



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2024-240, **Version:** 2

A resolution amending RS2022-1696 to change the date that unobligated funds left in the Affordable Housing Gap Financing (AHGF) program shall be transferred to the Barnes Fund for Affordable Housing.

WHEREAS, RS2022-1696 (“the Resolution”) appropriated \$25,000,000 in American Rescue Plan Act (ARPA) funds to the Metropolitan Development and Housing Agency (MDHA) to provide low-cost loans to developers for the addition of deeply affordable housing units, with loan proceeds to be used to address affordable housing and homeless services; and

WHEREAS, Section 3, bullet seven (7) of the Resolution provided that unobligated funds left in the AHGF program as of December 31, 2023, shall be transferred to the Barnes Fund for Affordable Housing; and

WHEREAS, to date, MDHA has obligated \$12,438,856.15 of the AHGF funds; And

WHEREAS, MDHA continued to accept applications for the program through November 30, 2023; and

WHEREAS, two (2) new applications were approved, which would obligate an additional \$4,717,062.00, making total obligations of \$17,391,771.25; and

WHEREAS, to allow time for these applications to be recommended for approval and funds to be awarded/obligated by MDHA’s Board of Commissioners, MDHA desires to change the language of Section 3, bullet 7 to state that un-obligated funds left in the AHGF program after March 31, 2024, be transferred to the Barnes Fund for Affordable Housing; and

WHEREAS, it appears to MDHA that a minimum of \$7,607,228.75 in un-obligated funds will be left in the AHGF program after March 31, 2024, and therefore be transferred to the Barnes Fund for Affordable Housing; and

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that this amendment be adopted.

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

Section 1. That Section 3, Bullet seven (7) of the Resolution RS2022-1696 is deleted in its entirety and replaced with the following:

Any un-obligated funds left in the AHGF as of March 31, 2024, shall be transferred to the Barnes Fund for Affordable Housing.

Section 2. This resolution shall take effect from and after its final passage, the welfare of the public requires it.

Analysis

This resolution amends Resolution No. RS2022-1696, which appropriated \$25,000,000 in American Rescue Plan Act (“ARPA”) funds to the Metropolitan Development and Housing Agency (“MDHA”) to provide low-cost loans to developers for the addition of deeply affordable housing units, known as the Affordable Housing Gap

Financing (“AHGF”) program. Proceeds from the AHGF program are used to address affordable housing and homeless services.

To date, MDHA has obligated approximately \$12,500,000 of the AHGF funds and accepted applications through November 30, 2023. Two additional applications have been approved, which will obligate approximately \$4,700,000. It is anticipated that the obligations for the AHGF funds will total \$17,391,771.25.

The original resolution stated that unobligated funds in the AHGF program as of December 31, 2023, would be transferred to the Barnes Fund for Affordable Housing. MDHA desires that this date be extended to March 31, 2024, to allow for the additional funds to be used as part of the AHGF program.

The Council Office recommends a housekeeping substitute to this resolution to correct the formatting.