Metropolitan Council

PROPOSED AMENDMENTS PACKET

FOR THE COUNCIL MEETING OF

TUESDAY, JULY 21, 2026

Table Of Contents

AMENDMENT NO. 1

TO

ORDINANCE NO. BL2026-1361, AS SUBSTITUTED

Madam President –

I hereby move to amend Ordinance No. BL2026-1361 by amending Section 3 as follows:

Section 3. That the Application of the DTC: Design Review and Compliance section of Section I of the Downtown Code is amended by adding the following subsection after the Design Review Committee subsection:

East Bank Design Review Committee

The EB DRC is subject to the rules and procedures adopted by the Planning Commission for the DTC DRC. The EB DRC will consist of eight (8) voting members. All members shall be residents of Davidson County. One member shall be nominated by each of the following with confirmation by the Planning Commission:

- District Council Member
- Urban Land Institute
- Nashville Area Chamber of Commerce
- Civic Design Center

One member shall be appointed by the following:

- Mayor
- Metropolitan Council
- Planning Commission
- Vice Mayor

The EB DRC member nominated by the District Council Member shall reside within the area on the east side of the Cumberland River, south of I-65 and west of I-24. If this member no longer resides within this area during their term, a vacancy shall be declared. If multiple District Council Members represent this area, this member shall be nominated by the consensus of all District Council Members. <u>If no consensus can be reached by all District Council Members representing the area, the Director of the Planning Department shall select a member from a list of candidates presented by the District Council Members.</u>

The EB DRC member appointed by the Metropolitan Council shall reside within the East Nashville Community Plan, but not west of I-24. Only Council Members representing a Council District within this area may nominate a candidate for this member. The member shall be appointed by the same process within the Rules of Procedure of the Council of the Metropolitan Government of Nashville and Davidson County as used for election to boards and commissions. If this member no longer resides within the area identified above during their term, a vacancy shall be declared.

The EB DRC members nominated by the District Council Member shall be considered inactive for the purposes of voting and quorum until twelve (12) months after at least 1,000 residential units receive a certificate of occupancy within the area on the east side of the Cumberland River, south of I-65 and west of I-24.

The EB DRC member appointed by the Vice Mayor shall be selected by the same process within the Rules of Procedure of the Council of the Metropolitan Government of Nashville and Davidson County as used for boards and commissions.

Members appointed by the Mayor, Metropolitan Council, Planning Commission, Vice Mayor, District Council Member, and the Civic Design Center shall be design professionals, with a degree or several years of experience in architecture, landscape architecture, planning or urban design. The member appointed by the Urban Land Institute shall be a licensed architect or landscape architect.

Each term shall be four years. Any vacancy occurring during the unexpired term of any members shall be filled in the manner prescribed herein for the original selection of the members of the EB DRC. A new mayor and/or Metropolitan Council may appoint a new representative after the term of the existing representative has expired.

If an EB DRC member fails to attend at least 2/3 of the prior twelve (12) meetings, or misses three (3) consecutive meetings without being excused by the Chair, a vacancy shall be declared and new member requested from the appointing or nominating entity.

If a nominating or appointing entity has a responsibility to name a representative to the DTC DRC as well as the EB DRC, a single representative will serve on both committees and their terms on both committees shall be the same. The EB DRC shall have the same officers as those elected by the process outlined in the DTC DRC.

SPONSORED BY:

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Jacob Kupin
Member of Council

AMENDMENT NO. 2

TO

ORDINANCE NO. BL2026-1361, AS SUBSTITUTED

Madam President –

I hereby move to amend Ordinance No. BL2026-1361 by amending Section 3 as follows:

Section 3. That the Application of the DTC: Design Review and Compliance section of Section I of the Downtown Code is amended by adding the following subsection after the Design Review Committee subsection:

East Bank Design Review Committee

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- District Council Member
- Urban Land Institute
- Nashville Area Chamber of Commerce
- Civic Design Center

One member shall be appointed by the following:

- Mayor
- Metropolitan Council
- Planning Commission
- Vice Mayor

The EB DRC member nominated by the District Council Member shall reside within the area on the east side of the Cumberland River, south of I-65 and west of I-24. If this member no longer resides within this area during their term, a vacancy shall be declared. If multiple District Council Members represent this area, this member shall be nominated by the consensus of all District Council Members.

The EB DRC member appointed by the Metropolitan Council shall reside within the East Nashville Community Plan, but not west of I-24. Only Council Members representing a Council District within this area may nominate a candidate for this member. The member shall be appointed by the same process within the Rules of Procedure of the Council of the Metropolitan Government of Nashville and Davidson County as used for election to boards and commissions. If this member no longer resides within the area identified above during their term, a vacancy shall be declared.

~~The EB DRC members nominated by the District Council Member shall be considered inactive for the purposes of voting and quorum until twelve (12) months after at least 1,000 residential units receive a certificate of occupancy within the area on the east side of the Cumberland River, south of I-65 and west of I-24.~~

The EB DRC member appointed by the Vice Mayor shall be selected by the same process within the Rules of Procedure of the Council of the Metropolitan Government of Nashville and Davidson County as used for boards and commissions.

Members appointed by the Mayor, Metropolitan Council, Planning Commission, Vice Mayor, District Council Member, and the Civic Design Center shall be design professionals, with a degree or several years of experience in architecture, landscape architecture, planning or urban design. The member appointed by the Urban Land Institute shall be a licensed architect or landscape architect.

Each term shall be four years. Any vacancy occurring during the unexpired term of any members shall be filled in the manner prescribed herein for the original selection of the members of the EB DRC. A new mayor and/or Metropolitan Council may appoint a new representative after the term of the existing representative has expired.

If an EB DRC member fails to attend at least 2/3 of the prior twelve (12) meetings, or misses three (3) consecutive meetings without being excused by the Chair, a vacancy shall be declared and new member requested from the appointing or nominating entity.

If a nominating or appointing entity has a responsibility to name a representative to the DTC DRC as well as the EB DRC, a single representative will serve on both committees and their terms on both committees shall be the same. The EB DRC shall have the same officers as those elected by the process outlined in the DTC DRC.

SPONSORED BY:

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Jacob Kupin
Member of Council

AMENDMENT NO. 1
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 by amending Sections 8 & 9 as follows:

Section ~~8~~9. The Metropolitan Clerk is directed to publish a notice announcing such change in a newspaper of general circulation within five days following final passage.

Section ~~9~~10. This Ordinance shall take effect upon publication of the above said notice, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

SPONSORED BY:

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Rollin Horton
Member of Council

AMENDMENT NO. 2

TO

ORDINANCE NO. BL2026-1391, AS SUBSTITUTED

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391, as follows:

I. By modifying Section 3, proposed Subsection 17.16.090.C.5, as follows:

5. Future improvements. Any changes to a data center - small that increase the square footage; ~~or~~ add maximum utilization capacity; or alter operational parameters such that the potential environmental disturbance would increase, including but not limited to, cooling technology, water consumption, wastewater discharge, backup generation capacity, noise emission, or environmental mitigation measures; requires review of a new permit consistent with Section 17.40.575. If applicable, the classification may be adjusted to account for added square footage and/or capacity and permit and zoning requirements of the new classification will govern.

II. By modifying Section 3, proposed Subsection 17.16.090.D.5, as follows:

5. Future improvements. Any changes to a data center - medium that increase the square footage; ~~or~~ add maximum utilization capacity; or alter operational parameters such that the potential environmental disturbance would increase, including but not limited to, cooling technology, water consumption, wastewater discharge, backup generation capacity, noise emission, or environmental mitigation measures; requires review of a new permit consistent with Section 17.40.575. If applicable, the classification may be adjusted to account for added square footage and/or capacity and permit and zoning requirements of the new classification will govern.

III. By modifying Section 4, proposed Subsection 17.16.185.A.5, as follows:

5. Future improvements. Any changes to a data center - large that increase the square footage; ~~or~~ add maximum utilization capacity; or alter operational parameters such that the potential environmental disturbance would increase, including but not limited to, cooling technology, water consumption, wastewater discharge, backup generation capacity, noise emission, or environmental mitigation measures; requires review of a new permit consistent with Section 17.40.575. If applicable, the classification may be adjusted to account for added square footage and/or capacity and permit and zoning requirements of the new classification will govern.

IV. By modifying Section 5, by adding the following as a new proposed Subsection 17.16.300.A.3:

3. Future improvements. Any changes to a data center - accessory that increase the square footage; ~~or~~ add maximum utilization capacity; or alter operational parameters such that the environmental disturbance would increase, including but not limited to, cooling technology, water consumption, wastewater discharge, backup generation capacity, noise emission, or environmental mitigation measures; requires review of a new permit consistent with Section 17.40.575. If applicable, the classification may be adjusted to account for added square footage and/or capacity and permit and zoning requirements of the new classification will govern.

SPONSORED BY:

Mike Cortese
Member of Council

AMENDMENT NO. 3

TO

ORDINANCE NO. BL2026-1391, AS SUBSTITUTED

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391, as follows:

I. By modifying Section 3, proposed Subsection 17.16.090.C, by adding the following as an additional subsection 17.16.090.C.6:

6. Decommissioning.

a. For purposes of this section "decommissioning" shall mean the removal and restoration of the property and shall include the removal of all hazardous materials and contents, including cabling, electrical components, cooling systems, any contaminated soils, any electrical generators, and other associated facilities, as well as the regrading of any earth disturbed during removal.
b. Any data center owner or operator shall at its expense complete decommissioning of the property within twelve months after the end of the life of the property for any use. The property will be presumed to be at the end of its useful life if it is not used for a continuous period of twelve months. The facility owner or operator shall report to the codes department within 48 hours any cessation or discontinuation of use. If the codes department becomes aware of the cessation or discontinuation of use of the data center by observation or report from a third party without receiving notification from the facility owner or operator. In that case, the codes department may notify the facility owner or operator of the report or observation in writing or by posting a notice on the premises that decommissioning must be completed within six (6) months of said notice.
c. The cost of decommissioning shall be determined by an independent certified Professional Engineer and shall be equal to the estimate of decommissioning less the net salvage value of the equipment.
d. The facility owner or operator shall post and maintain financial assurance naming Metro as obligee for decommissioning equal to the cost of decommissioning.
e. Acceptable forms of financial assurance may be in the form of a surety bond; a collateral bond; an irrevocable letter of credit; an approved negotiated instrument not described; or a combination of the forms of security described herein.
f. The escrow agent shall release the financial assurance when the facility owner or operator has demonstrated and the municipality concurs that decommissioning has been satisfactorily completed, or upon written approval of the municipality in order to implement the decommissioning plan.
g. In the event of sale or transfer of the data center, the acquiring agency shall adhere to the original monetary and operational decommissioning requirements set forth for the original developer.

II. By modifying Section 3, proposed Subsection 17.16.090.D, by adding the following as an additional subsection 17.16.090.D.6:

6. Decommissioning.

a. For purposes of this section “decommissioning” shall mean the removal and restoration of the property and shall include the removal of all hazardous materials and contents, including cabling, electrical components, cooling systems, any contaminated soils, any electrical generators, any electrical substation, and other associated facilities, as well as the regrading of any earth disturbed during removal. Removal of any substation is subject to the approval of the Nashville Electric Service.
b. Any data center owner or operator shall at its expense complete decommissioning of the property within twelve months after the end of the life of the property for any use. The property will be presumed to be at the end of its useful life if it is not used for a continuous period of twelve months. The facility owner or operator shall report to the codes department within 48 hours any cessation or discontinuation of use. If the codes department becomes aware of the cessation or discontinuation of use of the data center by observation or report from a third party without receiving notification from the facility owner or operator. In that case, the codes department may notify the facility owner or operator of the report or observation in writing or by posting a notice on the premises that decommissioning must be completed within six (6) months of said notice.
c. The cost of decommissioning shall be determined by an independent certified Professional Engineer and shall be equal to the estimate of decommissioning less the net salvage value of the equipment.
d. The facility owner or operator shall post and maintain financial assurance naming Metro as obligee for decommissioning equal to the cost of decommissioning.
e. Acceptable forms of financial assurance may be in the form of a surety bond; a collateral bond; an irrevocable letter of credit; an approved negotiated instrument not described; or a combination of the forms of security described herein.
f. The escrow agent shall release the financial assurance when the facility owner or operator has demonstrated and the municipality concurs that decommissioning has been satisfactorily completed, or upon written approval of the municipality in order to implement the decommissioning plan.
g. In the event of sale or transfer of the data center, the acquiring agency shall adhere to the original monetary and operational decommissioning requirements set forth for the original developer.

III. By modifying Section 4, proposed Subsection 17.16.185.A, by adding the following as an additional subsection 17.16.185.A.6:

6. Decommissioning.

a. For purposes of this section “decommissioning” shall mean the removal and restoration of the property and shall include the removal of all hazardous materials and contents, including cabling, electrical components, cooling systems, any contaminated soils, any electrical generators, any electrical substation, and other associated facilities, as well as the regrading of any earth disturbed during removal. Removal of any substation is subject to the approval of the Nashville Electric Service.
b. Any data center owner or operator shall at its expense complete decommissioning of the property within twelve months after the end of the life of the property for any use. The property will be presumed to be at the end of its useful life if it is not used for a continuous period of twelve months. The facility owner or operator shall report to the codes department within 48 hours any cessation or discontinuation of use. If the codes

department becomes aware of the cessation or discontinuation of use of the data center by observation or report from a third party without receiving notification from the facility owner or operator. In that case, the codes department may notify the facility owner or operator of the report or observation in writing or by posting a notice on the premises that decommissioning must be completed within six (6) months of said notice.

c. The cost of decommissioning shall be determined by an independent certified Professional Engineer and shall be equal to the estimate of decommissioning less the net salvage value of the equipment.
d. The facility owner or operator shall post and maintain financial assurance naming Metro as obligee for decommissioning equal to the cost of decommissioning.
e. Acceptable forms of financial assurance may be in the form of a surety bond; a collateral bond; an irrevocable letter of credit; an approved negotiated instrument not described; or a combination of the forms of security described herein.
f. The escrow agent shall release the financial assurance when the facility owner or operator has demonstrated and the municipality concurs that decommissioning has been satisfactorily completed, or upon written approval of the municipality in order to implement the decommissioning plan.
g. In the event of sale or transfer of the data center, the acquiring agency shall adhere to the original monetary and operational decommissioning requirements set forth for the original developer.

INTRODUCED BY:

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Mike Cortese
Member of Council

AMENDMENT NO. __4__
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 1, proposed Metropolitan Code Section 17.04.060, by adding the following sentence at the end of the proposed definition of "Data center":

The term "data center" shall not include communications huts or telecommunication facilities used by a communications service provider primarily for the transmission of voice, video, or data services directly to end-users, provided that such facilities and structures: i. are not designed and used to be continuously occupied by personnel; and ii. are not used to provide commercial colocation, cloud computing, or hosting services for third parties.

SPONSORED BY:

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Jordan Huffman
Member of Council

AMENDMENT NO. __5_
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 8, proposed Section 17.40.575, by inserting a new Subsection F and renumbering the existing Subsection F and subsequent subsections accordingly:

F. An emergency response and power resiliency plan shall be submitted to the fire marshal's office, the office of emergency management, the zoning administrator, and NES prior to the approval of a zoning permit for a data center – medium or data center – large use. Such plan shall include the following:

1. The identification of emergency contacts, site access locations, shutoff procedures, generator locations, fuel storage areas, battery systems, fire suppression systems, any hazardous materials, cooling systems, any substation equipment, critical load, full operational load, proposed backup power resources, proposed battery storage capacity, any renewable energy resources, and load reduction strategies.
2. Procedures for fire, explosion, spill, grid failure, extended generator operation, severe weather, and/or other emergency conditions.
3. For data center – large uses, demonstration on how the facility will manage service interruptions without relying on emissions-producing generation beyond any applicable limit. Backup or resilience capacity beyond allowed emissions-producing generation may be provided through battery storage, renewable energy, waste heat recovery, load reduction, or other non-emissions-producing resources. Nothing shall require the facility to maintain full operational load during an outage.

SPONSORED BY:

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Courtney Johnston
Member of Council

AMENDMENT NO. _6__
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 3, by amending Subsection C to add the following as a new subsection 6:

6. Public Notice. The developer of a data center – small use shall provide mailed notice of the proposed use, including the total square footage of the proposed data center, to all properties within one thousand feet of the subject property no more than twenty-one days following the application of any permit related to the proposed data center development. In addition to notification of individual property owners, an incorporated condominium association registered with the metropolitan clerk as requesting notification shall also be notified. For the subject property where the tax records reflect a mailing address that is different than the address of the subject property, then notification shall also be mailed to the address of the property.

II. By amending Section 3, by amending Subsection D to add the following as a new subsection 6:

6. Public Notice. The developer of a data center – medium use shall provide mailed notice of the proposed use, including the total square footage of the proposed data center, to all properties within one thousand feet of the subject property no more than twenty-one days following the application of any permit related to the proposed data center development. In addition to notification of individual property owners, an incorporated condominium association registered with the metropolitan clerk as requesting notification shall also be notified. For the subject property where the tax records reflect a mailing address that is different than the address of the subject property, then notification shall also be mailed to the address of the property.

SPONSORED BY:

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Delishia Porterfield
Member of Council

AMENDMENT NO. _7__
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 8, proposed Section 17.40.575, by deleting subsection I in its entirety and replacing it with the following:

I. The operator of a data center shall submit compliance reporting to the zoning administrator or their designee that complies with the following:

1. Preparation. Reports shall be prepared by a neutral third-party professional company or organization, on behalf of and paid for by the operator of a data center, as determined by the zoning administrator.
2. Content. Reports shall detail any changes to, and continuation of all, assessments submitted as part of the zoning permit approval process and demonstrate compliance and monitoring of all application requirements and conditions of zoning, as well as include a summary of power use during the reporting period that contains a breakdown of energy sources utilized by the data center.
3. Submission. The operator of a data center smaller than 20,000 square feet shall be required to submit an annual report no later than the first of January of each year. The operator of a data center larger than 20,000 square feet shall be required to submit a quarterly report no later than 30 days after the end of each calendar quarter.
4. Council Report. The zoning administrator shall submit a summarized report of the compliance reports received each quarter with the Metropolitan Council no later than 60 days after the end of each calendar quarter.

SPONSORED BY:

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Delishia Porterfield
Member of Council

AMENDMENT NO. 8
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 3, by amending Subsection D.1 as follows:

1. Location. No data center shall be permitted in a location that is less than ~~500~~ 1,320 feet from a residential use, day care home, daycare center, religious institution, community education use, park, zoo, correctional facility, or other data center or less than 2,640 feet from the centerline of a Choose How You Move (CHYM) All-Access Corridor. Distance shall be measured in a straight line from the closest point of a parcel line of the parcel for which the data center is sought to the closest point of the parcel line of the parcel on which the identified uses are located or from the closest point of a parcel line of the parcel for which the data center is sought to the centerline of identified corridors.

SPONSORED BY:

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Delishia Porterfield
Member of Council

AMENDMENT NO. 9
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 3, by amending Subsection C.4 to add the following as a new subsection f and renumber the existing subsection f:

> f. Where a natural gas line is adjacent to or within the parcel(s) containing the data center, emissions producing electrical generation shall be restricted to only natural gas electrical generators.

II. By amending Section 3, by amending Subsection D.4 to add the following as a new subsection h and renumber the existing subsection h:

> h. Where a natural gas line is adjacent to or within the parcel(s) containing the data center, emissions producing electrical generation shall be restricted to only natural gas electrical generators.

III. By amending Section 4, by amending Subsection A.4 to add the following as a new subsection h and renumber the existing subsection h:

> h. Where a natural gas line is adjacent to or within the parcel(s) containing the data center, emissions producing electrical generation shall be restricted to only natural gas electrical generators.

IV. By amending Section 5, by amending Subsection A.2 to add the following as a new subsection e and renumber the existing subsection e:

> e. Where a natural gas line is adjacent to or within the parcel(s) containing the data center, emissions producing electrical generation shall be restricted to only natural gas electrical generators.

SPONSORED BY:

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Bob Nash
Member of Council

AMENDMENT NO. 10
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 1, proposed Section 17.04.060 of the Metropolitan Code by adding the following definitions in alphabetical order:

“Power Usage Effectiveness” means the ratio of total annual amount of energy needed for the facility to total annual energy used for computing, information storage, and computer networking equipment.

“Water Usage Effectiveness" means the ratio of the annual liters of water used for humidification and cooling to the total annual energy used for computing, information storage, and computer networking equipment. Water Usage Effectiveness shall be measured in liters per kilowatt-hour.

II. By amending Section 8, proposed Section 17.40.575, by adding a new subsection J as follows and renumbering the existing Subsection J and any subsequent subsections accordingly as such may exist:

J. The operator of a data center shall monitor Power Usage Effectiveness and Water Usage Effectiveness and report Power Usage Effectiveness and Water Usage Effectiveness to the zoning administrator or their designee no later than the first January of each year. The Zoning Administrator or their designee shall make these reports available to the public

SPONSORED BY:

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Jennifer Gamble
Member of Council

AMENDMENT NO. _11__
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 8, by amending proposed Subsection I as follows:

I. The operator of a data center shall submit an annual compliance report that details any changes to, and continuation of all, assessments submitted as part of the zoning permit approval process and demonstrate compliance and monitoring of all application requirements and conditions of zoning to the zoning administrator or their designee no later than the first of January of each year. <u>The zoning administrator shall publish all annual compliance reports in a publicly accessible manner within fourteen days of receipt.</u>

SPONSORED BY:

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Clay Capp
Member of Council

AMENDMENT NO. 12
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 1, by adding the following definitions in alphabetical order:

"Emergency use" means use of an electrical generator on a temporary basis due to interruption of service due to Nashville Electric Service (NES) power outage or rolling blackouts, at the request of NES due to grid strain, or pursuant to notification by the Tennessee Valley Authority (TVA) of an electric system reliability event categorized by the North American Electric Reliability Corporation (NERC) as Emergency Energy Alert (EEA) level 2 or 3.

II. By amending Section 3, by amending proposed Subsection C.3.d as follows:

d. Rooftop mechanical equipment, including but not limited to heating, air conditioning, ventilation, generators, and similar equipment, shall not exceed a height of thirty feet as measured from the base of the equipment. Such equipment shall be screened from public streets and from surrounding properties. No screening shall be required for ~~renewable energy~~ solar panels, small wind energy facilities, geothermal energy, and waste heat recovery infrastructure or for green infrastructure, such as green roofs, rooftop cisterns, and other bioretention equipment.

III. By amending Section 3, by amending proposed Subsection C.4.d as follows:

d. On-site power generation by any means—except for solar, wind, geothermal, and waste heat recovery—as a primary, parallel, or routine source of electrical power for data center operations shall be strictly prohibited. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for ~~backup and~~ emergency use only. Outside of ~~emergencies or without the permission of Nashville Electric Service (NES)~~ emergency use, operation of such generators shall be limited to testing only. This subsection shall not apply to the use of ~~renewable energy sources including, but not limited to~~ solar panels, small wind energy facilities, geothermal energy, and waste heat recovery. On-site battery storage, where that battery is charged via grid power or on-site solar to supplement power supply in the event of outages or during peak demand hours, is permitted.

IV. By amending Section 3, by amending proposed Subsection D.3.d as follows:

d. Rooftop mechanical equipment, including but not limited to heating, air conditioning, ventilation, generators, and similar equipment, shall not exceed a height of thirty feet as measured from the base of the equipment. Such equipment shall be screened from public streets and from surrounding properties. No screening shall be required for ~~renewable energy~~ solar panels, small wind energy facilities, geothermal energy, and waste heat recovery infrastructure or for green infrastructure, such as green roofs, rooftop cisterns, and other bioretention equipment.

V. By amending Section 3, by amending proposed Subsection D.4.f as follows:

f. On-site power generation by any means—except for solar, wind, geothermal, and waste heat recovery—as a primary, parallel, or routine source of electrical power for data center operations shall be strictly prohibited. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for ~~backup and~~ emergency use only. Outside of ~~emergencies or without the permission of Nashville Electric Service (NES)~~ emergency use, operation of such generators shall be limited to testing only. This subsection shall not apply to the use of ~~renewable energy sources including, but not limited to~~ solar panels, small wind energy facilities, geothermal energy, and waste heat recovery. On-site battery storage, where that battery is charged via grid power or on-site solar to supplement power supply in the event of outages or during peak demand hours, is permitted.

VI. By amending Section 4, by amending proposed Subsection A.3.d as follows:

d. Rooftop mechanical equipment, including but not limited to heating, air conditioning, ventilation, generators, and similar equipment, shall not exceed a height of thirty feet as measured from the base of the equipment. Such equipment shall be screened from public streets and from surrounding properties. No screening shall be required for ~~renewable energy~~ solar panels, small wind energy facilities, geothermal energy, and waste heat recovery infrastructure or for green infrastructure, such as green roofs, rooftop cisterns, and other bioretention equipment.

VII. By amending Section 4, by amending proposed Subsection A.3.f as follows:

f. If a data center includes the use of ~~renewable energy sources~~ solar panels, on-site solar farm, small wind energy facilities, geothermal energy, waste heat recovery, or other non-emissions generating energy sources to offset at least fifty percent (50%) of a data center's total energy usage, the building height for the data center shall be permitted to increase to a maximum of one hundred fifty (150) feet if such additional height conforms to the permitted height and height control plane of the applicable zoning district the data center is located within. ~~Renewable energy sources may consist of solar panels, on-site solar farm, small wind energy facilities, waste heat recovery, and other renewable energy sources.~~

VIII. By amending Section 4, by amending proposed Subsection A.4.f as follows:

f. On-site power generation by any means—except for solar, wind, geothermal, and waste heat recovery—as a primary, parallel, or routine source of electrical power for data center operations shall be strictly prohibited. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for ~~backup and~~ emergency use only. Outside of ~~emergencies or without the permission of Nashville Electric Service (NES)~~ emergency use, operation of such generators shall be limited to testing only. This subsection shall not apply ~~to the use of renewable energy sources including, but not limited~~ to solar panels, small wind energy facilities, geothermal energy, and waste heat recovery. On-site battery storage, where that battery is charged via grid power or on-site solar to supplement power supply in the event of outages or during peak demand hours, is permitted.

IX. By amending Section 5, by amending proposed Subsection A.2.c as follows:

c. On-site power generation by any means—except for solar, wind, geothermal, and waste heat recovery—as a primary, parallel, or routine source of electrical power for data center operations shall be strictly prohibited. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for ~~backup and~~ emergency use only. Outside of ~~emergencies or without the permission of Nashville Electric Service (NES)~~ emergency use, operation of such generators shall be limited to testing only. This subsection shall not apply to ~~the use of renewable energy sources including, but not limited to~~ solar panels, small wind energy facilities, geothermal energy, and waste heat recovery. On-site battery storage, where that battery is charged via grid power or on-site solar to supplement power supply in the event of outages or during peak demand hours, is permitted.

X. By amending Section 8, by amending proposed Subsection E.4 as follows:

4. The use of ~~sustainable alternatives for power generation, such as~~ solar ~~panels~~ power, ~~small-scale~~ wind ~~turbines~~ power, hydropower, or geothermal energy ~~or other renewable energy sources~~ that will provide at least 15% of total power usage. This can be achieved by a combination of on-site generation and off-site generation that must be additive to the Tennessee Valley Authority (TVA) system.

SPONSORED BY:

____

Clay Capp
Member of Council

AMENDMENT NO. _13_
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 3, by amending proposed Subsection C.4.f as follows:

f. Maximum permissible sound levels shall not exceed sixty-five (65) decibels (dB) during the daytime (7:01 a.m. to (9:59 p.m.) and fifty-five (55) decibels (dB) during the nighttime (10:00 p.m. to 7:00 a.m.) as measured from any property line. <u>The data center will maintain a twenty-four hour industrial noise monitoring system, capable of monitoring dB, dbA, and dbC frequencies, at the property line.</u>

II. By amending Section 3, by amending proposed Subsection D.4.h as follows:

h. Maximum permissible sound levels shall not exceed sixty-five (65) decibels (dB) during the daytime (7:01 a.m. to (9:59 p.m.) and fifty-five (55) decibels (dB) during the nighttime (10:00 p.m. to 7:00 a.m.) as measured from any property line. <u>The data center will maintain a twenty-four hour industrial noise monitoring system, capable of monitoring dB, dbA, and dbC frequencies, at the property line.</u>

III. By amending Section 4, by amending proposed Subsection A.4.h as follows:

h. Maximum permissible sound levels shall not exceed sixty-five (65) decibels (dB) during the daytime (7:01 a.m. to (9:59 p.m.) and fifty-five (55) decibels (dB) during the nighttime (10:00 p.m. to 7:00 a.m.) as measured from any property line. <u>The data center will maintain a twenty-four hour industrial noise monitoring system, capable of monitoring dB, dbA, and dbC frequencies, at the property line.</u>

SPONSORED BY:

____
Clay Capp
Member of Council

AMENDMENT NO. 14

TO

SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 3, by amending proposed Subsection C.4.d as follows:

d. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for backup and emergency use only. ~~Outside of emergencies or without the permission of Nashville Electric Service (NES), o~~ Operation of such generators shall be limited to ~~testing only~~ no more than seventy-two hours consecutively. This subsection shall not apply to the use of renewable energy sources including, but not limited to solar panels, small wind energy facilities, and waste heat recovery.

II. By amending Section 3, by amending proposed Subsection D.4.f as follows:

f. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for backup and emergency use only. ~~Outside of emergencies or without the permission of Nashville Electric Service (NES), o~~ Operation of such generators shall be limited to ~~testing only~~ no more than seventy-two hours consecutively. This subsection shall not apply to the use of renewable energy sources including, but not limited to solar panels, small wind energy facilities, and waste heat recovery.

III. By amending Section 4, by amending proposed Subsection A.4.f as follows:

f. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for backup and emergency use only. ~~Outside of emergencies or without the permission of Nashville Electric Service (NES), o~~ Operation of such generators shall be limited to ~~testing only~~ no more than seventy-two hours consecutively. This subsection shall not apply to the use of renewable energy sources including, but not limited to solar panels, small wind energy facilities, and waste heat recovery.

VI. By amending Section 5, by amending proposed Subsection A.2.c as follows:

c. Excluding generator testing or commissioning activities, emissions producing electrical generation shall be for backup and emergency use only. ~~Outside of emergencies or without the permission of Nashville Electric Service (NES), o~~ Operation of such generators shall be limited to ~~testing only~~ no more than seventy-two hours consecutively.

This subsection shall not apply to the use of renewable energy sources including, but not limited to solar panels, small wind energy facilities, and waste heat recovery.

SPONSORED BY:

____

Sean Parker
Member of Council

AMENDMENT NO. _15_
TO
SUBSTITUTE ORDINANCE NO. BL2026-1391

Madam President –

I hereby move to amend Substitute Ordinance No. BL2026-1391 as follows:

I. By amending Section 8, by amending proposed Subsection I as follows:

I. The operator of a data center shall submit an annual compliance report that details any changes to, and continuation of all, assessments submitted as part of the zoning permit approval process and demonstrate compliance and monitoring of all application requirements and conditions of zoning to the zoning administrator or their designee no later than the first of January of each year. <u>The zoning administrator shall submit a summarized report of the compliance reports received each quarter with the Metropolitan Council no later than 60 days after the end of each calendar quarter.</u>

SPONSORED BY:

____
Kyonzté Toombs
Member of Council

AMENDMENT NO. ___

TO

ORDINANCE NO. BL2026-1403

Madam President –

I hereby move to amend ordinance BL2026-1403 Section 4 by adding the following conditions:

17. With any final site plan submittal and with the installation of the new signal that NDOT evaluate the signalization patterns along Gallatin Pike and adjust signal timing as necessary.
18. With the final site plan submittal, the northeastern portion of the site, specifically surrounding the relocated Renraw House, additional landscaping and open space opportunities shall be considered for incorporation into the site plan.

SPONSORED BY:

____

Sean Parker
Member of Council

AMENDMENT NO. ___
TO
ORDINANCE NO. BL2026-1423

Madam President –

I hereby move to amend Ordinance No. BL2026-1423 by amending Section 4 to add the following condition:

11. The existing mural on the west façade of the existing structure fronting 60th Ave N. shall be preserved and reused or repurposed within the new development, returned or donated to the artists, or otherwise relocated to another publicly viewable area.

SPONSORED BY:

____
Rollin Horton
Member of Council

AMENDMENT NO. __

TO

ORDINANCE NO. BL2026-1430

Madam President –

I move to amend Ordinance No. BL2026-1430 by amending Section 1, proposed Metropolitan Code of Laws subsection 2.08.030.A, as follows:

A. The metropolitan mayor shall~~, upon filing the recommended operating budget with the metropolitan clerk no later than May 1~~ at least three days prior to a department's budget hearing conducted by the metropolitan council budget and finance committee, provide each member of the metropolitan council with a copy of the department's budget summary, organizational structure, recommended budget modifications, and financial details. ~~recommended operating budget, with an executive summary of the budget and descriptive operational and budget information about each~~ Each such budget hearing shall be held no earlier than May 10 with no more than four budget hearings per day subject to this section. For purposes of this section, "department" shall mean a department, board, commission, or agency of the metropolitan government.

SPONSORED BY:

____

Russ Bradford
Member of Council

AMENDMENT NO. ___

TO

ORDINANCE NO. BL2026-1431

Madam President –

I hereby move to amend Ordinance No. BL2026-1431 as follows:

I. By deleting Section 2 in its entirety and replacing it with the following:

Section 2. That Subsection 2.147.050.C of the Metropolitan Code is hereby amended by deleting it in its entirety and replacing it with the following:

C. <u>Select candidates for executive director to be presented to the mayor, pursuant to section 2.147.065. The commission may utilize the services of the department of human resources to assist in the recruitment of candidates.</u> ~~Consult with the mayor on the hiring of the executive director, who shall serve as the executive director of the commission and of the office of entertainment.~~

II. By deleting Section 4 in its entirety and replacing it with the following.

Section 4. That Section 2.147.065 of the Metropolitan Code is hereby amended by deleting it in its entirety and replacing it with the following:

2.147.065 - Staffing.

<u>A.</u> The work of the commission and of the office of entertainment shall be managed by an executive director, who shall be appointed by the mayor, <u>from candidates selected by the commission</u> ~~in consultation with the commission~~. <u>The mayor shall appoint an executive director within sixty days of receiving the commission’s recommendations or notify the commission within that time that no candidate will be selected. If no candidate is selected, the commission shall select a new set of candidates for hiring, which may include new or existing candidates. For all executive director searches active on July 1, 2026, in which the commission has submitted candidates for the mayor’s consideration, the sixty-day time limit shall begin on the effective date of this section.</u>

<u>B.</u> The executive director and any staff shall be organized under the mayor's office.

SPONSORED BY:

____

Jacob Kupin
Member of Council

AMENDMENT NO. ___

TO

ORDINANCE NO. BL2026-1432

Madam President –

I hereby move to amend Ordinance No. BL2026-1432 as follows:

I. By deleting Section 1 in its entirety and replacing it with the following:

Section 1. That Subsection 2.147.050.C of the Metropolitan Code is hereby amended by deleting it in its entirety and replacing it with the following:

C. Select candidates for executive director to be presented to the mayor, pursuant to section 2.147.065 of the metropolitan code of laws. The commission may utilize the services of the department of human resources to assist in the recruitment of candidates. ~~Recruit and hire the executive director who shall serve as the executive director of the commission and of the office of entertainment.~~

II. By deleting Section 1 in its entirety and replacing it with the following.

Section 2. That Section 2.147.065 of the Metropolitan Code is hereby amended by deleting it in its entirety and replacing it with the following:

2.147.065 - Staffing.

A. The work of the commission and of the office of entertainment shall be managed by an executive director, who shall be appointed by the mayor, from candidates selected by the commission. The mayor shall appoint an executive director within sixty days of receiving the commission's recommendations or notify the commission within that time that no candidate will be selected. If no candidate is selected, the commission shall select a new set of candidates for hiring, which may include new or existing candidates. For all executive director searches active on July 1, 2026, in which the commission has submitted candidates for the mayor's consideration, the sixty-day time limit shall begin on the effective date of this section.

B. The executive director and any staff shall be organized under the mayor's office. ~~The executive director of the commission shall be appointed by and serve at the pleasure of the commission. The commission will work in conjunction with the department of human resources on application and selection process. The commission will conduct interviews for the hiring of an executive director.~~

SPONSORED BY:

____

Jacob Kupin
Member of Council

AMENDMENT NO. __

TO

ORDINANCE NO. BL2026-1437

Madam President –

I move to amend Ordinance No. BL2026-1437 to add the following as a new Section 3 and renumber the remaining section accordingly:

Section 3. That this requirement to publish recordings within 72 hours shall not apply to the Metropolitan Employee Benefits Board and the Metropolitan Civil Service Commission, which shall record their meetings and submit those recordings to the Office of the Metropolitan Clerk. Footage of these meetings shall be released by the Office of the Metropolitan Clerk upon public request.

SPONSORED BY:

____
Jennifer Webb
Member of Council

AMENDMENT NO. ___

TO

ORDINANCE NO. BL2025-1442

Madam President –

I hereby move to amend Ordinance No. BL2025-1442 by deleting Sections 1, 2, and 3 in their entirety from “Amendment Number 2 to Contract Number 6510020 Between The Metropolitan Government of Nashville and Davidson County and Waste Management, Inc. of Tennessee” in Exhibit A of the Ordinance and renumbering the remaining sections accordingly.

SPONSORED BY:

____
Sean Parker
Member of Council

AMENDMENT NO. __

TO

ORDINANCE NO. BL2026-1448

Madam President –

I move to amend Ordinance No. BL2026-1448 by amending Section 1 as follows:

Section 1. That a moratorium is hereby declared upon the acceptance, processing, approval, and issuance of zoning, building, or grading permits <u>or administrative appeals</u> by the Metropolitan Department of Codes Administration and the Metropolitan Water Services Department for any data center development for property within Nashville & Davidson County until <u>December 1, 2026</u> ~~November 1, 2026 or the effective date of BL2026-1391 and BL2026-1392, whichever occurs first~~.

SPONSORED BY:

____

Courtney Johnston
Member of Council

AMENDMENT NO. ___
TO
ORDINANCE NO. BL2026-1451

Madam President –

I hereby move to amend Ordinance No. BL2026-1451 as follows:

I. By amending Section 1, by amending proposed Subsection B as follows:

B. The Arts Center Plan is amended by adding a new section J that states as follows:

J. 2026 Plan Amendments

1. Portion of tax increment used: Notwithstanding anything to the contrary in the Plan, for all bonded or other indebtedness approved by MDHA under the Plan after the effective date of BL2026-_____ that is to be paid using tax increment funds, the portion of tax increment funds that may be used to pay the indebtedness shall not be greater than seventy-five percent (75%); provided however: (a) that MDHA shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the Board of Commissioners of MDHA; and (b) nothing herein shall be interpreted as overriding or nullifying the requirements of Chapter 5.06 of the Metropolitan Code of Laws entitled "Tax Increment Financing~~.~~"; and (c) that MDHA shall notify the Metropolitan Council in writing of the increase or decrease in the percentage.

2. Periodic assessment of activities and improvements eligible for tax increment financing:

(i) Notwithstanding anything to the contrary in the Plan, there shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the Plan. An assessment may be requested by MDHA or the Metropolitan Council. The first such assessment was completed in August 2022. Future assessments shall occur no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the Plan. For an assessment to be considered complete, MDHA and the Metropolitan Council must agree on the priorities of activities that are eligible for tax increment financing under the Plan. The Council's agreement shall be indicated by the passage of a resolution approved by the Metropolitan Council.

(iii) It shall be a New Loan Termination Event if any subsequent assessment is not complete within ten (10) years after the previous assessment.

If a New Loan Termination Event occurs, MDHA shall not approve any additional bonded or other indebtedness to be paid by tax increment funds under the Plan until such time as MDHA and Metro Council have agreed upon the priorities of activities and improvements eligible for tax increment financing under the Plan. The occurrence of a New Loan Termination Event does not terminate the Plan or have any impact on any tax increment financing approved prior to the New Loan Termination Event.

3. Metropolitan Council or MDHA may initiate a Plan amendment: Subject to all other conditions and requirements set forth in Section H of the Plan, either the Metropolitan Council or MDHA may initiate a modification, change, or amendment to the Plan subject to the subsequent approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of MDHA must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

II. By amending Section 2, by amending proposed Subsection A as follows:

A. The Bordeaux Plan is amended by adding a new section J that states as follows:

J. 2026 Plan Amendments

1. Portion of tax increment used: Notwithstanding anything to the contrary in the Plan, for all bonded or other indebtedness approved by MDHA under the Plan after the effective date of BL2026-_____ that is to be paid using tax increment funds, the portion of tax increment funds that may be used to pay the indebtedness shall not be greater than seventy-five percent (75%); provided however: (a) that MDHA shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the Board of Commissioners of MDHA; and (b) nothing herein shall be interpreted as overriding or nullifying the requirements of Chapter 5.06 of the Metropolitan Code of Laws entitled "Tax Increment Financing~~.~~"; and (c) that MDHA shall notify the Metropolitan Council in writing of the increase or decrease in the percentage.

2. Periodic assessment of activities and improvements eligible for tax increment financing:

(i) Notwithstanding anything to the contrary in the Plan, there shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the Plan. An assessment may be requested by MDHA or the Metropolitan Council. The first such was completed in August 2022. Future assessments shall occur no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the Plan. For an assessment to be considered complete, MDHA and the Metropolitan Council must agree on the priorities of activities and improvements that are eligible for tax increment financing under the Plan. The Council's agreement shall be indicated by the passage of a resolution approved by the Metropolitan Council.

(iii) It shall be a New Loan Termination Event if any subsequent assessment is not completed within ten (10) years after the assessment. If a New Loan Termination Event occurs, MDHA shall not approve any additional bonded or other indebtedness to be paid by tax increment funds under the Plan until such time as MDHA and Metro Council have agreed upon priorities of activities and improvements eligible for tax increment financing under the Plan. The occurrence of a New Loan Termination Event does not terminate the Plan or have any impact on any tax increment financing approved prior to the New Loan Termination Event.

3. Metropolitan Council or MDHA may initiate a Plan amendment: Subject to all other conditions and requirements set forth in Section H of the Plan, either the Metropolitan Council or MDHA may initiate a modification, change, or amendment to the Plan subject to the subsequent approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of MDHA must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

III. By amending Section 4 as follows:

Section 3. ~~4.~~ Central State Plan

A. The Central State Plan is amended by adding a new section J that states as follows:

J. 2026 Plan Amendments

1. Portion of tax increment used: Notwithstanding anything to the contrary in the Plan, for all bonded or other indebtedness approved by MDHA under the Plan after the effective date of BL2026-_____ that is to be paid using tax increment funds, the portion of tax increment funds that may be used to pay the indebtedness shall not be greater than seventy-five percent (75%); provided however: (a) that MDHA shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the Board of Commissioners of MDHA; and (b) nothing herein shall be interpreted as overriding or nullifying the requirements of Chapter 5.06 of the Metropolitan Code of Laws entitled "Tax Increment Financing~~.~~"; and (c) that MDHA shall notify the Metropolitan Council in writing of the increase or decrease in the percentage.

2. Periodic assessment of activities and improvements eligible for tax increment financing:

(i) Notwithstanding anything to the contrary in the Plan, there shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the Plan. An assessment may be requested by MDHA or the Metropolitan Council. The first such assessment was completed in August 2022. Future assessments shall occur no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the Plan. For an assessment to be considered complete, MDHA and the Metropolitan Council must agree on the priorities of activities and improvements that are eligible for tax increment financing under the Plan. The Council's agreement shall be indicated by the passage of a resolution approved by the Metropolitan Council.

(iii) It shall be a New Loan Termination Event if any subsequent assessment is not complete within ten (10) years after the previous assessment. If a New Loan Termination Event occurs, MDHA shall not approve any additional bonded or other indebtedness to be paid by tax increment funds under the Plan until such time as MDHA and Metro Council have agreed upon the priorities of activities and improvements eligible for tax increment financing under the Plan. The occurrence of a New Loan Termination Event does not terminate the Plan or have any impact on any tax increment financing approved prior to the New Loan Termination Event.

3. Metropolitan Council or MDHA may initiate a Plan amendment: Subject to all other conditions and requirements set forth in Section H of the Plan, either the Metropolitan Council or MDHA may initiate a modification, change, or amendment to the Plan subject to the subsequent approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of MDHA must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

IV. By amending Section 6 as follows:

Section 4 ~~6~~. Phillips-Jackson Plan

A. The Phillips-Jackson Plan is amended by deleting the following text from the end of the section entitled “Tax Increment”:

", or other adopted and approved redevelopment plans"

B. The Phillips-Jackson Plan is amended by adding a new section J that states as follows:

J. 2026 Plan Amendments

1. Portion of tax increment used: Notwithstanding anything to the contrary in the Plan, for all bonded or other indebtedness approved by MDHA under the Plan after the effective date of BL2026-_____ that is to be paid using tax increment funds, the portion of tax increment funds that may be used to pay the indebtedness shall not be greater than seventy-five percent (75%); provided however: (a) that MDHA shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the Board of Commissioners of MDHA; and (b) nothing herein shall be interpreted as overriding or nullifying the requirements of Chapter 5.06 of the Metropolitan Code

of Laws entitled "Tax Increment Financing~~.~~"; and (c) that MDHA shall notify the Metropolitan Council in writing of the increase or decrease in the percentage.

2. Periodic assessment of activities and improvements eligible for tax increment financing:

(i) Notwithstanding anything to the contrary in the Plan, there shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the Plan. An assessment may be requested by MDHA or the Metropolitan Council. The first such assessment was completed in August 2022. Future assessments shall occur no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the Plan. For an assessment to be considered complete, MDHA and the Metropolitan Council must agree on the priorities of activities and improvements that are eligible for tax increment financing under the Plan. The Council's agreement shall be indicated by the passage of a resolution approved by the Metropolitan Council.

(iii) It shall be a New Loan Termination Event any subsequent assessment is not complete within ten (10) years after the previous assessment. If a New Loan Termination Event occurs, MDHA shall not approve any additional bonded or other indebtedness to be paid by tax increment funds under the Plan until such time as MDHA and Metro Council have agreed upon the priorities of activities and improvements eligible for tax increment financing under the Plan. The occurrence of a New Loan Termination Event does not terminate the Plan or have any impact on any tax increment financing approved prior to the New Loan Termination Event.

3. Metropolitan Council or MDHA may initiate a Plan amendment: Subject to all other conditions and requirements set forth in Section H of the Plan, either the Metropolitan Council or MDHA may initiate a modification, change, or amendment to the Plan subject to the subsequent approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of MDHA must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

V. By amending Section 7 as follows:

Section 5 ~~7~~. Rutledge Hill Plan

A. The following language in Section 6 of Ordinance No. BL2014-699, previously amending the Rutledge Hill Plan, is hereby deleted:

> "That the Rutledge Hill Plan is amended by replacing Section G “Tax Increment” of the Plan in its entirety and replacing it with the following:"

and instead is hereby replaced with the following:

> "That the Rutledge Hill Plan is amended by replacing Section H "Tax Increment" of the Plan in its entirety and replacing it with the following:"

B. The Rutledge Hill Plan is amended by deleting the following text from the end of the section entitled "Tax Increment":

", or other adopted and approved redevelopment plans"

C. The Rutledge Hill Plan is amended by adding a new section J that states as follows:

J. 2026 Plan Amendments

1. Portion of tax increment used: Notwithstanding anything to the contrary in the Plan, for all bonded or other indebtedness approved by MDHA under the Plan after the effective date of BL2026-_____ that is to be paid using tax increment funds, the portion of tax increment funds that may be used to pay the indebtedness shall not be greater than seventy-five percent (75%); provided however: (a) that MDHA shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the Board of Commissioners of MDHA; and (b) nothing herein shall be interpreted as overriding or nullifying the requirements of Chapter 5.06 of the Metropolitan Code of Laws entitled "Tax Increment Financing~~.~~"; and (c) that MDHA shall notify the Metropoltan Council in writing of the increase or decrease in the percentage.

2. Periodic assessment of activities and improvements eligible for tax increment financing:

(i) Notwithstanding anything to the contrary in the Plan, there shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the Plan. An assessment may be requested by MDHA or the Metropolitan Council. The first such assessment was completed in August 2022. Future assessments shall occur no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the Plan. For an assessment to be considered complete, MDHA and the Metropolitan Council must agree on the priorities of activities and improvements that are eligible for tax increment financing under the Plan. The Council's agreement shall be indicated by the passage of a resolution approved by the Metropolitan Council.

(iii) It shall be a New Loan Termination Event if any subsequent assessment is not complete within ten (10) years after the previous assessment. If a New Loan Termination Event occurs, MDHA shall not approve any additional bonded or other indebtedness to be paid by tax increment funds under the Plan until such time as MDHA and Metro Council have agreed upon the priorities of activities and improvements eligible for tax increment financing under the Plan. The occurrence of a New Loan Termination Event does not terminate the Plan or have any impact on any tax increment financing approved prior to the New Loan Termination Event.

3. Metropolitan Council or MDHA may initiate a Plan amendment: Subject to all other conditions and requirements set forth in Section I of the Plan, either the Metropolitan Council or MDHA may initiate a modification, change, or amendment to the Plan subject to the subsequent approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of MDHA must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

VI. By amending Section 8 as follows:

Section <u>6</u> ~~8~~. Skyline Plan

A. The Skyline Plan is amended by adding a new section J that states as follows:

J. 2026 Plan Amendments

1. Portion of tax increment used: Notwithstanding anything to the contrary in the Plan, for all bonded or other indebtedness approved by MDHA under the Plan after the effective date of BL2026-_____ that is to be paid using tax increment funds, the portion of tax increment funds that may be used to pay the indebtedness shall not be greater than seventy-five percent (75%); provided however: (a) that MDHA shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the Board of Commissioners of MDHA; and (b) nothing herein shall be interpreted as overriding or nullifying the requirements of Chapter 5.06 of the Metropolitan Code of Laws entitled "Tax Increment Financing~~.~~"<u> ; and (c) that MDHA shall notify the Metropolitan Council in writing of the increase or decrease in the percentage</u>.

2. Periodic assessment of activities and improvements eligible for tax increment financing:

(i) Notwithstanding anything to the contrary in the Plan, there shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the Plan. An assessment may be requested by MDHA or the Metropolitan Council. The first such assessment was completed in August 2022. Future assessments shall occur no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the Plan. For an assessment to be considered complete, MDHA and the Metropolitan Council must agree on the priorities of activities and improvements that are eligible for tax increment financing under the Plan. The Council's agreement shall be indicated by the passage of a resolution approved by the Metropolitan Council.

(iii) It shall be a New Loan Termination Event if any subsequent assessment is not complete within ten (10) years after the previous assessment. If a New Loan Termination Event occurs, MDHA shall not approve any additional bonded or other indebtedness to be paid by tax increment funds under the Plan until such time as MDHA and Metro Council have agreed upon the priorities of activities and improvements eligible for tax increment financing under the Plan. The occurrence of a New Loan Termination Event does not terminate the Plan or have any impact on any tax increment financing approved prior to the New Loan Termination Event.

3. Metropolitan Council or MDHA may initiate a Plan amendment: Subject to all other conditions and requirements set forth in Section H of the Plan, either the Metropolitan Council or MDHA may initiate a modification, change, or amendment to the Plan subject to the subsequent approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of MDHA must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

VII. By amending Section 9 as follows:

Section 7 ~~9~~. This ordinance shall take effect from and after its enactment, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

SPONSORED BY:

____

Burkley Allen
Member of Council

AMENDMENT NO. __

TO

ORDINANCE NO. BL2026-1452

Madam President –

I move to amend Ordinance No. BL2026-1452 as follows:

I. By amending Section 1 as follows:

Section 1. There is hereby established an Opioid Settlement Steering Committee ("the Committee") as part of the Metropolitan Department of Finance ~~Public Health Department~~. The Committee shall consist of eleven voting members. The Committee shall monitor the expenditure of opioid settlement funds received or awarded to the Metropolitan Government, assess program efficacy, and ensure funding is administered as consistent with the needs of Nashville and Davidson County residents. The Committee shall recommend the use of opioid settlement funds to ensure the funds are used in appropriate ways that (a) emphasize prevention, harm reduction, treatment, and recovery strategies; (b) follow evidence-based practices; (c) maximize transparency and impact; and (d) support continuous improvement informed by accurate and timely data.

II. By deleting Section 3 in its entirety and replacing it with the following:

Section 3. The Department of Finance shall serve as the lead department for fiscal administration, accounting, financial reporting, and compliance monitoring for opioid settlement funds received or awarded to the Metropolitan Government. The Department of Finance shall coordinate with the Metropolitan Public Health Department, the Opioid Settlement Steering Committee, and other relevant departments to ensure that opioid settlement funds are expended in accordance with the terms and restrictions established in the applicable settlement agreements, grant agreements, and approved opioid remediation uses.

The Department of Finance shall employ or designate an Opioid Settlement Coordinator to support the administration and oversight of opioid settlement funds. Responsibilities of this position shall include, but are not limited to, coordinating and facilitating meetings of the Opioid Settlement Steering Committee; collecting, analyzing, and reviewing county-level data to identify local priorities and inform funding decisions; coordinating the administration and oversight of grant awards to community organizations; monitoring program performance metrics and outcomes; supporting compliance with applicable settlement and grant requirements; and developing and maintaining a transparent process for communicating settlement fund allocations, expenditures, and outcomes to county leadership and the public.

III. By deleting Section 4 in its entirety and replacing it with the following:

Section 4. Within 150 days of the formation of the Committee, the Department of Finance, in coordination with the Metropolitan Public Health Department and the Committee, shall establish a publicly accessible Opioid Settlement Transparency Dashboard. The dashboard shall list all funded projects, include standardized metrics, provide visualizations and downloadable data, and document data sources, definitions, and update schedules.

IV. By deleting Section 8 in its entirety and replacing it with the following:

Section 8. The Metropolitan Government shall comply with state law and coordinate with the Tennessee Opioid Abatement Council, the Tennessee Department of Mental Health and Substance Abuse Services, Tennessee Department of Health, and statewide dashboards. The Department of Finance shall serve as the lead department for financial reporting and fiscal compliance related to opioid settlement funds, in coordination with the Metropolitan Public Health Department and other relevant departments.

SPONSORED BY:

____

Erin Evans
Member of Council

RS2026-_____

A resolution appropriating a $5,000,000 grant from the U.S. Department of Housing and Urban Development to the Metropolitan Government, acting by and through the Housing Division of the Metro Nashville Planning Department, for Pathways to Removing Obstacles to Housing

WHEREAS, the Metropolitan Government, acting by and through the Housing Division of the Metro Planning Department, submitted a grant application in the amount of $10,000,000 to the U.S. Department of Housing and Urban Development (HUD) for Pathways to Removing Obstacles to Housing (PRO Housing) with a leverage commitment of $10,000,000; and

WHEREAS, HUD awarded the Metropolitan Government a grant in an amount not to exceed $5,000,000, with a leverage commitment of $5,000,000, that may be achieved through other Metro funds and incentives that further the PRO Housing activities, but a cash match is not required; and

WHEREAS, the Housing Division prepared an Action Plan, which has been approved by HUD, describing the following activities to be funded with the PRO Housing grant: an Affordable Housing Accelerator Program for small and emerging developers; a Faith-Based Development initiative; an Affordable Housing Finance Program to create permanent supportive and deeply affordable housing; and Grant Administration; and

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

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

Section 1. That the grant awarded by the U.S. Department of Housing and Urban Development (HUD), in an amount not to exceed $5,000,000, to the Metropolitan Government, acting by and through the Housing Division of the Metro Planning Department, for Pathways to Removing Obstacles to Housing (PRO Housing), be appropriated to the Housing Division of the Metro Planning Department based on the revenue estimated to be received.

Section 2. That the Housing Division has prepared and HUD has approved an Action Plan detailing the use of PRO Housing Grant Funds for an Affordable Housing Accelerator Program for small and emerging developers; a Faith-Based Development initiative; an Affordable Housing Finance Program to create permanent supportive and deeply affordable housing; and Grant Administration, a copy of which is attached hereto and incorporated herein.

Section 3. That changes to the Action Plan that trigger a substantial amendment must be approved by resolution of the Metropolitan Council and by HUD.

Section 4. That the PRO Housing Grant may be leveraged by other Metro funds and incentives, but a cash match is not required.

Section 4. That this resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

APPROVED AS TO AVAILABILITY OF FUNDS:

Jenneen Reed/mjw ______

Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Justin Marsh ____________

...tan Attorney

INTRODUCED BY:

____

____

____

Member(s) of Council

GRANT SUMMARY SHEET

Grant Name:	HUD Pathways to Removing Obstacles to Housing (PRO Housing) 24-29
Department:	PLANNING COMMISSION
Grantor:	U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
Pass-Through Grantor (If applicable):	
Total Award this Action:	$5,000,000.00
Cash Match Amount	$0.00
Department Contact:	Angela Hubbard 862-7194
Status:	NEW

Program Description:

The purpose of this grant aligns closely with the Housing Division's efforts to eliminate barriers to housing security, particularly for low-to moderate income families. Metro's application will request the maximum amount allowed of $10 million. As dictated by the grant requirements, eligible activities must identify and seek to remove one or more barriers to affordable housing production and preservation. Additionally, each proposed activity must: 1) Further develop, evaluate and implement housing policy plans. 2) Improve housing strategies, or 3) Facilitate affordable housing production and preservation. Taking into consideration the input received during the Consolidated Plan process, community and stakeholder meetings, and a thorough needs analysis, we will be requesting funding for the following activities listed below.1. Develop zoning and land use implementation tools and policies that encourage Missing Middle Housing; 2.Provide technical assistance and capacity building to mission driven affordable housing developers and contractors to expand the creation/preservation of affordable housing; 3.Develop a guide to facilitate affordable housing on land owned by faith-based institutions; 4. Finance the development or preservation of affordable housing focused on permanent supportive housing and households earning 0 to 30% of the Area Median Income; and 5. Grant Administration.

Plan for continuation of services upon grant expiration:

n/a□

Grants Tracking Form

Part One

Pre-Application ○ Application ○ Award Acceptance ◉ Contract Amendment ○

Department	Dept. No.	Contact	Phone	Fax
PLANNING COMMISSION	007	Angela Hubbard	862-7194	

Grant Name: HUD Pathways to Removing Obstacles to Housing (PRO Housing) 24-29

Grantor: U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT **Other:**

Grant Period From: 08/28/24 (applications only) **Anticipated Application Date:**

Grant Period To: 09/30/29 (applications only) **Application Deadline:**

Funding Type:	FED DIRECT	**Multi-Department Grant**	☐ → **If yes, list below.**
Pass-Thru:		**Outside Consultant Project:**	☐
Award Type:	FORMULA	**Total Award:**	$5,000,000.00
Status:	NEW	**Metro Cash Match:**	$0.00
Metro Category:	New Initiative	**Metro In-Kind Match:**	$0.00
CFDA #	14.023	**Is Council approval required?**	☐
Project Description:		**Applic. Submitted Electronically?**	☐

The purpose of this grant aligns closely with the Housing Division’s efforts to eliminate barriers to housing security, particularly for low-to moderate income families. Metro’s application requested the maximum amount allowed of $10 million; however, Metro was awarded $5 million. As dictated by the grant requirements, Metro has prepared an Action Plan that describes eligible activities, which must seek to remove one or more barriers to affordable housing production and preservation as proposed in the applicaiton. Additionally, each activity must further develop, evaluate and implement housing policy plans; improve housing strategies; or facilitate affordable housing production and preservation.
Taking into consideration the input received during the Consolidated Plan process, community and stakeholder meetings, and a thorough needs analysis, we will utilize grant funds for the following activities listed below.
1.) Affordable Housing Acecelerator Program to provide technical assistance and capacity building to mission driven affordable housing developers and contractors to expand the creation/preservation of affordable housing; 2.) Faith_based Development Initiative to facilitate affordable housing on land owned by faith-based institutions; 3.) Affordable Housing Finance Program to facilitate the development or preservation of affordable housing focused on permanent supportive housing and households earning 0 to 30% of the Area Median Income; and 4.) Grant Administration.

Plan for continuation of service after expiration of grant/Budgetary Impact:

The Housing Division will seek to continue this service through new or existing tools or through partnerhsips.

How is Match Determined?

Fixed Amount of $ or **% of Grant** **Other:** ☐

Explanation for "Other" means of determining match:

For this Metro FY, how much of the required local Metro cash match:

Is already in department budget?	$0.00	**Fund**	**Business Unit**
Is not budgeted?	$0.00	**Proposed Source of Match:**	

(Indicate Match Amount & Source for Remaining Grant Years in Budget Below)

Other:

Number of FTEs the grant will fund:	0.50	**Actual number of positions added:**	0.00	
Departmental Indirect Cost Rate	12.25%	**Indirect Cost of Grant to Metro:**	$612,500.00	
***Indirect Costs allowed?** ○ Yes ◉ No **% Allow.**	0.00%	**Ind. Cost Requested from Grantor:**	$0.00	**in budget**

*(If "No", please attach documentation from the grantor that indirect costs are not allowable. See Instructions)

Draw down allowable? ☐

Metro or Community-based Partners:

The Planning Department will procure partners and developers to undertake projects.

Part Two

Grant Budget

Budget Year	Metro Fiscal Year	Federal Grantor	State Grantor	Other Grantor	Local Match Cash	Match Source (Fund, BU)	Local Match In-Kind	Total Grant Each Year	Indirect Cost to Metro	Ind. Cost Neg. from Grantor
Yr 1	FY26	$0.00						$0.00	$0.00	$0.00
Yr 2	FY27	$2,000,000.00						$2,000,000.00	$245,000.00	$0.00
Yr 3	FY28	$2,000,000.00						$2,000,000.00	$245,000.00	$0.00
Yr 4	FY29	$1,000,000.00						$1,000,000.00	$122,500.00	$0.00
Yr 5	FY30									
Total		$5,000,000.00	$0.00	$0.00	$0.00		$0.00	$5,000,000.00	$612,500.00	$0.00

Date Awarded:	08/28/24	**Tot. Awarded:**	$5,000,000.00	**Contract#:**	B-23-PH-47-0002
(or) **Date Denied:**		**Reason:**			
(or) **Date Withdrawn:**		**Reason:**			

Contact: juanita.paulsen@nashville.gov
vaughn.wilson@nashville.gov

Rev. 5/13/13
5710

GCP Received 05/26/26

GCP Approved 05/26/26

Docusign Envelope ID: 275989F6-28FC-8559-829D-062C77CAAE51

Funding Approval/Agreement

Title I of the Housing and Community Development Act (Public Law 930383)
HI-00515R of 20515R

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Community Development Block Grant Program

OMB Approval No. 2506-0193
exp 1/31/2025

1. Name of Grantee (as shown in item 5 of Standard Form 424): Metropolitan Government of Nashville & Davidson County

3a. Grantee's 9-digit Tax ID Number: 620694743

3b. Grantee's 9-digit DUNS Number: LGZLHP6ZHM55 (UEI)

2. Grantee's Complete Address (as shown in item 5 of Standard Form 424):
1 Public SQ
Housing
Nashville, TN 37201

4. Date use of funds may begin: 8/28/2024

5a. Project/Grant No. 1: B-23-PH-47-0002

6a. Amount Approved: $5,000,000.00 (by this action)

5b. Project/Grant No. 2:

6b. Amount Approved:

Grant Agreement: This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Grantee is made pursuant to the authority of Title I of the Housing and Community Development Act of 1974, as amended, (42 USC 5301 et seq.). The Grantee's submissions for Title I assistance, the HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time), and this Funding Approval, including any additional and/or special conditions, constitute part of the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Grantee upon execution of the Agreement by the parties. The funding assistance specified in the Funding Approval may be used to pay costs incurred after the date specified in item 4 above provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-agreement costs may not be paid with funding assistance specified here unless they are authorized in HUD regulations or approved by waiver and listed in the additional and/or special conditions to the Funding Approval. The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

U.S. Department of Housing and Urban Development (By Name): Erik Hoglund

Title: CPD Director

Signature: DocuSigned by: Erik Hoglund
8395AC7C7784496...

Date (mm/dd/yyyy): **8/28/2024**

Grantee Name (Contractual Organization): Metropolitan Government of Nashville & Davidson County

Title: Mayor

Signature: Freddie O'Connell:mpw@nashville.gov

Date (mm/dd/yyyy): 2024 | 1:52

7. Category of Title I Assistance for this Funding Action:
CDBG Pathways to Removing Obstacles to Housing (Public Law 117-328)

8. Additional/Special Conditions (check one)
☐ None
☒ Attached

9a. Date HUD Received Sub (mm/dd/yyyy) KW

9b. Date Grantee Notified (mm/dd/yyyy)

9c. Date of Start of Program Year: N/A

10. check one
☒ a. Orig. Funding Approval
☐ b. Amendment
Amendment Number

11. Amount of Community Development Block Grant	FY 2023		
a. Funds Reserved for this Grantee			
b. Funds now being Approved	$5,000,000.00		
c. Reservation to be Cancelled (11a minus 11b)			

12a. Amount of Loan Guarantee Commitment now being Approved: N/A

Loan Guarantee Acceptance Provisions for Designated Agencies:
The public agency hereby accepts the Grant Agreement executed by the Department of Housing and Urban Development on the above date with respect to the above grant number(s) as Grantee designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided it.

12b. Name and complete Address of Public Agency

12c. Name of Authorized Official for Designated Public Agency

Title

Signature
X

HUD Accounting use Only

Batch	TAC	Program	Y	A	Reg	Area	Document No.	Project Number	Category	Amount	Effective Date (mm/dd/yyyy)	F
	153											
	176											

Y	Project Number	Amount

Y	Project Number	Amount

Date Entered PAS (mm/dd/yyyy)	Date Entered LOCCS (mm/dd/yyyy)	Batch Number	Transaction Code	Entered By	Verified By

24 CFR 570 form HUD-7082 (5/15)

8. Additional Requirements.

(a) These additional requirements are attached to the Funding Approval/Agreement (form HUD-7082) (the "Agreement") between HUD and the Grantee for grant number B-23-PH-47-0002 and apply to all grantees receiving funds appropriated under Public Law 117-328 as part of the Pathways to Removing Obstacles to Housing (PRO Housing) program. By signing the Agreement, the Grantee agrees to these additional requirements on the use of this PRO Housing grant, as may be amended from time to time by the Secretary.

(b) The submissions for assistance incorporated into the Agreement include the Grantee's PRO Housing action plan(s) and amendments, including the certifications, assurances, and any documentation the Grantee is required to submit for the award. Until grant closeout, the Grantee must continue to adhere to its submissions, unless amended in accordance with PRO Housing requirements.

(c) The requirement of the Agreement to comply with the Housing and Community Development Act of 1974, as amended, and the requirements at 24 CFR part 570 are modified to incorporate the requirements of the Consolidated Appropriations Act, 2023 (Public Law 117-328) and the FY23 Pathways to Removing Obstacles to Housing (PRO Housing) Notice of Funding Opportunity (NOFO) FR-6700-N-98, (as now in effect and as may be modified from time to time). The Grantee agrees to comply with the NOFO, and any future Federal Register notices published by HUD that apply to PRO Housing under Public Law 117-328. Future Federal Register notices will apply prospectively from their applicability date, and to costs reimbursed from the grant after their applicability date, as provided in the notices and in 8.(d).

(d) The period of performance and single budget period for the Funding Assistance shall each begin on the date specified in item 4 and shall each end on September 30, 2029. The Grantee shall not incur any obligations to be paid with such assistance after September 30, 2029.

(e) Any program income received before or after closeout of the grant is treated as additional PRO Housing grant funds, subject to the requirements of the PRO Housing NOFO, and must be used in accordance with the Grantee's PRO Housing Action Plan. Except as amended by the PRO Housing NOFO, a grantee that is a local government, multijurisdictional entity or metropolitan planning organization shall comply with regulatory provisions at 24 CFR part 570 subparts A, C, D, J, K, and O, and a grantee that is a State shall comply with regulatory provisions at 24 CFR part 570 subpart I. To the maximum extent feasible, program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made, except as provided in the PRO Housing NOFO.

(f) The Grantee must use the Grant Funds only for costs (including indirect costs) that meet the applicable requirements in 2 CFR part 200 (including appendices). The Grantee's indirect cost rate information is as provided in Addendum #1 to this Agreement. The Grantee must immediately notify HUD upon any change in the Grantee's indirect cost rate, so that HUD can amend the Agreement to reflect the change if necessary.

(g) In addition to the conditions contained on form HUD 7082, the grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS); the System for Award Management (SAM.gov.); the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25, Universal Identifier and General Contractor Registration; and 2 CFR part 170, Reporting Subaward and Executive Compensation Information.

(h) The grantee shall ensure that no PRO Housing funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water- related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfield as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107–118) shall be considered a public use for purposes of eminent domain.

(i) The Grantee or other entity that directly or indirectly receives PRO Housing funds may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Act or PRO Housing NOFO.

(j) E.O. 12372-Special Contract Condition - Notwithstanding any other provision of this agreement, no funds provided under this agreement may be obligated or expended for the planning or construction of water or sewer facilities until receipt of written notification from HUD of the release of funds on completion of the review procedures required under Executive Order (E.O.) 12372, Intergovernmental Review of Federal Programs, and HUD's implementing regulations at 24 CFR Part 52. The recipient shall also complete the review procedures required under E.O. 12372 and 24 CFR Part 52 and receive written notification from HUD of the release of funds before obligating or expending any funds provided under this agreement for any new or revised activity for the planning or construction of water or sewer facilities not previously reviewed under E.O. 12372 and implementing regulations.

(k) PRO Housing funds may not be provided to a for-profit entity pursuant to section 105(a)(17) of the Act unless such activity or project has been evaluated and selected in accordance with Appendix A to 24 CFR 570 - "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements." (Source - P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015, Division K, Title II, Community Development Fund).

(l) The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

(m) Waste, Fraud, Abuse, and Whistleblower Protections. Any person who becomes aware of the existence or apparent existence of fraud, waste or abuse of any HUD award must report such incidents to both the HUD official responsible for the award and to HUD's Office of Inspector General (OIG). HUD OIG is available to receive allegations of fraud, waste, and abuse related to HUD programs via its hotline number (1-800-347-3735) and its online hotline form. You must comply with 41 U.S.C. § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a government contractor, subcontractor, grantee, and subgrantee—as well as a personal services contractor—who make a protected disclosure about a Federal grant or contract cannot be discharged, demoted, or otherwise discriminated against as long as they reasonably believe the information they disclose is evidence of:

1. Gross mismanagement of a Federal contract or grant;
2. Waste of Federal funds;
3. Abuse of authority relating to a Federal contract or grant;
4. Substantial and specific danger to public health and safety; or
5. Violations of law, rule, or regulation related to a Federal contract or grant.

Addendum # 1 to Agreement [B-23-PH-47-0002]
Grantee Indirect Cost Rate(s)

As the duly authorized representative of the Grantee, I certify that the Grantee:

☒ Will not use an indirect cost rate to calculate and charge indirect costs under the grant.

☐ Will calculate and charge indirect costs under the grant by applying a *de minimis* rate as provided by 2 CFR 200.414(f), as may be amended from time to time.

☐ Will calculate and charge indirect costs under the grant using the indirect cost rate(s) listed below, and each rate listed is included in an indirect cost rate proposal developed in accordance with the applicable appendix to 2 CFR part 200 and, *if required*, was approved by the cognizant agency for indirect costs.

Agency/department/major function	Indirect cost rate	Type of Direct Cost Base
	%	
	%	
	%	

Name of Authorized Official: Freddie O'Connell

Signature: X Freddie O'Connell:mpw@nashville.gov

Date (mm/dd/yyyy): | 1:52 PM PDT

Title: Mayor

Instructions for the Grantee's Authorized Representative:

You must mark the one (and only one) checkbox above that best reflects how the Grantee's indirect costs will be calculated and charged under the grant. Do not include indirect cost rate information for subrecipients.

The table following the third box must be completed only if that box is checked. When listing a rate in the table, enter both the percentage amount (e.g., 15%) and the type of direct cost base to be used. For example, if the direct cost base used for calculating indirect costs is Modified Total Direct Costs, then enter "MTDC" in the "Type of Direct Cost Base" column.

If using the Simplified Allocation Method for indirect costs, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

If using the Multiple Allocation Base Method, enter each major function of the organization for which a rate was developed and will be used under the grant, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.

If the Grantee is a government and more than one agency or department will carry out activities under the grant, enter each agency or department that will carry out activities under the grant, the indirect cost rate(s) for that agency or department, and the type of direct cost base to which each rate will be applied.

To learn more about the indirect cost requirements, see 2 CFR part 200, subpart E and Appendix VII to Part 200 (for state and local government and Indian Tribes).

SIGNATURE PAGE
FOR
Funding Approval Agreement-US Dept. of Housing & Urban Development

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set their signatures.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Lucy Kempf 10.10.24

Planning Department Date

APPROVED AS TO AVAILABILITY OF FUNDS:

Kevin Crumbo/mjw 10/11/2024 | 5:15 PM CDT

e Date

Department of Finance aJ AC

APPROVED AS TO RISK AND INSURANCE:

Lora Fox 10/14/2024 | 8:58 AM PDT

nsurance Date

APPROVED AS TO FORM AND LEGALITY:

Courtney Mohan 10/14/2024 | 10:57 AM CDT

ttorney Date

Freddie O'Connell:mjw@nashville.gov 10/10/2024 | 1:52 PM PDT

Date

Metropolitan Mayor

METROPOLITAN GOVERNTMENT

OF

NASHVILLE AND DAVIDSON COUNTY

Public Action Plan

for

Pathways to Removing Obstacles to Housing

(PRO Housing) Grant

Approved April 14, 2026

Prepared by:

Metropolitan Planning Department, Housing Division

Angela Hubbard, Housing Director

800 President Ronald Reagan Way

Nashville, TN 37210

Freddie O'Connell, Metropolitan Mayor

Table of Contents

Action Plan

Grantee: Nashville-Davidson, TN

Grant: B-23-PH-47-0002

LOCCS Authorized Amount:	$ 5,000,000.00
Grant Award Amount:	$ 5,000,000.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	$ 0.00
Total Budget:	$ 5,000,000.00

1. Action Plan Summary:

The Metropolitan Government of Nashville-Davidson County, Tennessee (Metro Nashville) is one of the inaugural recipients of the Pathways to Removing Obstacles to Housing (PRO Housing) grants awarded by the U.S. Department and Urban Development, as authorized by the Consolidated Appropriations Act, 2023, Public Law 117-328), approved December 29, 2022. FY23 PRO Housing Requirements can be found in the PRO Housing Notice of Funding Opportunity (NOFO) (FR-6700-N-08, issued November 6, 2023).

Metro Nashville's proposed activities in the grant application built on work already underway in Metro Nashville to address the city's acute demand for affordable housing, reduce and remove barriers to creating and preserving affordable housing, and affirmatively further fair housing. This work is further supported by ongoing stakeholder engagement, data analyses, and best practices to create new or strengthen existing tools and systems to ultimately result in a Nashville that is affordable for all.

For over a decade, Metro Nashville has enjoyed its time in the international spotlight – once being dubbed as the "It" city by the New York Times. It is a popular tourist destination and new home base for many relocating from other regions throughout the country to enjoy the area's quality of life and relative affordability. With over 2,046,715 people, the Nashville-Davidson—Murfreesboro-Franklin Metropolitan Statistical Area (MSA) is the largest MSA in Tennessee. Metro Nashville's population of 708,144 has grown by nearly 100,000 people since 2010 (at the time of grant application in October 2023).

With this growth comes intense pressure on our housing market, leaving many legacy residents and our most vulnerable neighbors struggling to find or keep housing that is affordable. Nearly half of all renters are cost-burdened, and this problem is most acute for households with incomes at or below 30% of the area median income (AMI) where we have a deficit of over 13,000 units affordable to households in this income range (as of October 2023). Furthermore, the 2023 Point-In-Time count showed an overall increase in homelessness by 11%.

In its grant application for $10 million submitted in October 2023, Metro Nashville proposed the following activities to tackle our supply issue from multiple angles:

1. Missing Middle Housing Policy Development encourages a wider range of housing options through zoning and land use reform.

2. Affordable Housing Accelerator Program expands the capacity of small and BIPOC developers to create and preserve equitable affordable housing.

3. Faith-Based Housing Development Initiative unlocks access to valuable land; and

4. Affordable Housing Finance Program funds the creation and/or preservation of permanent supportive housing and deeply affordable housing (0-30% AMI).

Metro Nashville was awarded half of the funding requested ($5 million) in June 2024. With reduced funding, local work progressing, and new Presidential executive orders and state laws, Metro Nashville has revised the activities funded by the grant as follows. This Action Plan describes the activities to be undertaken with the PRO Housing award rather than activities as originally proposed.

Eliminate the Missing Middle Housing Policy Development activity as this work is incorporated into the Housing and Infrastructure Study directed by the Metro Council subsequent to the grant application.

1. Revise the budget, projected outcomes, and program description of the Affordable Housing Accelerator Program to focus on expanding capacity of small and emerging developers to comply with federal and state laws.

2. Revise the budget and projected outcomes for the Faith-Based Development Initiative.

3. Revise the budget and projected outcomes for the Affordable Housing Finance Program.

The Metro Nashville Planning Department's Housing Division will oversee the administration and implementation of this grant, which includes grant management, monitoring, and reporting. The Housing Division team has extensive experience with HUD grants of a similar size and scope. A portion of grant administration funds may be used to support Environmental Review and Procurement actions undertaken by the Metropolitan Development and Housing Agency (MDHA) on Metro Nashville's behalf. Nashville benefits from a deep bench of local and national organizations ready to assist in addressing our housing crisis, and the proposed Affordable Housing Accelerator Program will increase the capacity of developers and contractors.

Please note, Metro Nashville's application was already subject to a 15-day public comment period, with virtual and in-person public hearings held on October 11, 2023. The application was approved for submittal by the Metro Council on October 17, 2023. Accordingly, Metro is not soliciting public comment on this Action Plan. However, interested parties may submit questions or comments at any time by emailing Metrohousing@nashville.gov (Subject line: "HUD PRO Housing Grant").

The Metro Nashville PRO Housing Action and any subsequent amendments and reports will be available at: https://www.nashville.gov/departments/planning/housing-division/pro-housing.

2. Resources and Budget

The following table shows the budget submitted in the application and related projected outcomes and the revised budget based on the actual award and related projected outcomes.

- **Activity: Missing Middle Housing Policy Development**
  Application Budget: $1,000,000
  % of Application Budget: 10%
  Projected Outcomes in Application: 1 plan
  Revised Budget: $0
  % of Revised Budget: 0%
  Revised Projected Outcomes: Activity eliminated

- **Activity: Affordable Housing Accelerator Program**
  Application Budget: $1,500,000
  % of Application Budget: 15%
  Projected Outcomes in Application: 15 developers
  Revised Budget: $575,000
  % of Revised Budget: 11.5%
  Revised Projected Outcomes: 12 developers assisted

- **Activity: Faith-Based Development Initiative**
  Application Budget: $500,000
  % of Application Budget: 5%
  Projected Outcomes in Application: 10 FBOs assisted
  Revised Budget: $575,000
  % of Revised Budget: 11.5%
  Revised Projected Outcomes: 12 FBOs assisted

- **Activity: Affordable Housing Finance Program**
  Application Budget: $6,000,000
  % of Application Budget: 60%
  Projected Outcomes in Application: 60 LMI units
  Revised Budget: $3,600,010.24
  % of Revised Budget: 72%
  Revised Projected Outcomes: 36 LMI units

- **Activity: Grant Administration**
  Application Budget: $1,000,000
  % of Application Budget: 10%
  Projected Outcomes in Application: N/A
  Revised Budget: $249,989.76
  % of Revised Budget: 5%
  Revised Projected Outcomes: N/A

- **TOTAL GRANT BUDGET**
  Application Budget: $10,000,000
  % of Application Budget: 100%
  Revised Budget: $5,000,000
  % of Revised Budget: 100%

- **Leverage***
  Application Amount: $10,000,000
  Revised Amount: $5,000,000

*Metro Nashville has committed $5 million in leverage over the course of the Grant Period through the Barnes Housing Trust Fund, which is funded by the City's operating budget, or through other local funds or incentives.

The grant budget is based on CDBG cost effectiveness principles provided in 2 CFR 200.404 to ensure funds are necessary, reasonable, allowable under the PRO Housing NOFO, and allocable. Further, Metro Nashville applied standards obtained through its administration of similar programs and through best practices from other cities. Finally, all activities, except grant administration, will the undertaken by subrecipients procured through a competitive process that will include an evaluation of cost as part of the proposal.

All activities will be completed and funds expended before the end of the period of performance of September 30, 2029, as outlined in the section on Use of Funds – Soundness of Approach.

3. Need:

RECENT EFFORTS TO IDENTIFY, ADDRESS, MITIGATE, OR REMOVE BARRIERS TO AFFORDABLE HOUSING PRODUCTION AND PRESERVATION

In recent years, Metro Nashville has undertaken bold and aggressive action to address its housing crisis. Despite these efforts, the acute demand and deep barriers require additional resources and intentional approaches to build and preserve equitable affordable housing, especially for Nashville's most vulnerable residents.

Metro Nashville has engaged in multiple efforts to identify, address, mitigate or remove barriers to affordable housing production and preservation. These efforts involve a variety of methods, including increasing investment, implementing new policies, studying best practices, expanding local capacity, and modifying regulatory processes. Metro Nashville recognizes that additional housing supply affordable to households at all income spectrums is critical to advancing housing security.

Affordable Housing Defined: "Affordable housing" as used in this Action Plan is consistent with the definition of affordable housing as defined in 24 CFR 92.252(a), (e), and (f) for rental housing and 24 CFR 92.254 (a)(1)-(4) for homeownership.

Affordable Housing Programs

Metro Nashville is a CDBG entitlement jurisdiction and a HOME participating jurisdiction and targets nearly half of its annual CDBG funds for home repair programs and most all of its HOME allocation for new construction activities. In addition to utilizing these and other federal resources to develop and provide housing options to low-to-moderate income (LMI) households, Metro Nashville has implemented several local tools that aim to promote housing affordability particularly for those households whose options are severely limited within the market conditions.

In 2013, Mayor Karl Dean and Metro Council created Metro Nashville's first housing trust fund (Barnes Fund) to leverage affordable housing developments throughout Davidson County. Named after Reverend Bill Barnes, a longstanding advocate for affordable housing and deconcentrating poverty, the Barnes Fund makes competitive grants to nonprofit housing developers to increase affordable housing options for Nashvillians. Grants include funding for preservation and creation of affordable rental and homeowner units and other supportive efforts to encourage long-term affordability. Since its inception in 2011, over $189 million, including nearly $20 million in ARPA funding, has been invested in the Barnes Fund supporting the development and preservation of an estimated 6,500 new rental and homebuyer homes. A total of 556 of those units are rental units for households earning less than 30% of the AMI, 3290 rental units for households earning 31-60% of the AMI, and 77 units for households earning 61-80% of the AMI. Except for one funding round, the Barnes Fund only funds rental housing up to 60% of the AMI; units above 60% of the AMI are considered leveraged units. The Barnes Fund also supported the development of nearly 400 new homebuyer units affordable to households earning less than 80% of the AMI and helped rehabilitate over 400 homes for homeowners earning less than 80% of the AMI. The Barnes Fund has an extensive application process that prioritizes unit development in areas of high opportunity and connection to transit.

After a community survey indicated affordable housing as a top priority, Metro Nashville allocated over $144 million in American Rescue Plan Act (ARPA) to develop new tools and programs aimed at advancing affordable housing and reducing homelessness. By allocating over half of its total ARPA allocation to these efforts, Metro Nashville leads the country in its commitment to address housing and homelessness through its ARPA funds. These new programs include the following: an Affordable Housing Gap Financing program to develop permanent supportive housing for individuals experiencing homelessness; an Eviction Right to Counsel Pilot Program to prevent evictions; a Catalyst Fund to preserve naturally occurring affordable housing; Shared Equity homeownership; new rental units and home improvement funding for older adults, and more. While these programs are at varying stages of implementation, the ARPA programs are anticipated to support the creation and preservation of hundreds of units.

In addition, Metro Nashville launched new programs to support affordable housing creation and neighborhood assets. Since 2020, Metro Nashville has allocated $4 million in capital spending funds to establish the Connecting Housing to Infrastructure Program (CHIP) that substantially enhances infrastructure in the areas surrounding affordable housing. The program supports the development of affordable housing and neighborhood assets in Nashville by sharing the cost of enhanced infrastructure improvements.

Another program created by Metro Nashville is the Mixed-Income Payment in Lieu of Taxes (PILOT) program that encourages affordability by providing tax abatements to construction projects that would not typically offer units at rates lower than the market price. The Mixed-Income PILOT promotes affordability specifically in market-rate buildings and supported the creation of nearly 100 affordable units at 75% AMI or below in its first year.

These public efforts are supplemented by the Amazon Housing Equity Fund's commitment to invest millions in below-market capital for developers to create and preserve affordable homes in Nashville, focusing on projects on privately-owned land within a half-mile of WeGo (Nashville's transit authority) transit corridors. Amazon has already invested $161 million to fund projects that will result in over 1,700 affordable homes and $3.75 to establish the Housing Resiliency Fund at The Housing Fund (a local CDFI) to provide qualified homeowners with property tax relief and/or mortgage payments to mitigate the impact of rising housing costs. Amazon just announced new commitments focused on increasing homeownership.

Since Metro submitted its PRO Housing Application in 2023, it released the city's first Unified Housing Strategy in Spring 2025, which provides current needs analyses and sets recommendations for comprehensively addressing Nashville's housing challenges over the next 10 years through public, private, and philanthropic efforts.

<u>Permanent Supportive Housing and Housing for Extremely Low-Income Households</u>

In an effort to support our most vulnerable residents, Metro Nashville in partnership with public and private partners has sought to implement new programs aimed at increasing permanent supportive housing (PSH) for very low-income households with complex needs. In May 2022, Nashville broke ground on the city's first publicly-developed PSH center, Strobel House, which provides housing and on-site supportive services to people experiencing chronic homelessness. The $28 million development is located in Downtown Nashville and allows 90 Nashvillians in transitional housing to have a permanent housing option through the city's Coordinated Entry process.

Metro Nashville also made over $23 million in ARPA funding available in subordinate financing for an Affordable Housing Gap Financing (AHGF) program to create deeply affordable rental units to house individuals with incomes at or below 30% of the AMI and units to provide PSH. The Metropolitan Development and Housing Agency (MDHA) is administering the Affordable Housing Gap Financing program. In its first round of funding allocating a little over $10 million, MDHA funded over 60 units of housing for very low-income individuals and individuals experiencing homelessness.

Metro Nashville has also incentivized PSH and housing for households earning 0-30% of the AMI in the Barnes Fund. Applicants who propose new units for households earning 0-30% of the AMI and/or PSH units receive bonus points. Though these new and existing tools have made progress towards addressing the housing needs of our most vulnerable residents, additional resources are necessary to produce the number of PSH and low-income units needed.

Notably, members of Metro Nashville's Housing Division and the Office of Homeless Services (OHS) have been actively engaged in a statewide coalition aimed at securing state support to advance PSH. The coalition, which is made up of multi-sector partners and multi-jurisdictions, has been working closely with State executive and legislative leadership to increase awareness on permanent supportive housing and garner support for state investment and coordination to increase PSH.

In addition to the program and policy efforts, Metro Nashville has made strategic changes to strengthen our capacity and expertise to ensure homelessness is rare, brief, and non-recurring. In 2023, Metro Nashville created its first ever standalone department, the Office of Homeless Services, which aims to enact a robust approach to providing housing to the unhoused in Nashville and expand on existing work to assist those without housing.

The FY26 Metro Operating Budget appropriated $250,000 for the creation of a Permanent Supportive Housing Strategy. Although led by the Housing Division, the PSH Strategy will be driven by national experts procured through a competitive process, with oversight from a Working Group of local leaders, and informed by stakeholders, including persons with lived experience, advocates, services providers, and developers. Ultimately, the PSH Strategy will determine annual PSH need, evaluate current resources and capacity, and provide recommendations for the appropriate level of resources and required capacities to create, operate, and provide services to ensure that homelessness is brief, rare, and non-recurring.

<u>Increasing Local Capacity to Advance Affordable Housing</u>

Metro Nashville has made strategic measures to enhance local capacity and expertise to advance affordable housing. In 2021, Mayor Cooper convened an Affordable Housing Task Force to develop recommendations on addressing Nashville's affordable housing crisis. Among its recommendations were expanding local funding for affordable housing, utilizing public land for affordable housing development, and creating a Housing Division to expand capacity to track and implement affordability efforts.

In January 2022, Metro established its first ever Housing Division, which sits within the Metro Nashville Planning Department. The Housing Division is charged with developing policies and initiatives to address the city's affordability needs and developing a comprehensive strategy. Since January 2022, the Housing Division has grown from a team of three to a team of ten with plans of future growth. The increased capacity has allowed Metro to expand its outreach efforts to new and current development partners. The Division provided the needed capacity to implement several of the ARPA funded programs which will offer new supply and innovative solutions.

Additionally, the Housing Division has the unique opportunity to work closely with the Planning Department's staff to identify zoning and land use policies that are barriers to the creation of additional housing supply, including affordable housing. This is reflected in the city's Unified Housing Strategy and the Housing and Infrastructure Study.

In addition to expanding government capacity to advance affordable housing, there have been private local initiatives aimed at increasing and diversifying Nashville's development partners. With the support of the Amazon Housing Equity Fund, the Urban League of Middle Tennessee (ULMT) established a Real Estate Developers (RED) Academy to empower, expand, and educate developers of color in all aspects of residential real estate development. The goal of the RED academy is to increase the development and delivery of attainably priced housing across Nashville's market. In March of 2022, the RED Academy welcomed its first class of developers of color who are participating in an 18-month program to equip them with the needed training, financing, and mentorship to build affordable housing in the city. The second cohort from the RED Academy will graduate in December 2025. Another private program, Music City Construction Careers (MC3). provides training for local residents to gain access to Building Trades and registered apprenticeship programs.

Notably, the Barnes Fund, Metro Nashville's local housing trust fund, has also instituted programmatic policy changes to bolster participation of small businesses. In the fall of 2017, the Barnes Fund partnered with the Center for Nonprofit Management to provide one-time technical assistance to a group of 10 nonprofit affordable housing developers with a focus on strengthening organizational structure with attention to board development, financial reporting, and succession planning. To promote successful applications from small organizations, there is a specific set-aside for small organizations that Metro Council codified in Spring 2023 and requires 20% of the total annual allocation be set-aside for nonprofit organizations with an annual operating budget of no more than $4 million and a housing budget of no more than $1 million. While program policy changes are intended to incentivize diverse applicants, additional efforts, including technical assistance and training, are needed to support emerging and small developers be successful in securing competitive funding opportunities.

Permitting Changes

In addition to utilizing local and federal funding to support affordable housing development, Metro Nashville has also enacted regulatory changes with the intention to expedite affordable housing development. For example, starting in 2019, Metro Nashville began providing expedited review of building permits that include income-restricted affordable housing. The scope of permits and activities (such as inspections) eligible for expedited review has been expanded since its initial inception.

In 2020, Metro reported that review times for some projects had decreased from 4 months to 6 weeks. Housing insecurity can result in long-term negative consequences for individuals and families. Expediting permitting process for affordable housing developments recognizes the urgency of Nashvillians housing needs and encourages quicker housing placement.

Of note, at the time of application, Metro Nashville departments were actively working in partnership with the local Urban Land Institute’s Housing Action Council to identify and develop solutions to outstanding roadblocks involved in the affordable housing development permitting and approval process. This work culminated in the creation of an Affordable Housing Permit that flags certified affordable housing projects in the city’s plans review and permitting system.

Zoning and Land Use Efforts

Metro Nashville’s Planning Department has engaged in multiple efforts to encourage housing supply. In 2015, Nashville adopted its third General Plan, known as NashvilleNext. Coming at the pivot between recovery from the Great Recession and the city’s late 2010s economic and development boom, the new General Plan reflected Nashvillians’ desires for changing the direction of growth from exclusively auto-oriented sprawl to a walkable, transit-oriented city. Key strategies identified by the plan were to create opportunities through abundant housing (reflecting community concerns with concentrated poverty, gentrification and displacement, suburbanization of poverty, and exclusion) linked with a system of high-capacity transit serving urban and suburban parts of the county. Providing a mix of housing types coordinated with transit access was a crucial component of the plan. These were reflected most strongly in the following goals and policies:

- Land Use, Transportation, and Infrastructure Goal 4: Nashville’s neighborhoods provide residents with a choice of places to live, preserving neighborhood character and history while accommodating housing choices across income levels, interests, ages, abilities, and races or ethnicities.

- Land Use, Transportation, and Infrastructure Goal 5: Nashville's neighborhoods include mixed-use, walkable centers, commercial districts, and corridors that fit within their context and character and offer housing affordable across a range of incomes.
- Land Use, Transportation, and Infrastructure Policy 5.2: Create mixed income communities by encouraging more market-rate housing at lower price levels, preserving affordable housing in gentrifying neighborhoods, and creating new affordable homes when new market-rate homes are built.
- Housing Goal 1: Nashville maintains economic and social diversity. Housing choices are affordable, available, and accessible to all new and existing Nashvillians.
- Housing Goal 2: Nashville has a strong and diverse housing market that embraces changing housing demand.
    - Housing Policy 2.1: Create real housing choices in rural, suburban, and urban areas that respect the rural, suburban, and urban development patterns.
    - Housing Policy 2.2: Create tools that encourage context sensitive development in Nashville's neighborhoods.

Notably, following the publication of NashvilleNext, Metro Nashville adopted one of the recommended programs, the creation of an inclusionary housing program in 2016. Structured as both a requirement and a subsidy, the program required property owners seeking a zone change to increase entitlements to ensure a portion of the additional entitlements were affordable, matched with a subsidy for the gap between market and affordable rates, so long as the subsidy was available for Metro. While such program may have served as a critical local tool for increasing the affordable housing supply, in 2018, the State of Tennessee pre-empted Nashville's inclusionary housing ordinance. As drafted, the preemption also applied to Nashville's pre-existing bonus program within the Downtown Code. It also precluded bodies such as the Nashville Planning Commission from considering potential affordability of projects in zoning change decisions.

In February 2024, the Metro Council passed a resolution requesting the Metropolitan Planning Department, Metropolitan Department of Codes and Building Safety, Historic Preservation Offices, Metro Water Services, and Nashville Department of Transportation and Multimodal Infrastructure to conduct the necessary technical studies, as determined by the departments, to provide a comprehensive analysis of recommended changes to the Metropolitan Code of Laws that would increase allowable density in Nashville and Davidson County and make recommendations regarding land use policy which incorporates affordable and workforce housing strategies that can be supported by existing and planned infrastructure (i.e., Housing and Infrastructure Study). This work is underway.

Land Availability & Faith Based Housing Development Opportunities

Identifying land for affordable housing development is typically one of the most difficult steps in real estate development transactions. Institutions, whether public, academic, healthcare-related, or faith-based institutions, can play a significant role in expanding housing affordability and mobility given the amount of land they own, their locations, and accessibility to transportation options and services.

While Metro Nashville has undergone an initial analysis on its publicly owned land and plans to further evaluate what land may be appropriate for housing purposes, public and private institutions, particularly faith-based institutions, may offer critical resources to utilize. Faith-based institutions in Nashville have shown a keen interest in supporting affordable housing. In November of 2022, several congregations in partnership with local housing developers hosted a summit, Built on Faith, for congregations interested in learning how to play a role to solve Nashville's affordable housing crisis. The summit which welcomed over 100 attendees included breakout sessions with faith-based institutions from other states who have successfully repurposed portions of their land to house their neighbors.

Since the summit, additional initiatives have taken place to engage faith-based institutions in affordable housing conversations. The Urban Institute and ThinkTennessee, a nonprofit think tank, hosted various institutions in the Nashville community in Spring 2023; academic, health, faith-based, and public sectors convened to better understand the barriers and opportunities of developing institutional land for affordable housing. In the fall of 2023, stakeholders convened again to discuss the findings of the amount of land owned by the institutions and where there are opportunities for significant housing development, particularly for affordable housing development along Nashville’s major corridors and neighborhoods.

During the initial convening, nonprofit organizations and faith-based institutions were interested in an introductory or 101 guide to affordable housing to support faith-based institutions in their efforts to build affordable housing on the land they own. The 101 Housing Resource Guide for Faith-Based Institutions underway is being developed and written by Holland & Knight Law Firm, the Urban League of Middle Tennessee’s Real Estate Development (R.E.D.) Academy, and ThinkTennessee. It is designed for faith-based institutions that are interested in developing their land for affordable housing opportunities in their communities and for their congregations.

Through conversations with faith-based institutions, it became clear that initial education was needed for faith-based institutions who may have limited familiarity with affordable housing space but a passion to promote solutions. A second guide offers preliminary educational material to faith-based institutions that will include introductory information about affordable housing. As discussed further in Soundness of Approach, PRO Housing funds will expand upon these guides to enable faith-based institutions to move from education to application.

Other Policy Changes

To encourage much needed additional housing supply, Metro Nashville has sought policy changes to promote and allow for housing development. These policy changes include revising parking requirements. In October of 2021, Nashville eliminated parking requirements in the urban core (Urban Zoning Overlay). The parking requirements were imposing additional and unnecessary development while also utilizing space which could be repurposed for additional housing units. Notably, the Urban Zoning Overlay accounts for 6% of Davidson County, by area, whereas 65% of residentially zoned land allows one- or two-family homes only. In addition to reducing development costs, the elimination of parking requirements will encourage missing-middle housing strategies, as well as support walking, biking, and transit use.

In 2011, an adaptive residential provision allowed property zoned for commercial uses only on streets along the Major and Collector Street Plan to use unlimited floor-area-ratio within their bulk building standards, so long as it is for residential. This was a substantial, countywide upzoning for dense multifamily along corridors. Also, in May 2023, Metro approved legislation to allow unrelated and related people to live together and to increase the number of unrelated people who can live in a dwelling based on bedroom size. The previous code allowed no more than three unrelated people to live in the same dwelling regardless of the home and did not allow a mix of related and unrelated people to live together. The change in the code increases housing options in Nashville.

ACUTE DEMAND AND REMAINING NEED FOR AFFORDABLE HOUSING

*Note: The following data was prepared in Fall 2023 for the PRO Housing application. Please see the Unified Housing Strategy for current data. Updated data further supports the needs and activities outlined in the PRO Housing application and this Action Plan.

Internal and external research and data have shown that Metro Nashville's housing needs are acute and require a timely, thoughtful and thorough response. Notably, Davidson County was identified as a priority geography for the PRO Housing grant due to the widespread housing cost burden experienced by Nashvillians. As cited in the Consolidated Plan, one of the most common housing problems in Davidson County was households being cost-burdened, especially those between 0-30% AMI. Out of the 35,015 combined owner and renter households that were severely cost-burdened, 21,589 were in the 0-30% AMI category, or 61.6%. Very few areas of Davidson County are below cost burden status; and areas below cost burden are where several MDHA public/affordable housing properties are located.

Alarmingly, households who are cost-burdened are disproportionately Black and Brown. According to 2021 Census data for Davidson County, 43% of Black households and 45% of Hispanic households are cost burdened compared to 33% of white households. Households who are low-income and who are cost-burdened often face the precarious scenario in which certain essential needs are forgone to afford housing. Households are forced to choose between housing or food or housing or healthcare. These tradeoffs can lead to negative impacts not only on an individual household but also on the larger community.

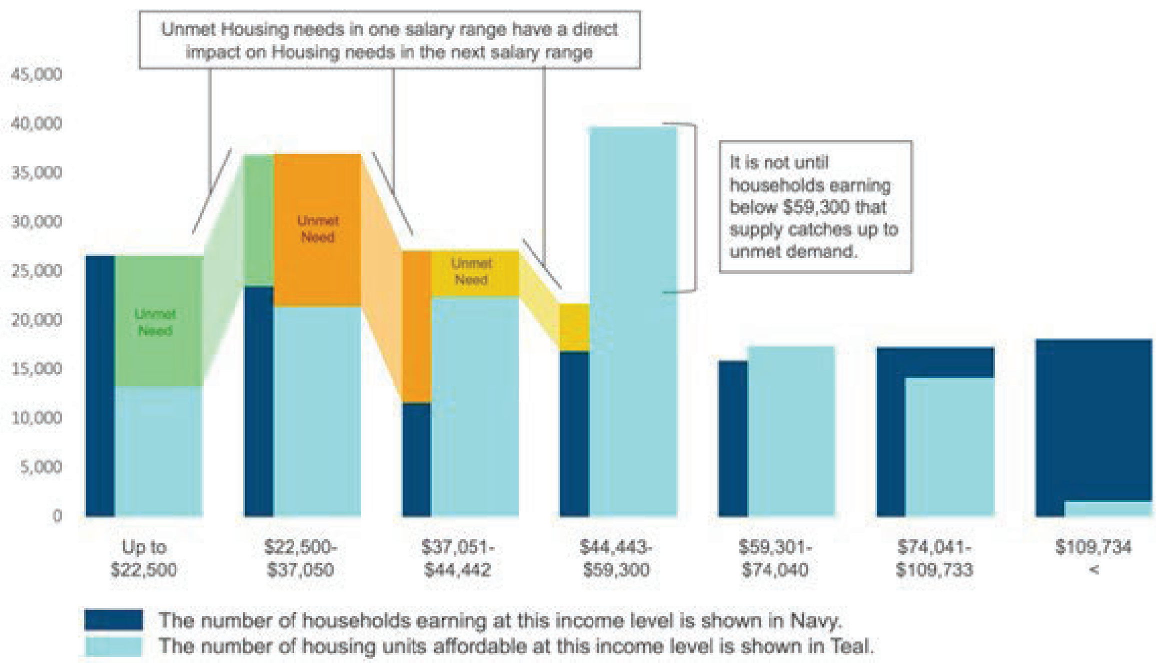
While cost burden is one metric for housing insecurity, additional metrics underscore the need for affordable housing. An analysis conducted by the Planning Department for the Affordable Housing Task Force Report published in 2021 revealed a gap of over 14,000 units for households earning less than 30% of the AMI. This unit shortages forces households earning less than 30% of the AMI to search for housing that is affordable only for those with higher incomes, resulting in severe cost burden for these households. The table (Table 1) below alarmingly shows a shortage of housing at both ends of the income spectrum, with a surplus of housing in the middle. Among low-income households, at first glance, this suggests that about 2,000 households earning 30 to 50% of the median income in Nashville must find higher priced housing. However, this understates the problem because of the 13,000 households earning below 30% of the median income.

As Visual 2 portrays, as households seek housing, the significant lack of options affordable to their income forces them to rent above their income, causing them to be cost burdened and also renting one of the homes affordable to households earning 30 to 50%. This means a larger number of 30 to 50% households are likely to rent above what they can afford, showing up in the surplus of units affordable at 60 to 80% of the median income. As the visual and accompanying table reveals, Nashville has a significant need for additional housing, particularly for households earning 0 to 30% of the AMI.

Table 1 - Unit Needs by AMI Bracket, Source: American Community Survey, 2012

Income level (AMI)	Household income up to	Monthly housing costs	Households	Owner gap	Renter gap
Up to 30%	$22,250	$556	39,147	(573)	(13,754)
30% to 50%	$37,050	$926	39,437	16,685	(2,226)
50% to 60%	$44,442	$1,111	20,010	9,209	11,041
60% to 80%	$59,300	$1,483	32,061	18,202	23,467
80% to 100%	$74,070	$1,852	32,049	7,828	1,460
100% to 120%	$109,733	$2,743	51,015	(15,277)	(3,069)

Visual 2 - Unmet Housing Needs



Partially due to the insufficient housing supply, communities across Nashville have experienced substantial rental increases and homeownership prices resulting in displacement concerns. In an analysis from 2021, Metro Nashville's Planning Department identified neighborhoods vulnerable to displacement. The analysis found that large swaths of the urban core are post-gentrification, gentrifying, or are not home to vulnerable communities. Those areas identified as "continued loss" are high value areas that have experienced demographic change. Areas identified as "late" have newly high home values and are experiencing appreciation and demographic change.

The analysis also shows the spread of displacement pressure to the north and southeast of the urban core. Of note, Metro Nashville recently contracted with the Reinvestment Fund, a nonprofit organization that provides financial and analytical tools, to conduct an updated displacement analysis.

Additional data gathered as part of the Point-in-Time count and HMIS system further reflect our acute need for affordable housing. The 2023 PIT count reported a total of 2,129 people were experiencing homelessness on January 26, 2023. While the number of unsheltered people decreased by 44 persons, there was an overall increase in homelessness of 11% compared to January 2022. Moreover, Nashville's homelessness data reflects larger racial inequities that perpetuate our community. Despite the Black population making up 26.4% of Davidson County the homelessness population in Nashville is 45% Black or African American. While Metro Nashville has invested additional local resources and utilized federal resources to make homelessness rare, brief, and non-recurring, such resources are stymied without adequate housing supply affordable to households experiencing homelessness.

According to HMIS data, families experiencing homelessness in Nashville in 2023 are waiting an average of 101 days before being placed in housing compared to 69 days in 2019. The prolonged length of time spent experiencing homelessness is related to the limited housing supply affordable and accessible to families with low-to-moderate incomes. Additional time spent experiencing homelessness can have lasting negative impacts on our families and children such as reduced educational achievement, poorer health outcomes, and reduced financial security.

Unfortunately, the widespread lack of housing supply experienced in Nashville has also resulted in negative downstream effects to other critical housing programming. For example, as stated in the Consolidated Plan, the lack of available and affordable units has resulted in significant challenges for voucher holders seeking housing. To ensure enhanced utilization of vouchers, MDHA has allowed 1,400 of its housing choice vouchers to be used as project-based vouchers. While MDHA is actively working to recruit new landlords to participate in the voucher program, shortages in affordable housing supply impose barriers to voucher holders' housing attainment and overall stability.

The need for more affordable housing has been clearly reflected in data but also has been elevated by residents of our community. The Consolidated Plan process included several input sessions in addition to a community survey. As articulated in the Plan, more affordable housing units was found to be the top priority for the community. Additionally, and as mentioned previously, affordable housing was also the top priority identified in a survey distributed to Nashvillians as part of the process to determine uses for available ARPA funding.

KEY BARRIERS THAT STILL EXIST AND NEED TO BE ADDRESSED TO PRODUCE AND PRESERVE MORE AFFORDABLE HOUSING

Despite Metro Nashville's ongoing efforts, there are several key barriers that still exist to affordable housing production and preservation in Nashville that need to be addressed. These barriers, many of which were identified in the Consolidated Plan, include the following: zoning/density constraints, limited land availability, scarcity of funding, and development capacity.

Zoning

To adequately address our affordable housing needs, zoning and building codes must allow for development at scale. However, a significant portion of Davidson County has single-family zoning with large minimum lot sizes which sharply limits the growth of housing supply in established neighborhoods with amenities and prohibits more affordable development styles. In fact, only 7% of Nashville is zoned to allow multi-family. The Metro Zoning Code lacks necessary regulations to ensure that more dense and multi-family housing is context sensitive to existing neighborhoods, preventing political support for the upzoning of property in established neighborhoods with amenities and limits overall housing supply and the type of permitted housing to less affordable types.

Metro's current tool to address this is a custom zoning district (Specific Plan zoning) that allows tailoring to local context. However, this (and other base-zone changes) is an expensive and uncertain process that discourages applications and requires extensive time and capital investment to succeed.

In subdivisions specifically, there are additional requirements that limit housing supply and prevent affordable housing types from being provided. The Metro Planning Commission Subdivision Regulations contains requirements that aim to protect neighborhood character and these requirements often result in larger residential lot sizes than the zoning code would otherwise require.

Cost and Availability of Land for Affordable Housing

Limited land availability coupled with the high land costs impede affordable housing production. As discussed in the Consolidated Plan, land is at a premium especially along transportation corridors and near services and commercial activity where it is desirable to create affordable housing in these areas so that low-to-moderate income households have greater access to critical services. Even after controlling for inflation, per-acre land values in Nashville's urban core are approximately six times higher in 2022-2023 compared with sales in 2010-2013. The high costs of land make it financially challenging, and sometimes unfeasible, to create affordable housing without a subsidy or incentive. Through stakeholder input, which included conversations with affordable housing developers and advocacy organizations, costs of land were cited as a significant barrier to development. To address our land limitations, engaging partners with land resources is critical. Metro Nashville will expand upon existing efforts to support interested faith-based institutions in employing their underutilized land to increase housing access.

Scarcity of Affordable Housing Financing

Metro Nashville has made full use of available federal and local funding to support affordable housing production. However, such funds have been insufficient in addressing our substantial housing needs. Federally, except for 2018, funds for affordable housing have been declining since 2010 and 9% LITHC?s are awarded on a competitive basis limiting the extent of use in Nashville-Davidson County. Despite increased local investment in affordable housing development, additional resources are needed to address the housing needs of our community, particularly those households earning 0 to 30% of the Area Median Income and/or experiencing homelessness.

While the Barnes Fund has served as a critical local resource to affordable housing production, the Fund, which provides competitive grants for new rental construction for 60% of the AMI or below and new homeownership units for 80% of the AMI or below, has been limited in advancing permanent supportive housing and housing for very low-income households. Since its creation in 2013, less than 11% of the total units funded by the Barnes Fund have been for households earning 0 to 30% of the AMI. Although applicants are scored favorably for proposing units for special populations and units at deeper affordability, the development community has shared that such development is financially challenging without additional subsidy. Metro Nashville's Housing Division has learned that to develop PSH and units for households earning 0-30% AMI, it is essential to earmark allocations specifically for that purpose coupled with reasonable subsidy.

Of note, the Barnes Fund, even with additional allocations, has been insufficient in meeting the demand. Each year, funding requests are 2x more than funding available.

There is strong evidence to suggest that additional funding to support new construction is not only needed but that local partners wish to utilize such funding.

In meetings with development members of the Urban Land Institute, affordable housing developers emphasized the need for additional financing support to make affordable housing proposals financially feasible. The developer community shared that interest rate hikes, inflation and rises in land costs have made it increasingly difficult to develop affordable housing deals that are fiscally sound. The economic challenges faced by developers coupled with the fully exhausted federal and local affordable housing resources strongly support the need for additional dedicated affordable housing financing.

According to recent projections published by the CoC Data committee and Corporation of Supportive Housing, Nashville needs an estimated 4,363 units of permanent supportive housing for individuals experiencing homelessness within five years. To meet this need, additional financing tools are essential. Metro Nashville will address funding barriers by allocating $3.6 million in PRO Housing grants to increase PSH and units for households earning 0-30% of the AMI.

Development Capacity - Barriers Facing Small and Emerging Developers

To address our housing supply challenges, new and diverse development partners are needed. In ongoing community feedback, stakeholders and community leaders have voiced the desire to expand our local development capacity with a focus on small and emerging developers. The lack of capacity among developers can translate into a lack of diversity in the product and moreover a lack of focus on housing low to moderate income households.

Although there are ongoing local initiatives focused on diversifying the development community in Nashville, barriers still exist for small and emerging developers. In development of the proposal, Metro Nashville's Housing Division consulted with leadership from the Urban League of Middle Tennessee's RED Academy, which in 2022 welcomed its first class of 15 developers who are participating in an 18-month program training program to develop skills and knowledge needed to build housing with a focus on affordability. RED Academy leadership shared that some of the major supports needed for emerging developers to be successful are predevelopment costs support, capacity building, and a go-to network of partners to assist with development deals.

To address these outstanding challenges faced by our community's small and emerging developers, Metro Nashville is proposing to use PRO Housing funding to implement an Affordable Housing Accelerator program to support mission driven affordable housing developers and contractors. The funding will be used to develop a network of experts, including lawyers, architects, lending institutions, and others, which developers interested in creating affordable housing could quickly connect with to help develop successful and competitive proposals for local, state, and federal funding opportunities.

4. Use of Funds - Soundness of Approach:

Creating a Nashville that is affordable for all is much like building a house - it requires multiple tools and functioning systems. While we are not able to address all areas of housing affordability through the PRO Housing Grant, the activities described in this Action Plan are born from ongoing stakeholder engagement, data analyses, and best practices in other jurisdictions and build upon momentum from efforts underway to create new or strengthen existing tools and systems to ultimately remove obstacles to affordable housing. Moreover, these activities address most of HUD?s strategic goals, meet CDBG LMI national objectives, and affirmatively further fair housing.

VISION

The vision statement for the Metro Housing Division is “Every Nashvillian has housing security.” As the city’s first Housing Division, the team wanted our vision statement to be bold and to always bring us back to the “why” of our work. This vision challenges the team, our Metro Nashville colleagues, local decision-makers, and partners to view Nashville’s housing challenges through multiple lenses and realize there is no singular solution to solve our affordability crisis. Each of the proposed activities takes a different, but effective approach, to address the acute demand and deep barriers to creating and preserving affordable housing as discussed in the Need section:

1. Affordable Housing Accelerator Program
2. Faith-Based Housing Development Initiative
3. Affordable Housing Financing
4. Grant administration.

Activity 1: Affordable Housing Accelerator Program

Investing in affordable housing for all Nashvillians is investing in small and emerging developers and contractors that live and work in the communities they serve. The Need section articulated how the lack of capacity encountered by small and emerging developers impacts housing - it often translates into a lack of diversity in the product and lack of focus on housing LMI households. By bringing emerging developers into the development pipeline, we not only expand and diversify our capacity to address Nashville's acute demand, we create economic opportunities and entry into a highly competitive industry.

But for these developers to be successful, they must have a level playing field. Nashville's existing programs provide development training and Building Trades-registered apprenticeships. However, many cannot make the leap from training to development because they do not have the capacity or resources to support predevelopment costs.

The Affordable Housing Accelerator Program will fund the creation of a predevelopment marketplace, providing emerging developers and contractors access to a network of experts such as lawyers, architects, and grant writers. Funds would be used to support a contractor to establish the marketplace and program operations. In addition, a portion of funds may be used to the expansion of existing development and contractor training programs. To further support this initiative, Metro Nashville commits to setting-aside a portion of the Barnes Fund budget or other local funds or incentives for projects proposed by organizations that have participated in the Affordable Housing Accelerator Program. The program will be open to all small and emerging developers and contractors meeting the program's requirements.

Lessons Learned from Previous Efforts

In 2017, Barnes Fund staff utilized some funds to create a capacity building program for nonprofit developers. Because this program focused more on organizational capacity than development capacity, many of the organizations that participated in the program still struggle to compete for funding. We hear the concerns and frustrations from elected officials and small nonprofit developers that development capacity limitations keep these organizations from accessing funding. While we have seen some progress, the door for many is still closed due to the lack of capacity/resources to support predevelopment costs. Recent conversations with representatives from training organizations, the Urban League's Real Estate Developers (RED) Academy and Music City Construction Careers (MC3), echo this challenge.

Activity Budget

- PRO Housing Funds: $575,000
- Leveraged Funds: $700,000
- Total Budget: $1,275,000

Performance Measure & Expected Outcomes

- # Developers Assisted: We expect to assist at least 12 developers through this program during the grant term. However, the long-term effect is more capacity to develop affordable housing in the housing development industry that translates to a greater diversity of housing types.

Activity Schedule & Key Milestones

- RFP Released: By March 2026
- Procurement Closed & Evaluation Complete: By July 2026
- Environmental Review Complete: By September 2026 (Should be Exempt)
- Contract Approval: Within 2 months of Release of Funds from HUD
- Funds Obligated: Upon contract execution
- Project Start Date: Upon contract execution
- Project Complete and Funds Expended: By June 30, 2029
- Project Closeout: Upon final invoice and report

<u>Activity 2: Faith-Based Housing Development Initiative</u>

Land is a precious commodity in Nashville; affordable housing developers cannot compete in the real estate market, and the availability of land is a key barrier to increasing the supply of affordable housing. As presented in the Need section, land owned by faith-based institutions is an untapped resource that many of these organizations want to activate for affordable housing development. Initial findings from research conducted by ThinkTennessee and the Urban Institute indicate that faith-based institutions are the largest institutional landowners in Nashville (not including government).

The Faith-Based Housing Development Initiative builds on the work of ThinkTennessee and the Urban Institute to equip faith-based institutions with the tools, resources, and expertise to convert underutilized land into affordable housing. When it comes to real estate development, faith-based institutions have unique opportunities and challenges and need tailored support. This Initiative would fund a contractor that brings the technical expertise to guide institutions in the transition to real estate development and connect them to partners and resources.

To further support this initiative, Metro Nashville commits to setting-side a portion of the Barnes Fund budget or award other local funds or incentives for projects proposed by organizations that have participated in the Faith-Based Development Initiative. We believe that this Initiative could unlock several hundred acres of developable land and potentially lead to the creation of several thousand new housing units.

Lessons Learned from Previous Efforts

Housing Division staff attended the Built on Faith event hosted by several local congregations and housing advocates in Fall 2022. While the event was well attended by over 100 participants and generated interest and excitement, little progress has been made since. In follow-up conversations with congregations and ThinkTennessee, the missing piece is a structured program to empower faith-based institutions with the tools and capacity to pursue development opportunities and connect them to developers and funders.

Activity Budget

- PRO Housing Funds: $575,000
- Leveraged Funds: $700,000
- Total Budget: $1,275,000

Performance Measure & Expected Outcomes

- # Faith-Based Organizations (FBOs) Assisted: We expect to assist at least 12 FBOs through this program during the grant term. However, the long-term effect is scaling the supply of affordable housing in places that are often seen as anchors in communities. In addition, we would have a model to replicate with faith-based institutions in other areas in Tennessee since our housing crisis is not confined to Davidson County.

Activity Schedule & Key Milestones

- RFP Released: By March 2026
- Procurement Closed & Evaluation Complete: By July 2026
- Environmental Review Complete: By September 2026 (Should be Exempt)
- Contract Approval: Within 2 months of Release of Funds from HUD

- Funds Obligated: Upon contract execution
- Project Start Date: Upon contract execution
- Project Complete and Funds Expended: By June 30, 2029
- Project Closeout: Upon final invoice and report

Activity 3: Affordable Housing Finance Program

Our most acute demand, as illustrated in the Need section, is for permanent supportive housing (PSH) and deeply affordable housing (0-30% AMI). Our ability to reduce homelessness to functional zero is largely predicated on an adequate supply of housing that meets the demand. While the Metro Office of Homeless Services and the Metro Homelessness Planning Council have a strategy to transition persons living outdoors to shelter, the pipeline collapses when there is no exit to permanent housing. As previously discussed, scarcity of financial resources is the largest barrier scaling the production of PSH and deeply affordable housing.

PRO Housing funds, leveraged with Barnes Fund or other local dollars or incentives, would allow us to make significant progress. Funding would allow for acquisition, new construction, rehabilitation of existing units, or conversion of hotels or other uses into housing. By allowing a per unit subsidy of up to $100,000, we open the doors for the creation of PSH and deeply affordable housing in high opportunity areas where it is difficult to develop as well as allow the integration of PSH into mixed-income projects.

Lessons Learned from Previous Efforts

Previous attempts to set-aside funds for PSH development (such as through the HOME program) resulted in few responses, primarily due to the challenge in leveraging funds for services and rental assistance. Metro Nashville's recent and ongoing services and MDHA's ability to award project-based vouchers for rental assistance make these projects financially feasible. However, we continue to see through the Barnes Fund process, applications for PSH and deeply affordable housing funding request higher per unit subsidies than other affordable housing projects - continued indication of the challenges financing the types of projects.

Activity Budget

- PRO Housing Funds: $3,600,010.24
- Leveraged Funds: $3,600,000
- Total Budget: $7,200,010.24

Performance Measure & Expected Outcomes

- # Units Created: We expect to create at least 36 PSH or deeply affordable housing units. However, the long-term effect is having a housing supply that drastically reduces the amount of time someone experiences homelessness and increases housing security once housed.

Activity Schedule & Key Milestones

- RFP Released: By March 2026
- Procurement Closed & Evaluation Complete: By July 2026
- Environmental Review Complete: By December 2026 (Will require an Environmental Assessment)
- Contract Approval: Within 2 months of Release of Funds from HUD
- Funds Obligated: Upon contract execution
- Project Start Date: Upon contract execution
- Project Complete and Funds Expended: By June 30, 2029
- Project Closeout: Upon final invoice and report

<u>Activity 4: Grant Administration</u>

The Metro Housing Division will administer the grant, which includes grant management, monitoring, and reporting. A portion of grant administration funds may be used to support Environmental Review and Procurement actions undertaken by the Metropolitan Development and Housing Agency (MDHA) on Metro Nashville's behalf.

Lessons Learned from Previous Efforts

Having administered large HUD grants and other significant projects and programs, staff have a solid grasp on the time and capacity required for grant administration.

Activity Budget

- PRO Housing Funds $249,989.74
- Leveraged Funds: $ 0
- Total Budget: $249,989.74

Performance Measure & Expected Outcomes

- N/A

Activity Schedule & Key Milestones

- Throughout the Grant Period.

Alignment with Other Plans and Initiatives

All activities align with and implement recommendations in NashvilleNext (Nashville's comprehensive plan), the Consolidated Plan; Nashville's Fair Housing Plan, the 2021 Affordable Housing Task Force Report, and the Continuum of Care (CoC) Strategic Plan. In addition, all activities further recommendations in the Unified Housing Strategy.

GEOGRAPHIC SCOPE

The geographic scope is the entire county.

The goal of the Affordable Housing Accelerator Program is to expand affordable housing options throughout Davidson County. Because of Nashville's diverse topography and natural features that present development challenges, curricula will include best practices for understanding and navigating these challenges. The Faith-Based Housing Development Initiative will be open to any organization wishing to participate with guidance on understanding neighborhood context. As with other Metro Nashville housing finance programs, the Affordable Housing Finance Program will prioritize projects located within a half-mile of transit access, in walkable areas, and near healthy food sources. For all of these activities, a goal is to integrate deep affordability into mixed-income housing located in high-opportunity areas.

FAIR HOUSING

Creating affordable housing in well-resourced areas and expanding housing choice is a long-standing challenge due to the availability of land, the cost of land when available, and land use policies. All activities are designed to break through these barriers to increase access to well-resourced areas for underserved groups. By building the capacity of developers and contractors through the Affordable Housing Accelerator Program and activating land owned by Faith-Based Institutions, we expand affordable housing options in high opportunity areas. The Affordable Housing Finance Program and the Barnes Fund will give priority to projects located in amenity-rich areas, that are walkable, and have access to transit and healthy food options.

Metro Nashville has developed a Housing Dashboard that includes mapping of publicly-assisted affordable housing. This data, coupled with data in the Fair Housing plan, and our policy to encourage mixed-income housing allows the city to promote opportunities by guiding investments in affordable housing in areas that do not further perpetuate concentration of poverty.

Each of the Fair Housing protected classes have unique housing needs, whether they are larger units to accommodate families or allow for multi-generational living or on-site care to age in place; language access; or accessibility accommodations. What is critically important is that the city, developers, landlords, and residents know their fair housing responsibilities and rights. The Metro Housing Division will require that the Affordable Housing Accelerator Program and Faith-Based Housing Development Initiative include robust fair housing and civil rights training. The Affordable Housing Finance Program will be subject to the Housing Division's affirmative marketing requirements (described below).

According to the most recent Fair Housing plan, persons with disabilities are fairly evenly distributed in communities throughout Davidson County and not concentrated in specific areas. Although persons with disabilities are geographically dispersed in neighborhoods where they can interact with persons without disabilities, they may not be in areas that meet their needs, such as lack of access to public transit, sidewalks, and nearby services. This is likely due to the scarcity of housing units accessible to persons with disabilities - an identified impediment to Fair Housing choice in Metro Nashville's 2013 and most recent Fair Housing plans.

Through our activities, we will implement policies and practices to create accessible units in areas that support independent living with access to supportive services and transportation. All projects funded through this grant and the Barnes Fund must comply with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act and must be sensitive to Universal Design and visitability standards (which will be included as part of a proposed project's evaluation). By directing funds from the Affordable Housing Finance Program for PSH, we are ensuring that persons experiencing homelessness have housing options and the intensive services to make housing successful.

All proposed activities address the goals established in Metro Nashville's most recent fair housing plan:

- Increase the number of affordable housing units accessible to all protected classes.
- Preserve existing housing units, especially for persons with Limited English Proficiency (LEP) and persons with disabilities.
- Increase access to affordable housing opportunities, especially for persons with Limited English Proficiency (LEP) and persons with disabilities.
- Create/expand programs to help tenants and homeowners retain housing.
- Create/expand programs to increase self-sufficiency.

- Increase public and private investment in underserved neighborhoods.
- Expand fair housing outreach, education, and enforcement activities.

Displacement concerns are commonly expressed by residents, especially those living in "hot" development areas, and naturally occurring affordable housing is disappearing across the county. The Housing Division included a Displacement Risk Ratio (DRR) analysis in the Unified Housing Strategy. This work estimates the DRR for a 10-year period and includes policy recommendations and best practice to minimize or eliminate the risk. While this is a countywide analysis, specific focus will be neighborhoods that have seen the most pressure.

Projects funded through this grant and the Barnes Fund must include a relocation plan if the development is currently occupied. If applicable, developers will have to comply with Uniform Relocation Act (URA) requirements. With a vision that every Nashvillian has housing security, it is our goal that no project results in the ultimate displacement of residents, and we will work with developers on measures for existing residents to retain or return to their housing.

The Housing Division is developing a series of fact sheets to combat misinformation and misunderstanding about affordable housing, such as affordable housing's impact on surrounding property values and crime and how affordable housing is an important asset to a community. In addition, through a campaign showcasing the high-quality of affordable housing and our ongoing community and stakeholder engagement, we can mitigate concerns and bolster community support.

We use flood and heat island data to ensure we do not invest in projects located in vulnerable areas and have access to local funds to assist income-restricted affordable housing developments undertake enhanced transit-oriented infrastructure improvements in a neighborhood. Projects assisted through this grant will be added to our public-facing Housing Dashboard map, where we can evaluate our efforts on expanding affordable housing access to well-resourced areas and advancing housing opportunities.

The Metro Nashville Housing Division has incorporated affirmative marketing requirements into all housing finance and incentive programs it administers and will require affirmative marketing for all projects funded through the HUD PRO Housing Grant. Applications must submit an Affirmative Marketing Plan as part of an application package. In the Affirmative Marketing Plan, applicants must describe (1) the type of Fair Housing training project staff and/or marketing agents have received; (2) any Fair Housing complaints, for any of its properties, received in the last 12 months, the nature of the complaints, and the current status; (3) how they will notify applicants and tenants of Fair Housing rights; and (4) the target market area; groups least likely to apply and how that was determined; and proposed outreach and marketing strategy for each group identified.

5. Use of Funds - Method of Distribution (State grantees only):

N/A

6. Grantee and Partner Capacity:

As discussed in Soundness of Approach, Metro Nashville does not intend to directly undertake these activities but will procure contractors to provide the described services and developers to create housing. Nashville benefits from a deep bench of local and national organizations ready to assist in addressing our housing crisis. We have no concern with partner capacity necessary to implement any activity. In fact, a survey on local nonprofits conducted by the Housing Division prior to application revealed that each had that capacity to expand their services if additional funding was made available.

Given our work on HUD-funded and other projects of similar size and scope, we have demonstrated experience working with and coordinating partners. Through the Barnes Fund, we typically partner with at least 10 organizations each funding round. MDHA, as the designated responsible entity for Metro, will conduct environmental reviews. In addition, Metro will utilize MDHA's HUD-compliant procurement process to procure external partners. Through our existing work, we already have the necessary infrastructure in place to work with and coordinate partners.

7. Stakeholder Engagement and Public Participation Summary:

Metro Planning staff are committed to robust community and stakeholder engagement throughout the year. Engagement includes attending and hosting numerous community meetings and forums; participating as members of industry-related organizations; and capturing comments made at Metro Council, Planning Commission meetings, and other public meetings. This ongoing engagement enables staff to keep a pulse on issues and ideas and be proactive and responsive. Input from this engagement, as well as through NashvilleNext discussion, Consolidated Plan consultations, and Affordable Housing Task Force meetings shaped the grant application.

For outreach, staff compiled a list of civic organizations, public agencies, non- and for-profit housing developers and advocates, and other organizations with an interest in the Nashville's housing crisis and sent letters and emails to these stakeholders explaining the PRO Housing application process and the intended activities of the funds. Staff also held meetings with individual organizations to discuss the application and the intended use of the funds. Staff specifically engaged with housing developers and organizations representing builders, contractors, and union trades. Staff will continue to communicate during the grant period, and updates will be posted through the department's typical communication channels such as website updates and social media updates.

Staff cast a wide net to encourage public participation and build support for the grant application. The public notice of public meetings was published on September 27, 2023, in The Tennessean (paper of general circulation) and in two minority papers, the Tennessee Tribune and Azul 615 magazine and posted on Planning's website. Also, staff distributed public notices at the Festival of City Services held on September 30, 2023, in Nashville's Public Square. The draft application was posted for public review on Planning's website on October 2, 2023, and email notices were sent to Planning's stakeholder lists. A virtual public hearing was held at 11:30 am on Wednesday, October 11, 2023, with an in-person meeting held the same day at 5:30 pm in the Sonny West Conference Center. In addition, members of the public were able to provide comments at Metro Committee and Council meetings on October 16 and 17, 2023, in accordance with Council procedures. Members of the public were able to submit comments in writing by email, mail, or hand delivery through 11 pm on October 17.

Since the application submittal, Housing Division staff have maintained communication with interested parties.

8. Long-Term Effect:

Through activities implemented with the PRO Housing Grant, Metro Nashville will be more strongly positioned to address our affordable housing challenges by increasing financing for affordable housing, promoting additional land availability, and accelerating additional development capacity. All activities are expected to primarily benefit low- and moderate-income households.

Affordable Housing Accelerator Program

PRO Housing funding would allow Metro Nashville to expand its development capacity, with a focus on small and emerging developers. In consultations with community leaders focused on diversifying the development field, it was identified that small and emerging developers need access to predevelopment support to transition from training programs to successfully securing funding. Therefore, Nashville intends to use PRO Housing funding to launch an Affordable Housing Accelerator Program that includes a predevelopment marketplace of development partners and experts that affordable housing developers could quickly connect with to support predevelopment activities. In addition, a portion of funds may be used to support the expansion of existing development and contractor training programs.

While PRO Housing funding would directly address one of the outstanding needs, access to capital remains a challenge experienced particularly by small and emerging developers. To address this, Metro Nashville plans to set aside $700,000 from the Barnes Fund or leverage $700,000 in other local funds or incentives over the course of the grant term specifically for participants involved in the Affordable Housing Accelerator program. The set aside will allow developers to access needed capital supports to assist with predevelopment, acquisition, and constructions costs necessary to successfully develop affordable housing.

We expect to assist at least 12 developers through this program during the grant term. However, the long-term effect is more diverse representation in the housing development industry that translates to a wider array of housing options.

<u>Faith-Based Housing Development Initiative</u>

Availability of land, particularly affordable land, is one of the greatest barriers impeding affordable housing development in Nashville. PRO Housing funding would allow Metro Nashville to build on existing efforts underway by ThinkTennesee and the Urban Institute to engage faith-based institutions seeking to activate their land resources for affordable housing development. Using resources from the PRO Housing grant, Metro Nashville will expand upon these efforts to establish a structured program to equip faith-based institutions with the tools, resources, and expertise to convert underutilized land into affordable housing.

To develop affordable housing at the scale needed, strategic partnerships with community partners with land assets is essential. We anticipate that this program will assist at least 12 Faith Based Organizations (FBOs) and unlock several hundred acres of developable land, resulting in the creation of thousands of new housing units.

The long-term effect is scaling the supply of affordable housing in places that are often seen as anchors in communities. In addition, we would have a model to replicate with faith-based institutions in other areas in Tennessee since our housing crisis is not confined to Davidson County.

Affordable Housing Finance Program

The funding allocated for affordable housing financing coupled with leveraged local trust fund (Barnes Fund) dollars or other local funds or incentives will result in an estimated 36 new units of permanent supportive housing and/or deeply affordable housing for households earning 0 to 30% of the AMI. PSH and deeply affordable units are some of the most challenging units to finance without additional subsidy. Unfortunately, rising interest rates coupled with an increasingly expensive market has made it financially difficult for even mission-driven developers to build units that serve households with extremely low incomes. With PRO Housing funding, Metro Nashville will be able to serve more of our most vulnerable neighbors who otherwise may have experienced prolonged homelessness and financial precariousness.

The long-term effect is having a housing supply that drastically reduces the amount of time someone experiences homelessness and increases housing security once housed.

ADDRESSING KEY BARRIERS

Reducing Cost Burden and Increasing Access to Opportunity

All aim to advance housing security through either directly financing affordable housing, removing barriers to affordable housing, or leveraging new resources to develop affordable housing. Metro Nashville's Housing Division and MDHA staff have decades of experience administering affordable housing programs. Metro Nashville's Housing Division administers the local housing trust fund which thoroughly evaluates all project proposals, including their location and proximity to transit. PRO Housing funding used to develop PSH and deeply affordable units will include a similar comprehensive review of all proposed projects.

Projects proposed close to transit and located in amenity rich communities will score more highly. To date, there is a severe shortage of PSH units and units for households earning 0 to 30% of the AMI. PRO Housing funding would directly impact the lives of at least 36 households who otherwise would face significant difficulties in accessing housing that is safe, affordable, and conveniently located. Critically, the other activities, by addressing affordable by increasing development capacity and land availability, will enable more affordable housing development particularly in areas of high opportunity. Moreover, these activities aim to produce implementation tools that would enable a greater variety of housing types to be built, including more affordable units.

Promoting Resiliency

One of Nashville's most significant residential risks are from storms and flooding, as identified by the city's Multi-Hazard Mitigation Plan and resiliency plans. Approximately 6% of Nashville's housing units are potentially affected by flooding (with building footprints in or touching the 100-year floodplain). While Nashville has an active home buyout program for repeat-loss properties and robust building standards for properties in danger of flooding, meeting housing demand through sprawl often places more buildings close to floodplains. Growing through a range of housing types in well-served areas away from hazards can reduce the pressure for adding or keeping homes in areas that flood.

In compliance with program requirements, any projects funded for development using PRO Housing funding will undergo an environmental review to determine that the proposed project does not negatively impact the environment nor have an adverse environmental or health effect on residents. Metro Nashville's staff has significant experience with implementing HUD-funded affordable housing programs and will ensure all development projects funded comply with environmental requirements. Furthermore, Metro Nashville's Housing Division currently evaluates environmental impact in the Barnes Fund scoring and would continue to incorporate such evaluation to encourage projects which promote resiliency.

Identifying and Addressing Roadblocks

To ensure effective use of PRO Housing funds, it is important to identify potential roadblocks that may need to be addressed. For the affordable housing financing activity, one potential roadblock may be hesitancy amongst the development community and continued challenges with financing deeply affordable projects. Metro Nashville's Housing Division staff will conduct strategic outreach to educate the developer community on developing PSH and deeply affordable units and collaborate with development partners who can share successful models of such projects. Further, the Housing Division with work with the Office of Homeless Services to ensure necessary support services are available for PSH projects.

Related, the Affordable Housing Accelerator program for small and emerging affordable housing developers and contractors will offer a unique opportunity for Metro Nashville to recruit potential applicants for the PRO Housing Affordable Housing Finance Program. While it is difficult to predict future market conditions, the Housing Division and MDHA are actively administering new and existing affordable housing programs, many of which could be coupled with PRO Housing funding to develop a financially sound and sustainable project that provides deeply affordable units. As mentioned previously, Metro Nashville's Housing Division plans to set aside $3.6 million of the Barnes Fund or other local funds or incentives to be used as leverage to support the creation PSH and deeply affordable units. Moreover, $700,000 from the Barnes Fund or other local funds or incentives will be set-aside for developers who are part of the Affordable Housing Accelerator program.

Notably, making additional land resources available for affordable housing development is essential to advancing affordable housing production. Helping to facilitate the use of land owned by faith-based institutions for affordable housing purposes will help address barriers related to land availability and financing. While local faith-based institutions have shown immense passion in supporting affordable housing, such institutions require robust education and other supports to repurpose their land. Metro Nashville plans to build off the existing state-wide efforts to engage faith-based institutions and work closely with our local faith-based community to identify what remaining supports are needed. This coordination is essential to developing a program that can be an effective tool for our community's faith-based institutions.

Sustaining Long-Term Success

While the PRO Housing funding will result in tangible outcomes, the processes involved with program implementation will lay a framework to permanently strengthen our capacity and expand our toolkit to more adequately and holistically address our affordable housing challenges. For example, the additional financing for PSH and deeply affordable units will provide a new opportunity for the development community to learn strategies and best practices to develop PSH. Through clearly written and researched program guidelines and strategic mentorship with relevant partners, Metro Nashville's Housing Division will be able to support developers awarded PRO Housing funding or leveraged Barnes or other local funding or incentives to create PSH units and 0-30% AMI units that can be a model to others. Metro Nashville's Housing Division is eager to collaborate with our development partners who have been successful in developing PSH and share such learnings with development partners who may be new to this space. Moreover, the outreach and education efforts surrounding this activity, coupled with the development of a PSH Strategy Plan funded in FY 26, will result in additional units thereafter.

While the Affordable Housing Finance Program will directly result in new units for our most vulnerable neighbors, combined, the proposed activities will transform our land and development capabilities that have stymied our progress towards housing security. Supporting our faith-based institutions to utilize their land resources for affordable housing could greatly enhance the scale at which affordable housing can be developed. To further develop at scale, additional partners are needed, which is why Metro Nashville proposes launching an Affordable Housing Accelerator Program that will provide the resources for small and emerging developers to succeed and accelerate our housing production.

9. Substantial and Non-substantial Amendments (if applicable):

N/A

SIGNATURE PAGE
FOR
GRANT NO. B-23-PH-47-00002

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set their signatures.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Lucy Kempf — June 9, 2026

Department — Date

APPROVED AS TO AVAILABILITY OF FUNDS:

Jenneen Reed/mjw — 6/22/2026 | 9:23 AM CDT

Department of Finance — Date

APPROVED AS TO RISK AND INSURANCE:

Balogun Cobb — 6/22/2026 | 10:37 AM CDT

Director of Insurance — Date

APPROVED AS TO FORM AND LEGALITY:

Justin Marsh — 6/22/2026 | 10:19 AM CDT

Metropolitan Attorney — Date

______________________ ______________________

Freddie O' Connell — Date
Metropolitan Mayor

ATTEST:

______________________ ______________________

Metropolitan Clerk — Date

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FREDDIE O'CONNELL
MAYOR

WALLACE W. DIETZ
DIRECTOR OF LAW

DEPARTMENT OF LAW
METROPOLITAN COURTHOUSE, SUITE 108
P.O. BOX 196300
NASHVILLE, TENNESSEE 37219-6300
(615) 862-6341 • (615) 862-6352 FAX

MEMORANDUM

To: Vice Mayor Henderson and Members of the Metropolitan Council

From: Hannah Zeitlin, Department of Law

CC: Brian Wilson, Interim Director and Special Counsel, Council Office

Date: July 17, 2026

Re: Late Filed Resolution – PRO Housing Grant

This memorandum provides notice that the Department of Law is submitting a late-filed resolution for Council consideration at the July 21, 2026, Council meeting.

The resolution seeks to appropriate a $5,000,000 grant from the US Department of Housing and Urban Development to the Metropolitan Government for Pathways to Removing Obstacles (PRO) Housing. The grant will fund the following activities: an Affordable Housing Accelerator Program for small and emerging developers; a Faith-Based Development initiative; an Affordable Housing Finance Program to create permanent supportive and deeply affordable housing; and Grant Administration.

The grant must be appropriated by Council before the Planning Department can begin accruing costs and drawing down on grant funding. Due to an administrative oversight, this resolution was not filed timely. The error was not identified until after the filing deadline had passed.

Council approval at the July 21 meeting will allow Metro to be able to begin work related to this grant as soon as possible. Your consideration of this late-filed resolution is greatly appreciated.

Sincerely,

Hannah Zeitlin

{N0779967.1}

SUBSTITUTE ORDINANCE NO. BL2026-1431

An ordinance amending Chapter 2.147 of the Metropolitan Code of Laws regarding the Nashville Entertainment Commission.

WHEREAS, the Office of Music, Film and Entertainment (“Office of Entertainment”) was created in 2022, and the Music, Film and Entertainment Commission (“the Commission”) was created in 2023 to address the growing creative needs in Davidson County; and

WHEREAS, in 2025, the Commission suggested additional recommendations to improve its operations and asked for amendments to Substitute Ordinance No. BL2022-1631 to streamline the processes and the efficacy of both entities to maintain future consistency for the office and personnel; and

WHEREAS, the suggested recommendations were sent to a mayoral working group, and without informing the Commission, the working group made commission structure recommendations that were not in line with the original function and purpose of the Commission, including transferring control of the hiring process of the executive director from the Commission to the Mayor’s Office; and

WHEREAS, in order to move the commission’s work forward, a compromise was agreed to where the Office of Entertainment was removed from the Mayor’s Office and the commission would collaborate with the Department of Human Resources to interview, select, and send the candidates to the Mayor to interview and hire; and,

WHEREAS, in February of 2026, the hiring process was finally completed and yielded two candidates sent to the Mayor to interview and hire. However, after completing the interviews, the Mayor defunded the Nashville Office of Entertainment in his recommended operating budget instead of announcing its new executive director; and

WHEREAS, the Commission and the Nashville Office of Entertainment deserve to be able to complete their intended functions without internal impediment; and

WHEREAS, there is a candidate ready to begin this position as a result of the recent hiring process, and an announcement could be made immediately since the office was funded again; and

WHEREAS, the funded budget of $300,000 will cover the cost of the executive director, one coordinator and other priorities needed to open the office.

~~WHEREAS, the Metropolitan Council routinely approves modifications to the Metropolitan Code of Laws for the purpose of strengthening governance; and,~~

~~WHEREAS, these modifications frequently address boards and commissions which were created by the Metropolitan Council or which the Metropolitan Council was granted authority to modify; and,~~

~~WHEREAS, during this term, the Metropolitan Council has passed at least 16 pieces of legislation establishing or modifying boards and commissions; and,~~

~~WHEREAS, the Office of Entertainment's existing structure limits its opportunity for success due to a lack of administrative or structural support; and,~~

~~WHEREAS, the Office of Entertainment is set up not as an office but as a department with an executive director whose time would primarily be used on the administrative duties needed to support their own position; and,~~

~~WHEREAS, incubating the Office of Entertainment in the Mayor's Office in an arrangement similar to the Office of Youth Safety creates an environment with the supports necessary for the Office of Entertainment to thrive.~~

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

Section 1. That Section 2.147.020 of the Metropolitan Code of Laws is hereby amended, for the purpose of deleting an unreferenced definition, by deleting it in its entirety and replacing it with the following:

2.147.020 - Definitions.

"Entertainment industry" is defined as commercial activity that involves the production and sale of entertainment, including the music industry, film and television industry, theatre industry, fashion industry, video game industry, and all other creative industries.

"Film and television industry" is defined as commercial activity that involves the production, distribution, and sale of entertainment, whether in film, television, digital streaming content, virtual/augmented reality, or within the metaverse/omniverse.

"Music industry" is defined as commercial activity that involves concerts, festivals, tours, clubs and any other performance, production, promotion, distribution, or sale of recorded or live music.

Section 2. That Subsection 2.147.050(C) of the Metropolitan Code is hereby amended by deleting it in its entirety and replacing it with the following:

C. Recruit and hire the executive director who shall serve as the executive director of the commission and of the office of entertainment.

~~C. Consult with the mayor on the hiring of the executive director, who shall serve as the executive director of the commission and of the office of entertainment.~~

~~Section 3. That Subsection 2.147.060(A) of the Metropolitan Code is hereby amended by deleting it in its entirety and replacing it with the following:~~

~~A. There shall be a Nashville office of entertainment, led by the executive director, to carry out the duties and mission of the commission.~~

Section 3. ~~4.~~ That Section 2.147.065 of the Metropolitan Code of Laws is hereby amended by deleting it in its entirety and replacing it as follows:

2.147.065 – Staffing and organization.

A. The office of entertainment shall be managed by an executive director who reports to the entertainment commission. The mayor shall appoint an executive director within thirty days of receiving the commission's recommendations or notify the commission within that time that no candidate will be selected. If no candidate is selected, the commission shall select a new set of candidates for hiring, which may include new or existing candidates. For all executive director searches active on July 1, 2026, in which the commission has submitted candidates for the mayor's consideration, the thirty-day time limit shall begin on the effective date of this section.

B. The executive director may be removed by the mayor only after consultation with the chair of the commission or another member of the commission chosen by the commission specifically for this consultation purpose.

C. The executive director and any staff shall be organized under the office of the mayor for a transitional period of one year from the effective date of this section. The metropolitan council may extend the transitional period for one additional six-month period by resolution. The transitional period shall not last longer than eighteen months. During this transitional period, the executive director shall provide quarterly reports to the metropolitan council arts, parks, libraries, and entertainment committee, or its successor committee, to show development towards becoming an independent office. The executive director and any staff shall be organized under the commission following this transitional period.

~~The work of the commission and of the office of entertainment shall be managed by an executive director, who shall be appointed by the mayor in consultation with the commission. The executive director and any staff shall be organized under the mayor's office.~~

Section 4. ~~5.~~ This ordinance shall take effect from and after its final passage, the welfare of the Metropolitan Government requiring it.

SPONSORED BY:

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Joy Styles
Member of Council

<ins>SUBSTITUTE</ins> ORDINANCE NO. BL2026-1432

An ordinance amending Chapter 2.147 of the Metropolitan Code of Laws relative to the Nashville Entertainment Commission.

WHEREAS, the Office of Music, Film and Entertainment ("Office of Entertainment") was created in 2022, and the Music, Film and Entertainment Commission ("the Commission") was created in 2023 to address the growing creative needs in Davidson County; and

WHEREAS, in 2025, the Commission suggested additional recommendations to improve its operations and asked for amendments to Substitute Ordinance No. BL2022-1631 to streamline the processes and the efficacy of both entities to maintain future consistency for the office and personnel; and

WHEREAS, the suggested recommendations were sent to a mayoral working group, and without informing the Commission, the working group made commission structure recommendations that were not in line with the original function and purpose of the Commission, including transferring control of the hiring process of the executive director from the Commission to the Mayor's Office; and

WHEREAS, in order to move the commission's work forward, a compromise was agreed to where the Office of Entertainment was removed from the Mayor's Office and the commission would collaborate with the Department of Human Resources to interview, select, and send the candidates to the Mayor to interview and hire; and,

WHEREAS, in February of 2026, the hiring process was finally completed and yielded two candidates sent to the Mayor to interview and hire. However, after completing the interviews, the Mayor defunded the Nashville Office of Entertainment in his recommended operating budget instead of announcing its new executive director; and

<ins>WHEREAS, the Commission and the Nashville Office of Entertainment deserve to be able to complete their intended functions without internal impediment; and</ins>

<ins>WHEREAS, there is a candidate ready to begin this position as a result of the recent hiring process, and an announcement could be made immediately since the office was funded again; and</ins>

<ins>WHEREAS, the funded budget of $300,000 will cover the cost of the executive director, one coordinator and other priorities needed to open the office.</ins>

~~WHEREAS, the Commission and the Office of Entertainment have been repeatedly devalued by this mayoral administration over the last three years and deserve to be able to complete the functions intended without impediment. These commissioners are the experts in their field, not the Mayor's Office; and~~

~~WHEREAS, there is a candidate ready to begin this position as a result of the recent hiring process, and the commission could make the announcement immediately once the office is funded; and~~

~~WHEREAS, this office was never intended to be controlled by any mayoral administration because the issues that are occurring now and that have occurred in past attempts always led to failure; and~~

~~WHEREAS, in order to be successful, this office needs to live outside of the Mayor's Office so that the commission and our commissioners can thrive as intended. There are no staffing issues as the re-funded budget of $300,000 will cover the cost of the executive director, one coordinator and other priorities needed to open the office.~~

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

Section 1. That Section 2.147.050.C of the Metropolitan Code of Laws is hereby amended by deleting it in its entirety and replacing it as follows:

C. Recruit and hire the executive director who shall serve as the executive director of the commission and of the office of entertainment.

Section 2. That Section 2.147.065 of the Metropolitan Code of Laws is hereby amended by deleting it in its entirety and replacing it as follows:

2.147.065 – Staffing <u>and organization</u>.

<u>A. The office of entertainment shall be managed by an executive director who reports to the entertainment commission. The mayor shall appoint an executive director within thirty days of receiving the commission's recommendations or notify the commission within that time that no candidate will be selected. If no candidate is selected, the commission shall select a new set of candidates for hiring, which may include new or existing candidates. For all executive director searches active on July 1, 2026, in which the commission has submitted candidates for the mayor's consideration, the thirty-day time limit shall begin on the effective date of this section.</u>

<u>B. The executive director may be removed by the mayor only after consultation with the chair of the commission or another member of the commission chosen by the commission specifically for this consultation purpose.</u>

<u>C. The executive director and any staff shall be organized under the office of the mayor for a transitional period of one year from the effective date of this section. The metropolitan council may extend the transitional period for one additional six-month period by resolution. The transitional period shall not last longer than eighteen months. During this transitional period, the executive director shall provide quarterly reports to the metropolitan council arts, parks, libraries, and entertainment committee, or its successor committee, to show development towards becoming an independent office. The executive director and any staff shall be organized under the commission following this transitional period.</u>

~~The work of the commission and of the office of entertainment shall be managed by an executive director. The executive director of the commission shall be appointed by and serve at the pleasure of the commission. The commission will work in conjunction with the department of human resources on application and selection process. The commission will conduct interviews for the hiring of an executive director.~~

Section 3. This ordinance shall take effect from and after its final passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

SPONSORED BY:

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Joy Styles
Jacob Kupin
Ginny Welsch
Thom Druffel
Erin Evans
Members of Council