



Legislation Details (With Text)

File #: 19-0251 **Version:** 1 **Name:**

Type: Contract/Agreement **Status:** Passed

File created: 3/6/2019 **In control:** Board of Mayor & Aldermen

On agenda: 11/12/2019 **Final action:** 11/12/2019

Title: Consideration of Contract Number 2019-0258 a Cooperation Agreement between the City of Franklin and the Franklin Housing Authority for Payment in Lieu of Taxes (PILOT) for projects renovated using Low Income Housing Tax Credits. (WS 08/27/19; BOMA 9/10/19; Return to 11/12/19 BOMA for inclusion of complete contract)

Sponsors: Tom Marsh, Kathleen Sauseda

Indexes:

Code sections:

Attachments: 1. 2019-0258 Franklin Housing Authority_Final PILOT- LIHTC Sites Developed after January 1 2019_Law Approved_signed by FHA 11-12-19.pdf, 2. 2019-0258 FHA_PILOT- Law Approved - signed by FHA.pdf

Date	Ver.	Action By	Action	Result
11/12/2019	1	Board of Mayor & Aldermen	approved	Pass
9/10/2019	1	Board of Mayor & Aldermen	approved on the Consent Agenda	Pass
8/27/2019	1	Work Session	referred as a Consent Item	

DATE: August 13, 2019

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Vernon Gerth, Assistant City Administrator - Community/Economic Development
Tom Marsh, Director Building and Neighborhood Services
Kathleen Sauseda, Housing Development Coordinator

SUBJECT:
Consideration of Contract Number 2019-0258 a Cooperation Agreement between the City of Franklin and the Franklin Housing Authority for Payment in Lieu of Taxes (PILOT) for projects renovated using Low Income Housing Tax Credits. (WS 08/27/19; BOMA 9/10/19; Return to 11/12/19 BOMA for inclusion of complete contract)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a proposed agreement with the Franklin Housing Authority (FHA) to adjust the rate of the PILOT for the Spring ST and Johnson Circle project to match the PILOT in place for the Reddick Street and Chickasaw projects. The new agreement can be amended in the future to include other Housing Authority properties that are renovated or constructed using Low Income Housing Tax Credits (LIHTC).

Background

In September 2018, the Board approved Contract Number 2018-0193, a Cooperation Agreement between the City of Franklin and the Franklin Housing Authority (FHA) for Payment in Lieu of Taxes (PILOT) applicable to the project known as the Chickasaw Senior Community. Previously, the City and FHA had approved an agreement to adjust the PILOT applicable to the projects known as Senior Residence at Redick Street and Redick Street Apartments. The adjustments to the PILOT were made, in part, to assist FHA in qualification for the LIHTC program that was used to fund the renovations and new construction. For each project the PILOT was adjusted to \$50 per unit per year.

FHA is now preparing to renovate 64 dwelling units at the Spring Street and Johnson Circle site. This project will also be funded in part using the LIHTC program. This contract will adjust the PILOT for this project to match the PILOT for Senior Residence at Redick Street, the Redick Street Apartments, and the Chickasaw Senior Community.

A separate Cooperation Agreement originally adopted in 1967 is still in effect and covers the FHA sites that have not yet been renovated. As any of those sites are renovated using LIHTC funding this agreement will be amended to include them.

Financial Impact

The annual Payment in Lieu of Taxes (PILOT) shall be the lesser of: (i) ten percent (10%) of the shelter rent charged by the Owner; and (ii) fifty dollars (\$50.00) per unit per year. The Spring Street and Johnson Circle renovation project includes 64 units. At \$50 per unit the annual PILOT will be \$3,250.

Recommendation

Staff recommends approval of Contract Number 2019-0258, a Cooperation Agreement between the City of Franklin and the Franklin Housing Authority for Payment in Lieu of Taxes (PILOT) for projects renovated using Low Income Housing Tax Credits.