



## Legislation Text

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**File #:** 18-0921, **Version:** 2

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**DATE:** September 11, 2018

**TO:** Board of Mayor and Aldermen

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

**SUBJECT:**

\*Consideration of Contract Number 2018-0193 a Cooperation Agreement (PILOT) between the City of Franklin and the Franklin Housing Authority for the 48-Unit Chickasaw Senior Complex.

**Purpose**

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning cooperation Payment In Lieu of Taxes agreement (PILOT) between the City of Franklin and the Franklin Housing Authority for the proposed 48-Unit Chickasaw Senior Complex.

**Background**

On August 28, 2018, the City of Franklin Board of Mayor and Aldermen approved Ordinance 2018-34 that approved the future allocation of \$ 150,000 the City's CDBG Program annual entitlement to be assigned to the Franklin Housing Authority for water and sanitary sewer system improvements required as part of developing the Chickasaw 48-unit Senior Housing Complex. In addition to the future allocation of CDBG funds, Ordinance 2018-34 also authorized City staff to draft a Cooperation Agreement (PILOT) between the City of Franklin and the Franklin Housing Authority that establishes the annual payment \$50 per unit or \$2,400 per year, total.

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 be achieved.

In 2012 the FHA commenced work on the Reddick Phase I the 49 unit Reddick Senior Housing Complex and, a few years later 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 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.

**Financial Impact**

As an example, the 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 a 10% payment at about \$17,000 per year. This new PILOT establishes the annual payment at \$50 per unit or \$2,400, per year. A total reduction of \$ 14,600, annually

**Recommendation**

Staff recommends approval of Contract Number 2018-0193.