



**Barnes Housing Trust Fund  
Round 14 American Rescue Plan Act (ARPA)  
Special Funding Round**

Permanent Supportive and Deeply Affordable Housing

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**Barnes Fund History**

In 2013, Mayor Karl Dean and the Metro Council created Metro Nashville's first housing trust fund to build and preserve affordable housing throughout Davidson County. Named after Reverend William Barnes who worked tirelessly over five decades to improve the lives and housing conditions of Davidson County residents, the Barnes Fund continues that legacy today by granting funds to community efforts that encourage and preserve affordability. The Barnes Fund utilizes operational Metro dollars, occasionally special funding, and other donations by awarding proposals that result in affordable homeownership, rehab, and rental opportunities, as well as other supportive efforts that catalyze long- term affordability.

To address critical housing needs, the Barnes Fund supports households with incomes at or below 80% of the HUD area median income (AMI) adjusted by household size. The Metropolitan Housing Trust Fund Commission provides oversight and administration of the Barnes Fund. The Commission is dedicated to

excellent stewardship and investment opportunities that both fulfill the mission of the Barnes Fund and boosts prosperity for the entire community. The Barnes Fund is staffed by members of Metro Planning's Housing Division team.

Since its inception, approximately \$109 million dollars has been granted through the Barnes Fund to create and preserve more than 4,700 units of affordable housing throughout Davidson County. Metro funds have leveraged over \$1 billion in federal, state, and private funds.

For more information on the Barnes Housing Trust Fund, please visit: [Barnes Housing Trust Fund | Nashville.gov](https://www.nashville.gov/barnes-housing-trust-fund).

## Round 14 Special Funding Round Information

The Barnes Summer 2024 Round 14 will consist of **\$7,551,528.75** in American Rescue Plan Act (ARPA) dollars. To address barriers to equity and organizational development, 20% of this funding (**\$1,510,305**) will be set aside for small organizations with operating budgets below \$2,000,000 per Metro requirements. Awards in the small organization category are capped at \$750,000.

**Project must be completed, and all funds must be expended by 12/31/26.**

These funds, allocated by the Metropolitan Council and administered by the Housing Trust Fund Commission through a competitive application model, will be available for the following specific purposes:

- **Rental housing for 30% AMI or below for households experiencing homelessness, utilizing the Coordinated Entry Process (defined below). Projects may include either:**
  - **Permanent Supportive Housing (PSH) (defined below) with a Housing First approach (defined below) or**
  - **Other Deeply Affordable Rental for 0-30% AMI**
- **Permanent Supportive Housing projects will receive bonus points.**
- Barnes Funded units may be included in a mixed income development. The income restrictions and Coordinated Entry and Housing First requirements would only apply to Barnes Funded units.

### Definitions:

- **Permanent Supportive Housing (PSH)** is a housing intervention that combines affordable housing assistance with voluntary supportive services. PSH is intended to help those with a disabling condition exiting homelessness and other institutions obtain and maintain housing as well as improve health and connection with the community.
- **Housing First** is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment

goals prior to permanent housing entry. Metro Nashville requires a Housing First approach for all Permanent Supportive Housing.

- **Coordinated Entry (CE)** is a process designed to quickly identify, assess, refer, and connect people in crisis to housing, shelter, and assistance. There are over 30 agencies in Nashville that participate in the Coordinated Entry process. The Office of Homeless Services is the Coordinated Entry lead agency and coordinates the strategic planning and day to day functioning of the Coordinated Entry process. Coordinated Entry is a system-wide approach that serves to assess all persons experiencing a housing crisis to help identify, prioritize, and connect them with the appropriate housing and support service resources as quickly as possible. (<https://www.nashville.gov/departments/office-homeless-services/initiatives-and-programs/coordinated-entry>)

## Round 14 Process

We encourage one application per organization for this round. At a maximum, an organization can submit two applications, provided that the applications are for two different development projects.

The application timeline is detailed in the Round 14 Timeline. Once the application window opens, applicants may submit questions in writing during the timeframe provided below. In addition, Barnes Fund staff will host informational sessions in which prospective applicants can ask questions. Answers to all questions submitted during these times will be posted on the website. During the application window, Barnes Fund staff, or any other member of the Housing Division, will not meet individually or discuss the application outside of the informational sessions. After the application window closes, Barnes staff may ask applicants to clarify aspects of their proposals at the request of the review committee prior to making a recommendation for funding to the Housing Trust Fund Commission.

All applications are reviewed by staff and by a committee of volunteer experts that are screened for any potential conflicts of interest. Funding guidelines and an associated scoring matrix determine project scoring and rank. Awards are made to the top scoring applications in each of the funding categories.

Award adjustments may be recommended by the review committee and/or the Housing Trust Fund Commission depending on the funding available and the number of applications received. The Barnes Fund receives requests for, on average, about twice as much funding as is available. This is a very competitive grant opportunity. Scoring feedback and suggestions for improvement can be submitted to [BarnesFund@nashville.gov](mailto:BarnesFund@nashville.gov) after awards have been announced. Declined applicants will be offered a chance to review the declined application with Barnes Fund staff after awards are approved by Metro Council.

If a proposal receives an award recommendation by the Housing Trust Fund Commission in an affirmative vote, a contract between Metro and awarded applicants will be formalized through a legislative resolution that must be passed by Metro Council. This contract outlines the invoicing procedure (draw requests) for each awarded applicant. Please note the Barnes Fund remits payment on a reimbursement basis. All work is to be documented, invoiced, paid, and inspected prior to the remittance of Barnes funding.

## Round 14 Timeline

Applications for Round 14: American Rescue Plan Act (ARPA) Special Funding Round will open on June 4 and close July 15, 2024.

- **Grant Policy Approval:** The Housing Trust Fund Commission will vote on the grant policy on May 28, and the grant policy will be announced on May 29.
- **Application Availability:** Applications will be available beginning Tuesday, June 4, 2024, and will be managed through an online application system which will be found on the Barnes Fund website: [Barnes Housing Trust Fund | Nashville.gov](https://www.barnesfund.org/).
- **Information Sessions:** Information sessions will be held virtually on June 12 and June 18. Times and links will be available on the Barnes Fund webpage no later than May 29. Interested applicants are encouraged to attend an informational session. If possible, recordings of informational sessions will be posted on the Barnes Fund website.
- **Questions:** Interested applicants may submit questions in writing **from June 4 through 12:00 p.m., on June 19**. Written questions should be emailed to: [BarnesFund@nashville.gov](mailto:BarnesFund@nashville.gov), Subject: R14 Application Questions. In addition, applicants will have opportunity to ask any questions during the information sessions. Responses to questions will be posted to the Barnes Fund website and emailed to information session participants and persons who submitted questions on **June 24**.
- **Application Deadline:** The application window will close on Monday, July 15, at 11:59 p.m. Late applications will not be accepted.
- **Internal Review:** Staff will conduct an internal review from July 16 to July 30 to determine which applicants meet threshold criteria. During this period, staff may ask clarifying questions or request additional documentation if needed. A 48-hour response is expected.
- **External Review:** For applications that pass threshold review, external review will take place between July 31 and August 21.
- **Award Recommendations:** The Housing Trust Fund Commission will vote on recommended awards at the August 27 meeting.
- **Contracting:** Contracting with awardees will begin immediately after Commission approval.
- **Council Approval:** The goal is to file legislation for Metro Council approval of contracts in October.
- **Review of Unfunded Applications:** Applicants who are not awarded funds may seek a consultation with staff to review the application after Metro Council has approved all R14 awards.

## Round 14 Applicant Requirements

### Specific Requirements for Round 14

- Residents served must be at or below 30% of the Area Median Income AND experiencing homelessness.
- Projects may include either Permanent Supportive Housing (PSH) or other Deeply Affordable Rental for 0-30% AMI.
- Applicant must demonstrate project team experience providing Permanent Supportive Housing (if proposed), serving 0-30% AMI households (if proposed), and individuals experiencing homelessness.
- If proposing Permanent Supportive Housing, applicant must demonstrate how PSH services will be provided and include MOU/LOI from PSH service provider. If the applicant is providing services, it must demonstrate capacity.

- If proposing PSH, must describe and document funding source for PSH services. To meet ARPA timeline, service provider must already have funding in place to provide supportive services. **Barnes Round 14 Grant Funding cannot be used to provide PSH services.**
- Maximum Development Fee allowed is 25%.
- Because ARPA funds have strict expenditure deadlines, all proposed projects must already meet zoning and land use requirements. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- Site control is required. Evidence of site control includes deed in hand, a 99-year ground lease, or a signed sales contract. R14 ARPA funds may be used to acquire and renovate motels for Permanent Supportive Housing (and site control demonstrated with sales contract or option), but not for other acquisition purposes.
- Applicants are encouraged to have multiple funding sources outside of Barnes request; however, applicants cannot utilize other Metro funding, including other Barnes Funds grants or Affordable Housing Gap Financing from MDHA for the same units. R14 funds are intended to create net new units. However, applicants may utilize the Low-Income Housing Tax Credit PILOT, if applicable.
- If other funding sources require environmental or other reviews, applicant must demonstrate that such reviews will not hamper project's ability to meet required timeline.
- Developers must agree to lease all PSH and 0-30% AMI units through the Coordinated Entry (CE) process managed by Metro Office of Homeless Services (OHS). Applicants' eligibility shall be determined using the Coordinated Entry Process managed by Metro Office of Homeless Services (OHS).
- Recipients shall not increase rents during an agreed upon lease term. If the recipient desires to increase rents upon lease renewal, Metro Office Homeless Services (OHS) and the jurisdictional PHA (if applicable) must be notified in writing 120 days in advance of the preceding lease terms end date and must be approved by Metro Office Homeless Services (OHS) and the jurisdictional PHA (if applicable) before execution of the renewed lease.
- As it relates to units occupied by tenants who do not receive housing subsidies, increased rental rates shall not surpass the fair market rent as determined by HUD.
- As it relates to units occupied by tenants who receive housing subsidies, increased rental rates shall not surpass the approved contract rent amount(s) as determined by the jurisdictional PHA.
- As it relates to units that have housing subsidies affixed, increased rental rates shall not surpass the approved contract rent amount(s) as determined by the jurisdictional PHA.
- The contract between Metro and grantee will be for 24 months. Funds must be expended by 12/31/26, with no extensions allowed. Application must include timeline and milestones showing that project will be complete, and all funds expended by 12/31/26.

### **Details about Coordinated Entry (CE) process**

The following described the responsibilities of Metro Office of Homeless Services (OHS) as it related to Coordinate Entry:

- a) Through community coordination and Coordinated Entry (CE) prioritization protocol, refer appropriate client applicants from the By Name List to vacancies in the Applicant's Barnes-funded units. Referrals will be made within 1 week of the vacancy. MOHS agrees to process all client applicants and make referrals in accordance with the community's established CE process requirements. Before referring a client applicant, MOHS also will validate that each: a) is experiencing homelessness and b) has an appropriate housing subsidy.
- b) Refer client applicants to partner agencies for ongoing support services to assist in the transition from homelessness to housing. If CE cannot assign support services case manager from a partner agency, MOHS staff will provide support services for the client applicant until a case manager is available.
- c) If a client applicant is not well suited for placement, OHS will assist a partner agency in referring the client applicant to another housing resource and refer a new client applicant to the vacant unit.
- d) Update HMIS to include all required documentation and HMIS Universal data elements and program specific data elements.
- e) Investigate and address complaints regarding data collection, VISPDAT scoring and/or other assessment process tools.
- f) Enter data into any additionally mutually agreed upon collections tools.

#### **Standard Barnes Funds Requirements**

- Applicant must be 501(c)3 nonprofit. The nonprofit may partner with a for-profit developer as long as the nonprofit maintains 51% control of the development. Team and partnership structures should be described in the application.
- Applicants must have good financial standing including a positive cash flow and demonstrate the financial ability to carry out the project.
- Nonprofits who serve their mission through housing, but whose mission is not specifically the creation or preservation of housing, must partner with an experienced general contractor or other experienced partners with development experience.
- Proposals must include Universal Design Checklist.
- Project proposals must meet Energy Efficiency and Sustainability Checklist standard.
- Unless otherwise prohibited by local, state, or Federal law, these programs will be open to all at-risk adults (defined above) regardless of immigration status.
- Previously funded grantees must be in good standing with the Commission based on their project completion and progress within their contract period.
- Applicants are encouraged to have multiple funding sources outside of the Barnes request.
- Applicants will describe the level of due diligence performed to understand zoning, permitting, and code requirements for the proposed project.
- Level of design for the proposed project must be specified.

## Eligible Funding Activities

Eligible costs include, but are not limited to:

Appraisals	Interest
Developer fees	Option costs
Architectural/engineering fees	Permits
Capitalized operating reserves	Professional Fees
Capitalized replacement reserves	Reimbursement of pre-development costs
Closing costs*	Relocation
Construction	Site development
Contingency	Title insurance
Environmental assessment	Acquisition of motels for PSH
Financing fees	
Hazardous materials abatement	
Inspections & surveys	
Insurance	

\*Only costs associated with closing on the project site or related to finalizing a Barnes Fund grant agreement and DRC are eligible. Cost associated with closing on other funding sources are not eligible.

## Round 14 Application Instructions

The following is intended to give an overview of the application, and the wording below may appear differently on the actual application. Applicants should answer each question as written in the formal Round 14 Application. See Round 14 Scoring Matrix for point counts for each question.

### **Section I: Minimum Standards: Required Elements (Yes/No)**

**Explanation:** Each of the following four items must be marked as a YES in order for applicant to be considered for funding.

**1. Complete Application (REQUIRED):** Submitted applications must be complete: all questions are answered thoroughly through entire narrative, and all required uploads are attached.

#### **2. Financials/Audit (REQUIRED):**

A. The following attachments must be submitted with application.

- a. Organizations with annual budget above \$500,000: attach Audit with no findings for lead applicant organization completed within the past 24 months.
- b. Organizations with annual budgets of 200,000 to \$500,000: attach Financials completed by independent CPA.
- c. All organizations: Must also submit the most recent monthly financial reports presented to Lead Organization's Board of Directors (even if not prepared by CPA).

B through E: Each question must be answered fully.

- F. If you wish to apply for the Small Organization Set Aside (only available for organizations with operating budgets below \$2M), limit your grant request to no more than \$750,000.

### **3. Organizational Information (REQUIRED):**

- A. Applicant/Lead Organization must be a 501(c)3 nonprofit organization. The nonprofit may partner with a for-profit developer as long as the nonprofit maintains 51% control of the development.
- B. If any organization in the Leadership Team is involved in a lawsuit or has outstanding claims for safety violations or wage payments, **STOP**. Those parties may not participate in the Barnes Funding Round. Additional details about your organization and partnership will be required in Question 5.
- C. Development fee cannot exceed 25% of Total Barnes Request.

### **4. Site Control and Zoning (REQUIRED)**

Metro is not making property available for Round 14. Applicant must provide own land. Applicant must demonstrate site control by answering whether the title is clear and the form of the site control (option, signed sales contract, deed in hand, or signed 99-year ground lease).

Because ARPA funds have strict expenditure deadlines, all proposed projects must already meet zoning and land use requirements. To demonstrate zoning compliance, applicants should obtain and submit an official zoning letter from the Codes Administrator. To request a letter, email [zoninghelpdesk@nashville.gov](mailto:zoninghelpdesk@nashville.gov), Subject: Request for Zoning Letter for Barnes Fund Application, and provide your proposed project information, including street address and parcel number(s).

**If any of the Minimum Standards Criteria is not met, staff will not advance the proposal for further consideration.**

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## **Section II: Required Elements**

### **5. Development Team Experience and Capacity**

- A. A primary nonprofit Lead Organization is required to be the direct contact and accountable partner. Information provided should be for the 501(c)3 Lead Organization.
- B. Describe the shared experience of the partnership team as a whole.
  - a. How many similar projects has your team (combined) completed? Projects could mean homes, units, or developments – just specify in your answer.
  - b. Over how many total years?
  - c. For Round 14, you must specify which of your Project Team members are experienced in serving individuals experiencing homelessness and/or providing supportive services for this population. Include key resumes.
- C. Describe the team’s bonding capacity.
- D. Experience of leadership team members: Fill out the questions (name, title, organization, and years of experience) specifically for each person taking a leadership role in the partnership. Include resumes of key personnel.



- E. Lead Organization must be responsible for at least 51% of the project. Describe how the relationship will work between partners (i.e., between lead nonprofit and for-profit developer).

## **6. Funding Sources and Uses (formerly called Capital Stack)**

Applicants generally need to request 50% or less of their total project budget to score maximum points.

Because of the tight timeline for ARPA projects, applicant ideally will have committed funding for the remaining balance, usually from several sources. Funding sources may include private loan, non-federal match, and/or organizational equity. Applicants cannot utilize other Metro funding, including other Barnes Funds grants or Affordable Housing Gap Financing from MDHA for the same units. R14 funds are intended to create net new units. However, applicants may utilize the Low-Income Housing Tax Credit PILOT, if applicable.

Include Letters of Commitment or similar confirmation for funding partners. Nothing precludes the Barnes Fund from being first money in for important projects.

## **7. Developer Fee**

Development fee requested from Barnes should be no more than 25% of total Barnes grant request. For R14, applicants will not be scored on the amount of developer fee requested and will not be required to demonstrate how the developer fee will be utilized.

## **8. Due Diligence and Development Timeline**

- A. Describe the level of due diligence performed to understand permitting and code requirements for the proposed project. If you have met with a Metro official, provide the name of the official and date of the meeting.
- B. Provide development schedule to demonstrate that the property will be able to meet the project timeline. If other funding sources require environmental or other reviews, applicant must demonstrate that such reviews will not hamper project's ability to meet required timeline.

## **Section III: Evaluation Criteria**

### **9. Project Approach**

Use this section to describe all aspects of your project, processes, and timeline. Proposal should share a robust plan for how the proposed housing will be undertaken, i.e., through new construction and/or acquisition and rehab. Demonstrate a thoughtful, detailed approach to creating the housing and to providing services. Describe features for ensuring the safety of residents.

Projects for Round 14 must provide rental housing for 30% AMI or below for households experiencing homelessness. Projects may include either:

- Permanent Supportive Housing (PSH) or
- Other Deeply Affordable Rental for 0-30% AMI

Permanent Supportive Housing projects will receive bonus points.

If proposing Permanent Supportive Housing, applicant must demonstrate not only the plan for creating physical housing, but also describe in detail how PSH services will be provided. Upload must include Memorandum of Understanding (MOU) or Letter of Intent (LOI) from qualified PSH service provider. If applicant chooses to provide PSH services themselves, they must demonstrate their capacity and experience providing those services. In addition, applicants must agree to utilize a Housing First approach.

All applicants must agree to lease all Barnes-funded PSH and 0-30% AMI units through the Coordinated Entry (CE) process managed by Metro Office of Homeless Services (OHS). Tenants will be full qualified by CE (or HUD's recommended prioritization process if CE process changes).

### **10. Fair Housing Training and Information**

All housing must comply with the Fair Housing Act. Describe any recent Fair Housing training received by the development team, especially property management staff, including the date of most recent training.

Describe how tenants will be notified of their Fair Housing Rights and how information will be made available to persons with Limited English Proficiency.

### **11. Participant Engagement Details**

Describe how residents will be educated about what is expected of them as a tenant, and how they will be involved in services provided to them. High scoring applicants will show a robust plan for educating tenants about what is expected of them, demonstrate experience engaging populations experiencing homelessness and 0-30% AMI, and show a strong understanding of all aspects and challenges of providing permanent supportive housing services and/or deeply affordable housing.

### **12. Design**

It is the expectation of the Commission that all proposed projects will incorporate thoughtful, appealing design and be built with high-quality, energy efficient products and systems. Neighborhoods change rapidly and it is not wholly necessary for the development to meet the exact specifications of the current housing stock. Barnes-funded designs should be sustainable, high-quality, and considerate to neighborhood character, changes, and expectations. To move in this direction, Barnes-funded projects are required to be sensitive to Universal Design and visitability standards. Project includes criteria from the Metro Housing Trust Fund Universal Design Checklist, and meeting a larger number of criteria will be considered in the scoring matrix. The checklist should be uploaded with application.

You will also need to describe the level of design plans to be provided for the proposed project (design, stock, schematic, or concept).

### **13. Sustainability & Resilience**

Housing that is designed and built to operate with reduced environmental impacts and to withstand a variety of extreme weather events is demonstrated to provide environmental, economic, and social.

benefits to occupants, owners, neighborhoods, and entire communities. At least 5 of the criteria on the Metro Housing Trust Fund Energy Efficiency & Sustainability Checklist must be met to be considered for funding. The checklist should be uploaded with application.

#### **14. Access to Transit**

Access to Public Transit is not only crucial for 0-30% AMI households to access high-need assets like education, employment, healthy food options, etc., but also encourages development in Nashville's transit corridors.

Although immediate access within .25 walkable miles is preferred, walkable access within even a 1-mile radius of public transportation means there will be higher-quality neighboring community assets and the potential for additional downstream economic development nearby. If mitigating distance to transit, options for residents to access transit points such as provided shuttles to transit stops and/or subsidization for residents to access WeGo will also be considered in scoring.

#### **Section IV: Bonus Section**

See Scoring Matrix to see what applicant score must be on all previous sections in order to be considered for bonus points.

Bonus points may be awarded to proposals that address the following criteria through their narrative and proposed project design. Funding priorities allow the Commission to prioritize different aspects of proposals depending on the changing housing environment for each funding cycle. For this funding round, the Commission has chosen the following criteria for additional consideration:

#### **15. Diversity, Equity, Accessibility, and Inclusion**

Diversity, equity, accessibility, and inclusion are essential to the work of all organizations serving communities. Research has shown that more diverse organizations both perform better and can deliver more appropriate offerings to new homeowners with cultural humility.

Meaningful evidence of DEAI commitment will be eligible for bonus points. Criteria could include 3 or more of following or similar:

- Applicant's Board and staff are representative of the population served
- Applicant demonstrates how lived experience is valued and included in design of the project.
- Policies promote resident dignity
- Subcontracting promote inclusion beyond representation
- Narrative shows a commitment to underrepresented people and minority groups that have historically been excluded from the benefits of housing policies
- Diverse outreach to community groups including partnerships with culturally competent organizations with language access for homeowners
- Number of accessibility points for differently-abled persons



**16. Permanent Supportive Housing (PSH)**

Because Permanent Supportive Housing is a high-priority need identified for Nashville, PSH projects will receive bonus points.

**17. Promotion of Healthy Communities and Food Access**

Applicants that address the physical and behavioral health needs of residents, including food access, are eligible for bonus points. Applications that desire to create effective, sustainable health interventions will make a concerted effort seek input from residents, community members, and public health professionals. Developments that go above and beyond to promote healthy communities will be preventive in nature and designed to address neighborhood conditions or barriers to health resources. Food access should be specified in relation to location of project.

**18. Urban Zoning Overlay**

Proposals that are planned within the Urban Zoning Overlay (UZO) will receive bonus points to address geographic high-need access to housing. To determine whether a proposal is eligible, please visit the Planning Department Parcel Viewer [here](#) and check the 'Zoning History' tab once you locate the proposed parcel by address or ID. If you see OV-UZO in the Zone Code, it is within the Urban Zoning Overlay.