



## METROPOLITAN HOUSING TRUST FUND COMMISSION MINUTES

August 4th, 2020 1-4pm

Members Present: L. Kuhlman, C. Ferrell, J. Simmons, G. Emmanuel, K. Friskics-Warren, J. Schmitz  
Staff Present: H. Davis (Mayor's Office Housing), N. Ecke (Metro Legal)

- I. **Welcome by Chair**
- II. **Electronic Meeting Rules Notice:** Chair read the electronic meeting rules notice and took a voice vote in approval from every commissioner. Schmitz moved; Emmanuel seconded. Unanimous approval.
- III. **Review and Approval of Minutes** – no comments. Schmitz moved; Emmanuel seconded. Unanimous approval.
- IV. **Monthly Financial Report + Project Progress:** Staff presented an update on projects that submitted draws. Draw requests in the past month included: Habitat for Humanity, New Level CDC, Be a Helping Hand, Crossbridge
- V. **Public Comment (via Q+A feature)** – no questions
- VI. **New Business**
  - a. Round 7 Impounded Grant update
    - i. RS 2020-443 passed Metro Council on July 21<sup>st</sup>. This resolution approved the New Level CDC Grant contract. Woodbine and Pathway will be submitted to council in the fall. New Level needed to expedite their contract in order to avoid additional financing fees created by the December 2019 impoundment.
  - b. Regions Grant update
    - i. Davis shared that Regions plans to \$250,000 to the Barnes Fund via the Community Foundation Nashville Community Engagement Fund. That money will likely not be available for this RFP as it requires approval from Regions as well as Metro Council approval. Schmitz shared that he is encouraged by the engagement from Regions Bank.
  - c. Vote on public property transfer for Affordable Housing Resources
    - i. Davis provided an update on previous property transfer. RS2020-239 authorized the transfer of 1507B 14<sup>th</sup> Avenue North to Affordable Housing Resources Inc for

the purpose of constructing affordable housing. However, Taylormade LLC, the owner of 1507A 14<sup>th</sup> Avenue North, mistakenly began construction on this lot. In order to move forward, the Commission needs to approve the transfer of these lots to trade ownership and transfer the deed restriction from 1507B to 1507A. Emmanuel moved; Ferrell seconded. Unanimous approval.

- d. Staffing
  - i. Davis presented a letter to the Commission from Bill Phillips regarding Barnes staffing additions. The Chair shared that she continues to be uncomfortable with the Barnes Fund and the corresponding staff being housed within the Mayor's Office. Commissioners discussed that they are grateful for the Mayor's support of additional staffing and acknowledge that there is more work that can be accomplished with more capacity. The Commission voted to approve the funds for staffing changes with unanimous approval.
- e. FY21 Barnes Grant RFP determination
  - i. Davis shared the Fall RFP schedule. Applications will launch August 10<sup>th</sup>, close October 12<sup>th</sup>, with awards announced in late November.
  - ii. The Commission discussed all the proposed set asides and application changes. The changes and set asides are outlined below:

## Needs Vote

### 1. How much will be released?

- a. **Situation:** \$10m has been allocated in the FY2021 budget to the Barnes Housing Trust Fund. \$4.5m is being utilized to fund the impounded FY20 grants. The Commission needs to determine how much of the remaining \$5.5m funding will be reserved for fund administration and how much will be released in the fall RFP. The RFP is scheduled to be released August 10<sup>th</sup>.
- b. **Background:**
  - i. There is currently enough operational reserve to release the total \$5.5m and fund two staff people for three years.
  - ii. Industry averages for housing trust fund management across the country range from 5-20% reserved for overhead.
- c. **Assessment:**
  - i. Based on my experience as Barnes staff, there is a pressing need for increased staff capacity (either full time or contract) to take on two pressing challenges. First, to increase impact of current programs through communications and PR to valuable stakeholders: metro council, Davidson county residents, and partners. Additionally, increased capacity could be used to create new offerings to that maximize the impact of all

assets available to Barnes and Metro. However, this goal can be achieved with the existing operational reserves. As such, the remaining allocation can safely be released and will be well utilized.

- d. **Recommendation:** Release \$5.5m
- e. **Vote:** Schmitz moved to approve; Ferrell seconded. Unanimous approval.

## **2. Should there be a set aside for tornado recovery?**

- a. **Situation:** The Commission can choose to break up the RFP into separate pools instead of having all categories competing for one pool of funding.
- b. **Background:**
  - i. In past rounds, the commission has elected to set aside a portion of the funding for specific purposes. Those purposes have included a focus on smaller organizations and capacity building training.
  - ii. There are 1097 impacted homes in Davidson County that are in various stages of rebuilding from the tornado.
    - 1. Neighborhoods that have a high percentage of affordable rentals can be especially vulnerable to displacement and gentrification in the aftermath of disasters.
  - iii. The current pool of funding from the Community Foundation of Middle TN is focused on rehab and rebuild for existing homeowners.
  - iv. There are almost no policy tools available to proactively address the loss of affordable rentals, especially in our vulnerable neighborhoods. Any retention of those units will require funding to acquire and rehab to provide ongoing housing stability for tenants.
  - v. Any amount not used in a set aside will be returned to the overflow pool
- c. **Assessment:** As a local leader in housing, Barnes has an opportunity to make clear the importance of proactive approaches to addressing displacement and gentrification.
- d. **Recommendation:** \$1m set aside for acquisition of rentals that are currently affordable and have been damaged by the tornado. Qualifying nonprofits would buy, rehab and rent. Nonprofits that have a track record of working in the tornado impacted area, including being headquartered in the area, would be strongly encouraged to apply for this set aside.
- e. **Vote:** the Commission discussed the challenge of a set aside of this size considering the smaller size of this years pool of funds. Additionally, without knowing exactly the size of the need, the Commission did not want to lock in funds from Barnes. However, they did acknowledge the value and need for support from Barnes for the important work of preserving affordable housing

stock. The commission approved administrative scoring points for the tornado recovery work as opposed to a set aside. Vote was unanimous.

**3. Should there be a set aside for smaller organizations?**

- a. **Situation:** The Commission can choose to break up the RFP into separate pools instead of having all categories competing for one pool of funding.
- b. **Background:**
  - i. In past rounds, the commission set aside \$500k for small nonprofits (budget of \$500k and below) to build capacity of those organizations. That definition of “small” is provided by the Center for Nonprofit Management. However, for housing, the definition of a small nonprofit may need to be higher due to the capacity required to complete a development project.
  - ii. In Round 7, the set aside awarded grants to Be A Helping Hand and Living Development Concepts. These are two housing nonprofits that are previous grantees and are in good standing with their grants.
  - iii. The many needs facing Nashville’s housing landscape, in addition to grant applications outpacing the funds available, mean that capacity building is not a top priority for FY21. Staff is currently working on tornado recovery in addition to the permanent supportive housing project for unhoused peoples.
  - iv. 8 of the 19 organizations currently funded by Barnes are run by Black men and women; 10 of the 19 organizations currently funded by Barnes are run by women.
- c. **Assessment:** With the reduced pool of funds and the pressing needs in response to the tornado, dividing the pool must be done strategically. A set aside on its own does not address the struggles experienced by many of the grantees in the last capacity building round; national partners advise that mentoring/partnering should be a qualifying factor of any capacity building funds awarded.
- d. **Recommendation:** Discussion of set aside with Commission.
- e. **Vote:** After discussion of the use of untapped funds and the importance of maintaining consistency in the support of smaller nonprofits, the Commission voted unanimously to have a \$500k set aside for nonprofits with less than a \$2m budget, with a maximum individual award of \$250k. Schmitz moved and Simmons seconded.

#### **4. Equity changes in scoring matrix**

- a. **Situation:** Public funds should reflect a priority in equity and access.
- b. **Background:**
  - i. The investment of Barnes Funds in the community can be a force for equitable impact on multiple levels and we must push ourselves to maximize the just investment of our funds.
  - ii. The Barnes Fund maintains a focus on the creation and preservation of affordable housing with the belief that our main impact in the community is the development of housing that will provide housing stability.
  - iii. H. Davis consulted with Mel Fowler-Green at the Human Rights Commission. Fowler-Green reviewed our scoring matrices and provided input on areas for improvement. That input is reflected in the recommendations below.
- c. **Assessment:** There is always room to grow and improve. There have been many changes, and the lack of stability in Barnes Funds makes it difficult to set a long-term vision and goal for equitable investment. While we are all working toward stability, in the interim, we should push ourselves to grow in equity and engagement with our community.
- d. **Short Term Recommendations:** Add points to the matrix for the following items:
  - i. Robust community engagement plan that demonstrates that targeted communities have input into needs and priorities (can be geographic or population specific)
  - ii. Points for language access services for renters and potential homebuyers
  - iii. Vote: Kuhlman moved and Schmitz seconded for 1 point on the scoring matrix for language access services. Unanimous approval. The community engagement plan is on hold until we can better understand the impact on nonprofits.
- e. **Long Term Recommendations for future consideration – the commission discussed reviewing these options in the future:**
  - i. Resident satisfaction survey
  - ii. Points for board diversity
  - iii. Points for Executive Team diversity
  - iv. Points for Contractor Diversity

#### **VII. Announcements**

- a. Reminder of Census
- b. Thank you to the Chair for her service in leading the Commission. She will be on sabbatical for the remainder of 2020 before returning to the Commission in 2021. Emmanuel will take over as chair.

## **VIII. Adjourn**

The Barnes Housing Trust Fund

<http://barnes.nashville.gov>

Metro Housing Trust Fund Commission

<http://www.nashville.gov/Government/Boards-and-Committees/Committee-Information/ID/123/Housing-Trust-Fund-Commission.aspx>