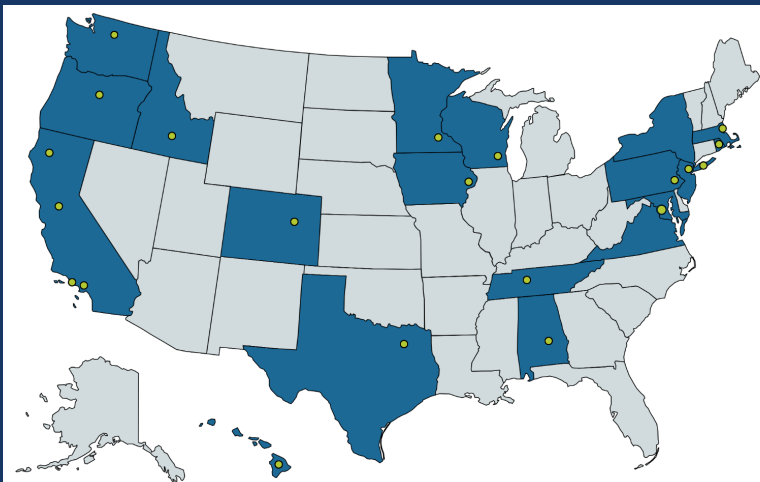
Launch an Affordable Housing Accelerator Program

- To support local development, Metro Nashville will launch a Housing Accelerator Program — supporting emerging developers, community organizations, and small businesses including BIPOC owned developers.
- The Accelerator initiative will include the creation of a predevelopment marketplace, providing emerging developers and contractors access to a network of experts, including lawyers, architects, and grant writers.

Support Partnerships with Community Organizations

- Metro Nashville will use PRO Housing funding to equip community organizations, including faith-based partners, with tools, resources, and expertise to convert underutilized land into affordable housing.

HUD AWARDED \$85 MILLION TO 21 APPLICANTS THROUGH ROUND 1 OF THE PRO HOUSING COMPETITION



- PRO Housing provides first-of-its-kind funding to identify and remove barriers to housing production and preservation.
- The competition prioritizes communities that demonstrate an acute need for affordable housing.
- Successful applications demonstrated local actions — such as updates to land use policies, developer incentives, financing, and innovative strategies — to address barriers and boost housing supply.