



Legislation Text

File #: 18-0561, **Version:** 2

DATE: July 10, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Vernon Gerth, Assistant City Administrator - Community and Economic Development

SUBJECT:

Consideration of Ordinance 2018-34 AS AMENDED, To Be Entitled: "An Ordinance Authorizing Certain Incentives be Provided to the Franklin Housing Authority in Support of Developing a 48-Unit Multi-Family Senior Housing Complex On Chickasaw Place." (6/12/18 WS, 07/10/18 BOMA 1st Reading 6-2, 8/14/18 BOMA 2nd Reading 6-2) THIRD AND FINAL READING

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a request by the Franklin Housing Authority to have the Road and Parkland Impact Fees waived or offset, \$150,000 of Community Development Block Grant (CDBG) Funds, and a new or revised PILOT agreement of \$50 per unit applied to the Chickasaw Place 48-unit Senior Housing Complex.

Background

Prior to commencing with their redevelopment initiative in 2012, the Franklin Housing Authority (FHA) operated 297 public housing units spread across eight different parcels totaling 56 acres. These dwelling units were more than 50 years old and in need of updating. The FHA has undertaken an ambitious redevelopment plan designed to replace the existing housing units with more modern homes. Through redevelopment of these parcels, additional affordable housing units and usable open space that comply with the City's development standards and compliment the surrounding neighborhood will also be achieved.

In 2012 the FHA commenced work on the Reddick Phase I project, a 49-unit Reddick Senior Housing Complex. A few years later FHA commenced work on an additional 65 single-family units in Reddick Phase II. These 114 units replaced the existing 44 single-family units that were initially developed in this area in the 1960's.

The proposed Chickasaw 48-unit Senior Housing Complex does not include the demolishing of any existing dwelling units. Upon completion of the Chickasaw development, the FHA will have constructed and created an additional 118 housing units thus far.

To redevelop their property, the FHA has identified and used a variety of funding sources including grants from

the THDA Housing Trust Fund and Low Income Housing Tax Credits (LIHTC) which requires maintaining rental rates in the affordable range for 15 years in accordance with U.S. Department of Housing and Urban Development (HUD) requirements.

To support the Chickasaw project, FHA has requested the waiver (or offset) of Road Impact Fees and Parkland Dedication Impact Fees. FHA has also requested that the dedication of \$150,000 of future CDBG funds for project infrastructure (water and sewer improvements), and the establishment of a new or revised PILOT agreement of \$50 per unit applied to the Chickasaw Place 48-unit Senior Housing Complex.

Financial Impact

The Road Impact and Parkland Impact Fees for the proposed 48-unit Chickasaw Place Senior Housing Complex are \$251,184 and \$206,592, respectively. The current PILOT for the Reddick Senior Complex (a 48-unit property) calculates the payment at 10% of shelter rent collected. The FHA's current proforma for the proposed Chickasaw Senior Complex estimates the current PILOT at about \$17,000 per year. The FHA is requesting a new or revised PILOT be established at \$50 per unit or \$2,400. A difference of \$ 14,600 per year. The commitment of \$150,000 of future CDBG funding will be used for required sanitary sewer and water infrastructure upgrades for this development.

Recommendation

Staff recommends approval of Ordinance 2018-34 which includes appropriating General Funds, as determined by the BOMA, and depositing these funds into the respective Road Impact and Parkland Impact Fee accounts to offset these required development fees.