



Metropolitan Nashville and Davidson County, TN

Legislation Details (With Text)

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Title: A resolution expressing support to the Tennessee General Assembly for House Bill 0468/Senate Bill 1050 which would provide increased revenue options for creating and preserving affordable housing in Nashville.

Sponsors: Terry Vo, Sandra Sepulveda, Burkley Allen, Kyonzte Toombs, Erin Evans, Emily Benedict, John Rutherford, Ginny Welsch, Zulfat Suara, Delishia Porterfield, Olivia Hill, Brenda Gadd

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2/27/2024	1	Metropolitan Council	filed	

A resolution expressing support to the Tennessee General Assembly for House Bill 0468/Senate Bill 1050 which would provide increased revenue options for creating and preserving affordable housing in Nashville.

WHEREAS, the Nashville-Davidson/Murfreesboro/Franklin Metropolitan Statistical Area (“MSA”) continues to face an affordable housing crisis, with a deficit of more than 46,000 affordable and available rental units for households at or below 50 percent of Area Median Income, as reported by the National Low Income Housing Coalition; and

WHEREAS, 29 percent of all households in the aforementioned MSA are considered cost-burdened, meaning they pay more than 30 percent of their income for housing, according to the Harvard Joint Center for Housing Studies; and

WHEREAS, 48 percent of all renter households in the aforementioned MSA are considered cost-burdened, and 24 percent of all renter households in the aforementioned MSA are considered severely cost-burdened, meaning they pay more than 50 percent of their income for housing; and

WHEREAS, home prices in Davidson County have increased 56 percent from 2018 to 2022, to a median home price of \$450,000, according to the 2022 Vital Signs report from the Nashville Area Chamber of Commerce; and

WHEREAS, area wage growth has lagged during that same time, having only increased 24 percent; and

WHEREAS, the Metropolitan Government has allocated more than \$87 million in one-time federal funds from the American Rescue Plan Act (“ARPA”) to affordable housing, according to the 2023 Recovery Plan report from the U.S. Treasury on State and Local Federal Relief Funds; and

WHEREAS, the ARPA funds must be allocated by the end of 2024 and spent by the end of 2026; and

WHEREAS, replacement of the ARPA funds for ongoing support of affordable housing production and preservation at similar levels will require additional revenue sources; and

WHEREAS, the Metropolitan Council has previously supported the use of 1 percent of hotel/motel tax revenues generated by short-term rentals to go toward the Barnes Fund for Affordable Housing; and

WHEREAS, outside of Tennessee, local governments and states have recently considered and approved the use of tourism tax dollars to create and preserve affordable and workforce housing, most notably South Carolina's overwhelmingly bipartisan passage of S.284 in May 2023 which included workforce housing as one of the purposes for which certain taxes may be used; and

WHEREAS, the Tennessee General Assembly is also considering making additional short-term rental tax revenues available to be used by the Metropolitan Government for affordable housing; and

WHEREAS, House Bill 0468/Senate Bill 1050, sponsored by Representative Caleb Hemmer and Senator Jeff Yarbrow respectively, would authorize the Metropolitan Government to allocate a portion of funds collected from the metropolitan government tourist accommodation tax for the promotion of affordable housing for residents within the Metropolitan Government; and

WHEREAS, the Metropolitan Council is supportive of efforts by the Tennessee General Assembly's to make additional tax revenue available for the creation and preservation of affordable housing.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That the Metropolitan County Council hereby goes on record as requesting that the Tennessee General Assembly provide more flexibility in allowing the Metro Council to allocate short-term rental tax revenues toward the production and preservation of affordable housing in Nashville and Davidson County by supporting House Bill 0468/Senate Bill 1050.

Section 2. The Metropolitan Clerk is directed to send a copy of this Resolution to each member of the Davidson County Delegation to the Tennessee General Assembly.

Section 3. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.