



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2025-1008, **Version:** 1

An ordinance establishing a Voluntary Attainable Housing Incentive Program for Metropolitan Nashville and Davidson County for the purpose of authorizing certain incentives to be provided to property owners who seek to build multi-family attainable housing.

WHEREAS, pursuant to T.C.A. § 13-3-601, the State of Tennessee allows the chief legislative body of a municipality to create a voluntary attainable housing incentive program by ordinance for the purpose of authorizing certain incentives to be provided to property owners who seek to build multi-family attainable housing; and

WHEREAS, the ordinance must contain, at a minimum, the definition of attainable housing; the types of multi-family housing facilities, buildings, and structures eligible for the program; the geographic areas of the municipality where multi-family facilities, buildings, and structures eligible for the program may be constructed or rented; any special exceptions or conditional uses included in the zoning ordinances of the municipality that apply to attainable multi-family housing projects; any other municipal incentives available to property owners who are approved for participation in the program; and the process that a property owner must follow to provide notice of interest for the voluntary program, including convening of a pre-application conference, and the process for submitting a completed application as set forth in T.C.A. § 13-3-603; and

WHEREAS, the Unified Housing Strategy produced by the Nashville Planning Department's Housing Division in Spring 2025 anticipates the need to create 90,000 new homes by 2035 and recommends the creation of a local voluntary attainable housing program in Metro Nashville to help increase the supply of a greater variety of housing types across the income spectrum; and

WHEREAS, the Metropolitan Government determines that it is in the best interest of the citizens of the Metropolitan Government to expand upon efforts to address housing affordability and attainability needs in Nashville by creating a Voluntary Attainable Housing Incentive Program ("VAHI Program"); and

WHEREAS, the Nashville Planning Department shall be charged with developing and implementing the VAHI Program in accordance with T.C.A. § 13-3-601, et seq.

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

Section 1. That the Metropolitan Council hereby authorizes the Nashville Planning Department to establish a Voluntary Attainable Housing Incentives (VAHI) Program pursuant to T.C.A. § 13-3-601, et seq., and hereby delegates authority to the Metropolitan Planning Commission to grant zoning incentives for projects that meet the criteria codified in Title 17 of the Metropolitan Code of Ordinances.

Section 2. Definitions.

For the purpose of the Voluntary Program, the following definitions shall apply:

- a) Attainable Housing shall mean residential units that are income restricted for a period of thirty (30) years and made available to households that earn no more than the Area Median Income (AMI) limit established for the applicable zoning district as specified in this ordinance, but in no circumstance shall

exceed 120% AMI.

- b) Multi-family housing shall mean rental housing located within Metropolitan Nashville-Davidson County that is designated for residential use and consist of not less than five (5) rental units on one (1) site, so long as the units are not detached. This shall include mixed-use development wherein the principal use is residential.

Section 3. Applicability

- a) The VAHI Program shall be available to property owners seeking to build multi-family housing which includes attainable housing in accordance with the criteria established by this ordinance.
- b) Property owners approved for participation in the VAHI Program may be eligible to participate in other local housing programs subject to the policies and requirements of those programs.
- c) A property owner may not be compelled to participate in the VAHI Program and eligibility for other local housing programs is not predicated upon a property owner's participation in the VAHI Program.

Section 4. Program Requirements

- a) The types of multi-family housing facilities, buildings, and structures eligible for the VAHI Program and the special exceptions or conditional uses that apply to attainable multi-family housing project are listed on Exhibit A to this ordinance. VAHI Program incentives are available for properties zoned Residential Limited (RL).
- b) A property owner must provide notice of intent to the Nashville Planning Department for consideration under the VAHI Program and request a pre-application conference to determine whether a potential project satisfies all of the VAHI Program requirements including those listed on Exhibit A and applicable standards specified in Title 17 of the Metropolitan Code of Laws.
- c) Upon conclusion of the pre-application conference, staff of the Nashville Planning Department shall either:
 - 1. Determine that the proposed project satisfies the requirements to receive housing incentives as outlined in this ordinance and Exhibit A to this ordinance and prepare a conference summary document that includes:
 - a. The parameters of the project, including the timeframe for completing the project;
 - b. The incentives being offered;
 - c. A finding that the potential project conforms to the ordinance and state law; and
 - d. A recommendation to the Metropolitan Planning Commission; or
 - 2. Determine that the project does not conform to the VAHI Program, the applicable standards of Title 17, and state law or that the property owner is no longer interested in participating in the program. The property owner may either request another meeting within sixty (60) days of the pre-application conference or move forward with the proposed project without the requested incentives.
- d) Any finding by Nashville Planning Department staff that a project meets the requirements of the VAHI Program is not binding and does not create any vested property rights for the property owner.
- e) Upon receipt of the pre-application conference summary document, the potential applicant may submit a complete application to the Metropolitan Planning Commission for participation in the VAHI Program. The application must include:
 - 1. A copy of the pre-application conference summary document and an attestation that the applicant is willingly participating in the VAHI Program and will construct and complete the project timely within the manner outlined and reviewed in the pre-application conference.
 - 2. The applicant must submit a completed application to the Metropolitan Planning Commission within one hundred twenty (120) days of receiving the pre-application conference summary document for the completed application to be considered.
- f) The Metropolitan Planning Commission shall schedule a decision on whether to approve the completed application at the next public meeting held after the completed application is submitted, or another date agreeable to the applicant.

1. The Metropolitan Planning Commission shall review the completed application to determine if it is within the parameters of the pre-application conference summary document.
 2. If the completed application is determined to be within the parameters of the pre-application conference summary document, the completed application must not be denied based on those provisions.
 3. The Metropolitan Planning Commission may deny the application based upon any factual or legal issues subsequently identified during the review of the completed application, or defer if appropriate under its rules.
- g) All multi-family facilities, buildings, and structures constructed under the VAHI Program must be deed-restricted to ensure that the attainable housing continues for a period of thirty (30) years.

Section 5. Program Administration

- a) The VAHI Program shall be administered by the Nashville Planning Department.
- b) The Nashville Planning Department shall develop and post publicly application materials, program guidelines, and other related materials on its website.
- c) Data on VAHI Program participation shall be included on the public dashboard maintained by the Metropolitan Housing Division pursuant to BL2023-1742.

Section 6. Amendments to this legislation shall be approved by resolution.

Section 7. This ordinance shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This ordinance establishes a Voluntary Attainable Housing Incentive Program (“VAHI Program”) for Metropolitan Nashville and Davidson County to authorize certain incentives to be provided to property owners who seek to build multi-family attainable housing.

Tennessee Code Annotated section 13-3-601 provides that the chief legislative body of a municipality may create a VAHI Program by ordinance. The VAHI Program would be administered by the Nashville Planning Department (“Planning”).

As required by state law, the proposed ordinance defines attainable housing as “residential units that are income restricted for a period of thirty (30) years and made available to households that earn no more than the Area Median Income (AMI) limit established for the applicable zoning district as specified in this ordinance, but in no circumstance shall exceed 120% AMI.”

The VAHI Program shall be available to property owners seeking to build multi-family housing which includes attainable housing. A property owner may not be compelled to participate in the VAHI Program, and eligibility for other local housing programs is not tied to a property owner's participation in the VAHI Program.

Properties zoned Residential Limited (RL) are eligible for the VAHI Program. The establishment of the Residential Limited (RL) zoning designation is the subject of Ordinance No. BL2025-1005, which will take effect on April 1, 2026. According to the exhibit included with the current ordinance, the following building types are eligible for the VAHI program: Townhouses, Townhouse Courts, Plex Houses, Manor Houses, Multiplexes, Low-Rise Courtyard Flats, and Low-Rise Flats. All multi-family facilities, buildings, and structures constructed under the VAHI Program must be deed-restricted to ensure that the attainable housing continues for a period

of thirty (30) years.

To be considered for the VAHI program, a property owner must provide notice of intent to Planning staff and request a pre-application conference. Planning staff must then determine whether or not the proposed project satisfies the requirements to receive housing incentives. If the proposal is found to meet the necessary requirements, the property owner may apply to the Metropolitan Planning Commission to participate in the program. The Metropolitan Planning Commission shall review the completed application to determine if it is within the parameters of the document summarizing the pre-application conference. The Metropolitan Planning Commission may deny the application based upon any factual or legal issues subsequently identified during the review of the completed application or defer if appropriate under its rules.

Amendments to this legislation shall be approved by resolution.