



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2022-1860, **Version:** 1

A resolution appropriating \$10,000,000 in American Rescue Plan Act funds from Fund #30216 to the Housing Division of the Metropolitan Planning Department to increase homeownership opportunities and housing security for populations with historical barriers and demonstrated inequities in homeownership.

WHEREAS, on June 15, 2021, the Metropolitan Council passed Resolution RS2021-966, a resolution which accepted grant funds for local government support from the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021 ("ARP Funds") from the U.S. Department of the Treasury to The Metropolitan Government of Nashville and Davidson County, which was subsequently signed into law by Mayor John Cooper on June 16, 2021; and,

WHEREAS, Resolution RS2021-966 established a COVID-19 Financial Oversight Committee ("the Committee") whose role is to collect, consider, and recommend appropriate uses of the ARP Funds as designated by the Metropolitan Council disbursement plan. The Committee will submit its reports and recommendations to the Mayor, the Director of Finance, and the Metropolitan Council not later than June 30, 2025; and,

WHEREAS, there are federal requirements for use of ARP Funds that require that these funds be expended or obligated on or before December 31, 2024; and,

WHEREAS, the Committee recognizes that opportunities for homeownership for certain populations, such as Black and brown families, are disproportionately limited by market forces, housing discrimination and systemic inequities; and,

WHEREAS, the Committee recognizes that the COVID-19 pandemic's economic impacts have further widened gaps in racial wealth; and,

WHEREAS, in 2021 the Metropolitan Government formed an Affordable Housing Task Force. Building on these findings and recommendations, the Housing Division of the Metropolitan Planning Department ("the Housing Division") targeted four initiatives for transformational impact - (1) pathways to equitable homeownership for Black and brown residents; (2) housing opportunities for older adults; (3) innovative housing solutions for families; and (4) support of Envision Cayce; and,

WHEREAS, the Housing Division has convened working groups to map systems and pinpoint funding/resource gaps, which are incorporated into this request for funding; and,

WHEREAS, based on these discussions, the Housing Division seeks to procure services to develop 76 units of collective or shared equity housing to lower the entry price for homeownership and to develop an Equitable Homeownership Network to focus on removing barriers to homeownership for Black and brown families with incomes at or below 80% of the area median income by increasing access to affordable financial services and connecting families to financial literacy, mortgage counseling, and fair housing counseling programs, as further described in Exhibit A; and,

WHEREAS, the proposed funds will be administered by the Housing Division through competitively procured services with experienced partners; and,

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

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

Section 1. The Metropolitan Council accepts this resolution as a recommendation of the COVID-19 Financial Oversight Committee.

Section 2. That \$ 10,000,000 from the Covid-19 American Rescue Plan Fund #30216 is hereby appropriated to the Housing Division of the Metropolitan Planning Department for the purposes outlined in Exhibit A.

Section 3. This resolution shall take effect from and after its final passage, the welfare of the public requiring it.

Analysis

This resolution appropriates \$10,000,000 in American Rescue Plan Act ("ARP") funds from Fund #30216 to the Housing Division of the Metropolitan Planning Department ("Housing Division").

In 2021, the Metropolitan Government formed an Affordable Housing Task Force. Based upon the findings and recommendations of the Affordable Housing Task Force, the Housing Division has targeted four initiatives for transformational impact - (1) pathways to equitable homeownership for Black and brown residents; (2) housing opportunities for older adults; (3) innovative housing solutions for families; and (4) support of Envision Cayce.

Based upon discussions of working groups, the Housing Division seeks to procure services to develop collective or shared equity housing to lower the entry price for homeownership and to develop an Equitable Homeownership Network to focus on removing barriers to homeownership for Black and brown families with incomes at or below 80% of the area median income. This includes increasing access to affordable financial services and connecting families to financial literacy, mortgage counseling, and fair housing counseling programs.

The Housing Division proposes \$9,500,000 in ARP funding for new construction or acquisition/rehabilitation of housing for shared equity ownership. The Housing Division would issue a request for proposals ("RFP") for a partner with experience in developing or financing collective or shared equity housing. The goal of this activity is to create 76 units.

The Housing Division proposes \$500,000 in ARP funding to increase awareness of and connection to existing resources for prospective homebuyers and the creation of a network among service providers and financial institutions. The Housing Division would issue an RFP for a community-based nonprofit or consortium of nonprofits with demonstrated experience building trust with Black and brown communities. The goal of this activity is to assist 100 people in becoming mortgage ready.

Fiscal Note: This \$10,00,000 appropriation, along with the appropriations per Resolution No. RS2022-1865, RS2022-1863, RS2022-1860, RS2022-1861, RS2022-1862, and Resolution No. RS2022-1856 would be the 35th, 36th, 37th, 38th, 39th and 40th resolutions appropriating from the American Recovery Plan Act (ARP) Fund for a cumulative total of \$221,497,030. The total grant award is \$259,810,600. The first half of this amount was

received in July 2021 and the second half was received in July 2022. The grant award must be obligated by December 31, 2024 and expend by December 31, 2026.