

# Metro Nashville-Davidson County Barnes Fund for Affordable Housing 2021 Grant Policy

## **Barnes Fund History**

In 2013, Mayor Karl Dean and the Metro Council created Metro Nashville's first housing trust fund to leverage affordable housing developments throughout Davidson County. Named after Reverend William Barnes who worked tirelessly over five decades to improve the lives and housing conditions of Davidson County residents, the Barnes Fund continues to provide funds for preservation or construction of affordable homeownership, rental opportunities, and other supportive efforts to encourage long-term affordability.

In order to address critical housing needs, the Barnes Fund supports households with incomes at or below 80% of the HUD area median family income. The Metropolitan Housing Trust Fund Commission provides oversight and administration of the Barnes Fund. The Commission is dedicated to excellent stewardship and investment opportunities that both fulfill the mission of the Barnes Fund and boosts prosperity for the entire community.

Since its inception, over \$47 million dollars has been granted through The Barnes Fund to create and preserve over 2400 units of affordable housing throughout Davidson County.

## **Funding**

The City of Nashville and County of Davidson County operating budget allocates annual funding to the Barnes Fund at the discretion of the Mayor and Metropolitan City Council. For 2021, The Regions Foundation of Tennessee graciously provided additional funding for the Barnes Fund in the amount of \$250,000. The Housing Trust Fund Commission, which oversees the Barnes Fund, determines the amount allocated to each 'round' of funding and utilizes a request for proposals (RFPs) application model.

A contract between Metro and awarded applicants will be recorded through a legislative resolution that must be passed by Metro Council. This contract outlines the invoicing procedure (draw requests) for each awarded applicant. Please note the Barnes Fund remits payment on a reimbursement schedule. All work is to be cataloged, invoiced, paid, and inspected prior to the remittance of Barnes funding. The Barnes Fund has committed \$7,445,000 to be awarded during this round of funding. All funding requests are capped at \$2,000,000 for a two-year funding contract. In order to address barriers to equity and organizational development, \$500,000 of this funding will be prioritized for organizations with budgets below \$2,000,000. Awards in this category are capped at \$250,000. Any funding not utilized in this organization prioritization will be reallocated to the broader funding pool.

## Is Barnes Funding Right for Me?

- Are you or your project partner an existing nonprofit organization located in Davidson County with strong financial standing and a commitment to supporting lower income individuals?
- Do you have experience in housing development in Nashville or are you partnering with a company or organization that does?
- Can you complete the proposed project in 24 months?
- Do you own or have strong control of the land you intend to build on?
- Do you have substantial funding outside of Barnes committed to support your project? A good rule of thumb is for every \$1 of Barnes you have secured at least \$3 from other sources.
- If you have been funded by Barnes previously, are your projects in good standing and on a path of progress toward completion?
- Will all or part of your project units serve incomes at and below 60% AMI for rental and 80% AMI or below for homeownership?
- Will your property ensure affordable rental/ownership in perpetuity?
- Can you submit a complete application with all required attachments by January 15, 2021?

If you have answered yes to all these questions, you are encouraged to apply. Award announcements will be made at the end of February.

## The Application Process

Three types of projects are considered for funding:

- Affordable rental development
- Affordable homeowner development
- Rehabilitation of existing affordable homes

We encourage one application per organization in one category unless the applicant is a non-profit developer partnering with a non-profit organization. At a maximum, an organization can submit two applications.

All applications are reviewed by staff and by a committee of volunteer experts. All review committee members are screened for any potential conflicts of interest. If any reviewer states that they are directly associated with any applicant either professionally or personally, they must disclose this information on the conflict of interest form and recuse themselves from the review process. Funding guidelines and an associated scoring matrix determine project scoring and rank. Between 4 and 10 projects are typically selected for funding annually. However, the Barnes Fund receives about three times as many applications are submitted for funding. This is a very competitive grant opportunity. Scoring feedback and suggestions for improvement can be submitted to [ashley.brown2@nashville.gov](mailto:ashley.brown2@nashville.gov) after awards have been announced.

## Funding Activities

### Eligible costs include, but are not limited to:

Down payment assistance	Developer fees
Appraisals	Environmental Assessment
Architectural/engineering fees	Financing fees
Capitalized Operating Reserves	Hazardous materials abatement
Capitalized Replacement Reserves	Inspections & Surveys
Closing costs	Insurance
Construction	Interest
Contingency	Option costs
Permits	Professional Fees
Reimbursement of pre-development costs	Purchase price
Relocation	Title insurance
Site Development	

Program funds may be used to fund housing units, residential spaces, and common areas to the extent they serve the low-income housing units and no other uses. Qualifying examples include:

- Areas for cooking, eating, bathing
- Building Lobby, Corridors, stairwells, storage areas
- Management and service office space that is accessory to the housing
- Spaces used for on-site social services

## Project Design and Energy Efficiency

It is the expectation of the Commission that all proposed projects will include thoughtful, beautiful design that is complimentary to the neighborhood and that homes will be built with high-quality energy efficient products and systems. It is also an expectation that projects will be sensitive to universal design and ADA compliant.

## Timelines and Expectations

- Applications will be released on August 17th and managed through an online application system which can be found through the Barnes webpage:
  - <https://www.nashville.gov/Mayors-Office/Economic-Opportunity/Barnes-Fund/Applications.aspx>
- Please complete the online application and attach the completed relevant files using the templates located on the Barnes webpage.

- Project budget/proforma, diversity matrix, sustainability matrix, and universal design checklist
- Please submit questions to [ashley.brown2@nashville.gov](mailto:ashley.brown2@nashville.gov) by January 12, 2021.
- **Applications will close on January 15, 2021. Late applications will not be accepted.**
- The staff will conduct the internal review followed by the review committee evaluating applications from January 23 to February 19, 2021. Applicants may be asked clarifying questions by staff during this time. Quick response is expected.
- Announcements of awardees will be made on February 23, 2021.
- Contracting with awardees will begin immediately after with an expectation of a final recorded contract and associated legislation to be review by Metro Council in May 2021.
- Unfunded applications may seek a consultation with staff to review the application in Summer 2021.