

The Role of Anchor Institutions in Advancing Affordable Housing in Nashville

Opportunities for Faith-Based, Academic, and Health Care Institutions

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KEY FINDINGS

Across land owned by 1,027 colleges and universities, faith-based institutions, and health care institutions in Nashville, **up to 5,539 units** could be constructed on 986 parcels **under current land availability and zoning laws**.

The majority of developable units, which account for **up to 5,236 potential units** (or 95 percent) under current zoning, are developable on parcels owned by **faith-based and academic institutions**.

If Metro Nashville rezoned parcels currently zoned as commercial and retail districts into multifamily districts, **institution-owned land could accommodate up to 9,750 units**.

Partnership models from across the country show that institutions with limited developable land can still contribute to housing efforts through **financing and advocacy**.

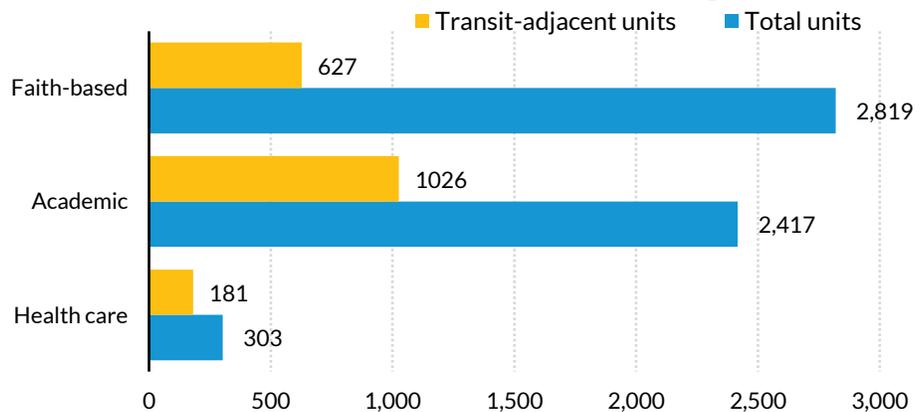
Metro Nashville’s recent growth has spurred an economic development boom, strained the city’s housing supply, and rapidly increased housing costs. To meet housing demand, the city’s Affordable Housing Task Force estimates that Nashville must add over 53,000 new housing units by 2030. Of these, 18,000 would need to be affordable for households earning below 80 percent of the area median income, or up to \$79,850 for a family of four in 2023.

Nashville can make more land available for affordable housing by promoting and facilitating housing development on land owned by local institutions, including academic, faith-based, and health care organizations. As community anchors, these institutions can affect, and are affected by, Nashville’s housing dynamics.

Nashville faces state preemption—the practice of upper levels of government restricting the legislation that lower levels of government can enact—which limits the city’s ability to implement policies like inclusionary zoning. As a result, Nashville institutions must use creative solutions to fill housing gaps. Examples from across the country of partnerships between institutions and developers offer promising approaches for collaboration on housing development and preservation.

Our analysis reveals significant potential for affordable housing development under current and alternate zoning policies, including near transit (figure 1 and table 1).

FIGURE 1
Possible New Units under Current Nashville Zoning, by Sector



Source: Authors’ calculations based on First American Property Assessor Data, accessed January 2023.

Note: Transit-adjacent parcels are located within one-quarter mile of frequent bus transit routes.

REVISED ZONING FOR INCREASED HOUSING OPTIONS

Zoning reforms could allow more housing of different densities to be built in areas that are either zoned for lower-density housing or restricted from housing. We estimate how five prototypical zoning policy revisions could increase housing development on institution-owned land. These zoning policy revisions are defined as follows:

- **Missing Middle:** On parcels currently zoned for 3–11 units, with at least 15,000 square feet of available space within one-quarter mile of frequent transit stops, up to 12-unit buildings could be constructed.
- **Multiply:** On parcels within one-quarter mile of frequent transit stops that are currently zoned for at least five units, twice the number of units could be constructed.
- **Plexify:** On parcels that are currently zoned for single-family homes with at least 5,000 square feet of available space, up to four-unit buildings (fourplexes) could be constructed.
- **Legalize:** On parcels within one-quarter mile of frequent transit stops that are currently zoned for commercial or retail uses, multifamily housing could be constructed, assuming a maximum of 176 units per acre.
- **Subdivisions:** Single-family parcels with room for multiple units could be split up (subdivided) to accommodate as many extra units as possible.

TABLE 1

Possible New Units under Potential Revised Nashville Zoning Policies, by Sector

Sector	Current zoning	Missing Middle	Multiply	Plexify	Legalize	Subdivisions
Faith-based	2,819	2,819	3,234	4,200	6,519	10,183
Academic	2,417	2,417	3,410	2,429	2,571	3,585
Health care	303	303	480	310	660	383
Total	5,539	5,539	7,814	6,939	9,750	14,151

Source: Authors' calculations based on First American Property Assessor Data, accessed January 2023.

INSTITUTIONAL PARTNERSHIP MODELS FOR ADVANCING AFFORDABLE HOUSING

Several cities are demonstrating innovative approaches to advancing affordable housing through partnerships with institutions. Here are a few examples:

- **Nashville:** In Nashville's Antioch neighborhood, New Level Community Development Corporation (an outreach arm of Mt. Zion Baptist Church), Be a Helping Hand, and the Housing Fund are collaborating on a 45-acre development with 150 units of both market-rate and affordable housing.
- **Philadelphia:** The University of Pennsylvania has invested \$4.5 million to acquire and repair 20 declining apartment buildings with 448 units through its Neighborhood Preservation and Development Fund.
- **Baltimore:** Bon Secours Baltimore Health System supported the development of an 80-unit affordable rental development in Southwest Baltimore. They also have a community health education team that conducts health screening and educational events on-site.

METRO NASHVILLE'S INSTITUTIONS CAN HELP ADVANCE AFFORDABLE HOUSING

As Metro Nashville grapples with its housing needs, there is an opportunity for collaboration among government agencies, housing developers, and community anchor institutions to maximize the use of developable land. Faith-based, academic, and health care institutions can offer land or financing for housing developments and can advocate for public investments in housing development and preservation. Housing developers can partner with institutional landowners to offer expertise on project financing, permitting, construction, and property management. Finally, policymakers could consider targeted zoning reforms to expand housing opportunities on institution-owned land.

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