



Consideration of Request by Franklin Housing Authority

**Incentive Program for Residential Developments
funded with Low Income Housing Tax Credits**

June 12, 2018



Franklin Housing Authority's Request

Consideration to Exempt or Offset Development Fees for Chickasaw Senior Community

- Proposed Project: 48 Unit Multi-Family Senior Housing Complex
- FHA will use Low Income Housing Tax Credits (LIHTC) to finance the project and requests the following assistance from the City of Franklin:
 - ~~Waiver (Offset) of Road Impact Fees~~
 - ~~Waiver (Offset) of Parkland Dedication Fees~~
 - \$150,000 from the CDBG Funds
 - PILOT (Payment in Lieu of Taxes) \$50 per unit.
- The Low Income Housing Tax Credit is a credit against Federal Income Tax Liability
 - Developments are restricted for 30 years to residents with incomes of 50% and/or 60% or less of the greater Nashville AMI.
 - Audits are conducted by the THDA to ensure compliance.

Current City of Franklin Housing Incentives for Not-for-Profit Organizations

- The City's Municipal Code Title 21 states that any certified 501(c)(3) organization developing or renovating low- or moderate-income housing are exempt from paying the following fees:
 - *Plan Review*
 - *Stormwater & Grading Permits*
 - *Building, Electrical, Mechanical, & Plumbing Permits*
- Williamson County waives the following fees for not-for-profit organizations and/or age restricted residential dwellings:
 - *Williamson County Education Impact Fee*
 - *Williamson County Privilege Tax*

Fee Comparison - Estimate of Exempt Fees Chickasaw Senior Community

City of Franklin Exempt Fees	Multi-Family Senior Community - 48 Units	One Single Family Unit - 1398 SF
Building Plan Review Fee - in house review	\$4,300	inc
Building Permit Fee	\$11,866	\$839
Electrical Permit Fee - estimated	\$9,056	inc
Mechanical Permit Fee - estimated	\$1,860	inc
Plumbing Permit Fee - estimated	\$1,999	inc
Technology Fee - estimated	\$100	\$60
COF Exempt Fees	\$29,181	\$899
Williamson County Exempt Fees		
Williamson County Education Facilities Impact Fee	\$54,960	\$1,145
Williamson County Privilege Tax	\$95,994	\$2,796
Total City and County Exempt Fees	\$180,135	\$4,840

Fee Comparison - Estimate of Payable Fees Chickasaw Senior Community

City of Franklin Payable Fees	Multi-Family Senior Community - 48 Units	One Single Family Unit - 1398 SF
Water Tap Fees <i>Repurposed taps may be available</i>	\$62,185	\$2,870
Irrigation Meter	\$4,725	\$3,150
Fire Line Tap Fee	\$3,000	n/a
Sewer Tap Fees <i>Repurposed taps may be available</i>	\$113,065	\$5,234
Facilities Tax	\$34,078	\$1,244
Road Impact Fees - Arterial & Collector	\$251,184	\$8,251
Parkland Impact Fees	\$206,592	\$4,304
COF Payable Fees	\$674,829	\$25,053
Total City and County Exempt Fees	\$180,135	\$4,840
Total Fees - Exempt & Payable	\$854,964	\$29,893

New Housing Units Created

FY 2014 – FY 2018

	Funding Received *	# Units Built	# Units Pending
Franklin Housing Authority	\$275,826	70	
CHP	\$75,000	3	30 **
Habitat for Humanity	\$25,000	1	
Mt Hope - Hard Bargain	\$409,878	4	1
*Does not include exempt fees per Title 21 and Sewer & Water tap fee credits.			
**Project received fee exemptions (Title 21), but did not receive additional financial support from the CDBO or Affordable Housing programs.			

Possible Options

- 1) Status Quo: Require Payment of Development Impact Fees and Exempt Permit Fees per Municipal Code Title 21.
- 2) Create an Incentive Program, citywide, for any development that utilizes LIHTC. Road, Parkland, and Sanitary Sewer and Water Impact Fees would be offset through a transfer from the General Fund.
- 3) Same as (2), but limited solely to the FHA for Chickasaw and future phases.
- 4) Budget a fixed amount annually to offset Impact Fees on a first-come, first-served basis for projects using LIHTC or similar funding mechanisms.
- 5) Approve this request, or any part thereof, and continue to allow similar requests to be presented on a case-by-case basis.