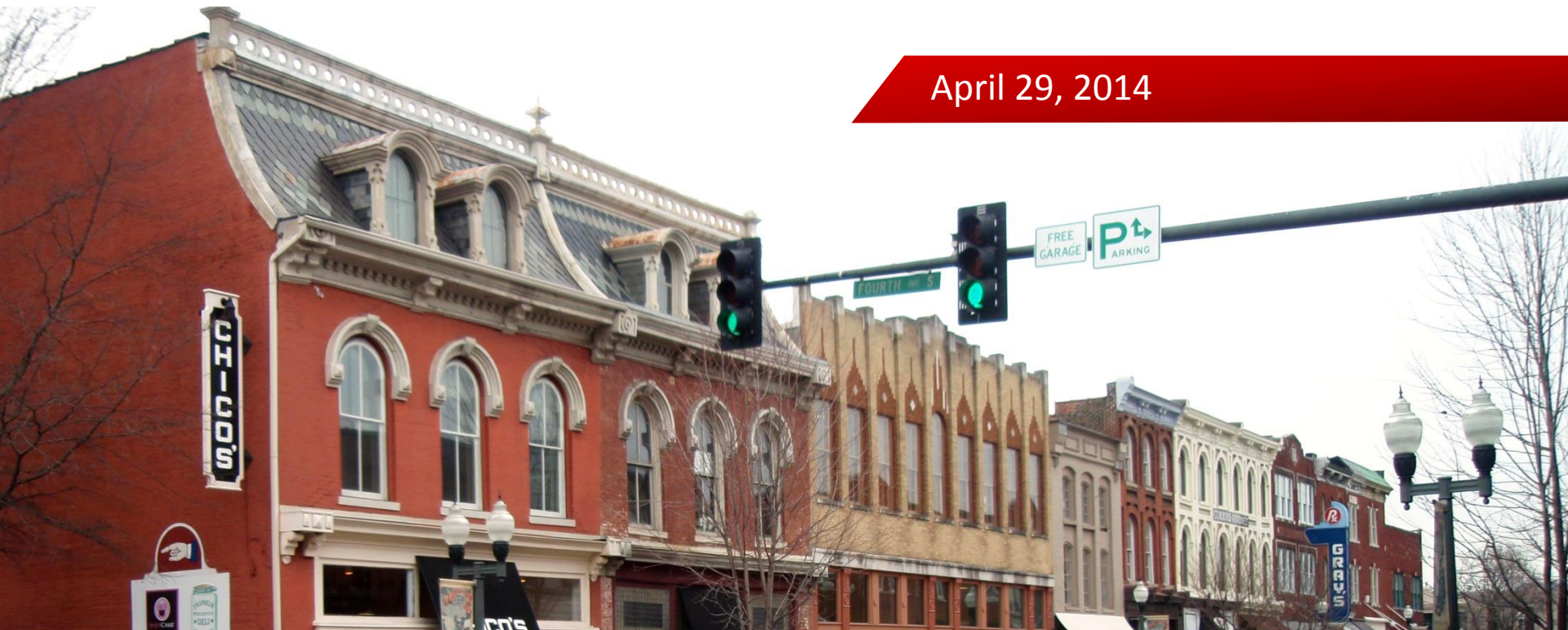


Franklin, Tennessee Housing Needs Analysis

BBC
RESEARCH &
CONSULTING

April 29, 2014



Presented by

Heidi Aggeler, *Managing Director*
1999 Broadway, Suite 2200
Denver, Colorado 80202
(303) 321-2547
aggeler@bbcresearch.com

Presented to

Stakeholders /Residents of Franklin



Purpose of Housing Study

“To assist decision makers, stakeholders, and citizens with understanding key housing issues;

provide a measured assessment of present and future unmet housing demand;

*offer community leaders and stakeholders **a basis for formulating specific housing priorities, policy alternatives, and related strategies.**”*

What does the Housing Study involve?

- **Community profile**
- **Housing profile**
- **Housing gaps analysis**
- **Public and stakeholder input**
 - ▶ **Focus groups (January 2014)**
 - ▶ **Public meetings (January 2014, now)**
 - ▶ **Resident survey (789 responses)**
 - ▶ **In-commuter survey (244 responses)**
- **Recommendations of strategies and actions for Housing Plan**

Agenda for Today

- **Who is Franklin today?**
- **What are Franklin's current housing gaps?**
- **Where will Franklin be tomorrow?**
- **What type of housing growth do residents prefer?**
- **Recommended strategies to meet needs**
- **Discussion**

2000-2012 Trends

- Population in 2012 = 66,278
- Gained 10,000 residents age 45-64 (50% of new growth)
- Proportion of 25-44 year olds declined (working population)
- Proportion of families with children declined, 39% to 33%
- No change in poverty (7%). Children have highest poverty rate
- 2010-2035 growth will be strongest for seniors (5.6% increase/year) and weakest for children (1.1% increase/year)



Housing Gaps

- What does a renter need to make to afford median gross rent? **\$42,000/year. 60%** of Franklin renters earn enough
- Some renters struggle to live in Franklin. **1,300** renters earn **< \$25,000** and can't afford their rent
- Homeownership in Franklin lower (**65%**) than in county (**79%**) and state (**67%**).
- Homeownership challenging for **50%** of renters. Only **9%** of homes to choose from.



Commuting, 2012

Franklin businesses employ **51,000 workers**

- **43,000** commute in to Franklin (85% of workers)
- **7,800** live and work in Franklin
- = **85% of jobs** are held by in-commuters

17,500 work outside Franklin but live in Franklin



Commuting, 2012

Why don't in-commuters live in Franklin?

(75% would if they could)

"Couldn't find an affordable single family home to buy"

"Franklin is out of my price range"

"Housing I could afford was in lower quality/needed improvements"

"Housing I could afford in Franklin was too small"



Commuting, 2025

16,000 new workers by 2025

Where will they live?

If in-commuting ratio stays the same = **14,000** more in-commuters



Future growth: What do people want?

They want Franklin to preserve:

- Character and charm
- Historic preservation/downtown
- Community character and social diversity
- High quality schools

They want Franklin to change:

- Traffic congestion (less)
- Housing affordability (more)
- Parks/open space and walk- and bike-ability (more)
- Housing product diversity utilizing high quality design (important)

Future growth: What do people want?

More affordable housing:

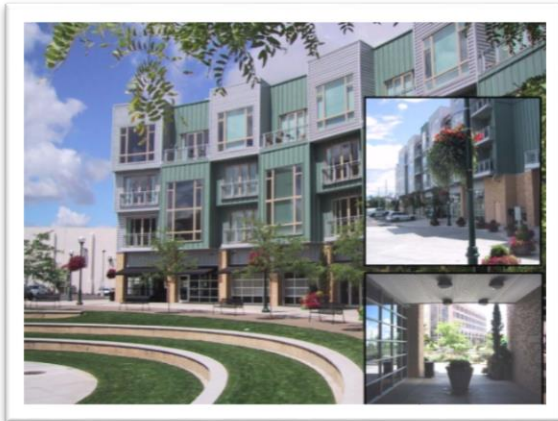
- Homes priced below \$250,000
- Smaller single family detached homes
- Homes priced below \$350,000



Recommended Strategies

Start with what the city has done well and make it better:

- **Strengthen inclusionary zoning ordinance**
- **Develop more dense, mixed-income communities (ala West Haven)**
- **Take advantage of existing infrastructure (infill, revitalization)**



Inclusionary Zoning

What is it? Requires developers of residential housing to make a certain percentage of units affordable at various price points

Many types of IZ:

- Voluntary (Franklin)
- Mandatory (most ordinances)
- Homeownership only (Colorado communities)
- Homeownership and rental

Percentage requirement is generally between 10% and 20% of units developed

Inclusionary Zoning

- Units can be required to be on-site, off-site (Denver), or some combination (Boulder, must be at least 50%)
- Cash-in-lieu fee option (should reflect difference in affordable and market rate unit, Chapel Hill)
- IZ units have a deed-restriction, or covenant, attached to their deed that limits appreciation (avoids windfall for buyer)
- Cities often provide bonuses to developers to offset costs of IZ (fee waivers, meaningful density bonuses, lower parking requirements)
- Some target special needs (Arvada, Austin visitability ordinances)
- First right of refusal for cities in event of foreclosure
- Some ordinances give preferences to workforce (CO mountains)

Inclusionary Zoning

How can Franklin's ordinance be strengthened?

- **Make mandatory**
- **Raise the cash in lieu fee**
- **Make density bonuses meaningful (may involve strengthening existing code. Chapel Hill good example)**
- **Use fast track approvals**
- **Preserve option to rehabilitate existing units and land donation**
- **Consider building in workforce preferences**
- **Consider a visitability component**

Recommended Strategies

Beyond inclusionary zoning:

- Establish a vision and goals for percentage of units affordable to workforce. This will empower BOMA and planning staff
- Review city zoning ordinance for allowance and facilitation of:
 - Mixed-income, mixed-density housing
 - ADUs and cottage homes
 - Transparency in development approvals
 - Residential infill development incentives
- Offer fee waivers and fast track approval for developments that incorporate affordable housing (sliding scale)
- Inventory vacant and underutilized land parcels for residential development potential. Develop a vision for redevelopment and check against zoning



**Thank you for your
attendance today!**