

Questions and Answers: Franklin and the Future of Housing

On Thursday, April 13, the City of Franklin hosted a webinar via Zoom on “Franklin and the Future of Housing,” presented by Deborah Myerson, a member of the Envision Franklin Update consulting team.

The questions answered during the presentation were all based on submitted questions. However, with limits on the available time during the live presentation, some questions were consolidated based on common themes. This written Q&A is designed to respond more individually to the submitted questions.

Housing Policy, Development, and Affordability

Question	Answer
<p>How do you define affordable housing and workforce housing? Is it related to square footage and price?</p>	<p>Generally, housing is considered affordable when it costs no more than 30% of gross monthly household income. For renters, this figure includes rent and utilities. For homeowners, this figure includes mortgage payment (principal and interest), insurance, and taxes.</p> <p>Federal/state housing subsidies are typically reserved for low-income households earning 80% or less of the median family income. In Franklin, 80% of the median family income is \$75,450 for a family of four.</p> <p>Workforce (or “attainable”) housing is a term typically used to refer to middle-income households earning 81% to 120% of the median family income. In Franklin, this would be \$78,327 - \$116,040 for a family of four. These households are not usually eligible for subsidies, but increasingly have a hard time finding market-rate housing they can afford in many communities.</p> <p>For example, the median home sales price in Franklin in April 2023 is \$766,000. Purchasing a home at this price would require an annual income of at least \$195,130¹ -- more than twice the Franklin median family income of \$96,700.</p>
<p>Can Franklin require developers to offer a mix of housing affordable options?</p>	<p>Inclusionary zoning is a policy where local governments can incentivize or mandate a developer to include below-market rate residential units as part of a larger market-rate project (typically 5% – 15%). Mandatory</p>

¹ Calculation based on \$4551 monthly payment of principal, interest, taxes, and insurance; 20% down payment; interest rate of 6.351%, and no other household debt.

	<p>inclusionary zoning is not legal in the State of Tennessee.</p> <p>However, there are different policy options that the City of Franklin can consider to support housing affordability – broadly categorized by aligned approaches to zoning, taxes, and subsidies.</p>
<p>Mid rise multi family at 4 to 8 stories tall?..... You have never been here before. That does not fit with the city at all. Does the character of the town matter to you at all? Or is the only thing that is important is more housing?</p>	<p>The presentation was illustrating a range of housing options, not all of which are currently common in Franklin. There are a variety of ways to increase housing diversity in the community that is compatible with the local character and design.</p>
<p>What is an accessory dwelling unit?</p>	<p>An accessory dwelling unit (ADU) is a residential building that occupies the same lot as a primary residence, smaller in size than the primary house. Also known as a granny flat, backyard cottage, or in-law apartment, an ADU could be a guest house or a detached garage with a rented apartment above.</p>
<p>Are privately/commercially owned dwelling units every going to be affordable in our area if priced for what the market will bear? Do buildings need to be government owned in order for affordable rental rates to actually happen for teachers, police, firefighters, etc.?</p> <p>Does city zoning have any power to override HOA restrictions? Pretty much guarantee most neighborhood organizations would reject ADU’s for fear of “cheapening” the neighborhood with renters.Short answer:</p>	<p>As long as there is a large gap between market-rate home prices and incomes, it will be hard for many households to afford to live in Franklin, even for people such as teachers, firefighters, and police who work in the community.</p> <p>There are a number of ways to help close that gap that do not require publicly owned housing. Zoning reform, tax strategy, and subsidies can all help with affordability efforts.</p> <p>Local governments can allow ADUs, but cannot compel HOAs to allow them. However, HOA boards may have homeowners who want an ADU – whether to provide living space for a family member, guests, or as extra rental income.</p> <p>To explore compatibility, HOAs may consider surveying residents in the community to investigate whether to revise the governing documents to allow ADUs.</p> <p>In many cases, it is effective for HOAs to examine root problems: are the objections to ADUs based on concerns about parking and traffic? Noise and trash? Perhaps there are ways to manage these</p>

	<p>concerns directly, rather than by prohibiting ADUs.</p>
<p>How can we be assured that ADUs won't turn into Short Term Rentals and bachelorette party sites as has happened in Nashville?</p>	<p>The City of Franklin does require that the primary home is owner-occupied on a lot with an ADU.</p> <p>While state law does not allow for local governments to prohibit short term rentals, local governments can impose administrative requirements for ADUs such as registration, permitting, and compliance with health and safety codes to manage these properties.</p>
<p>Why are there not more condo options? Less expensive than single family homes, but provide ownership.</p>	<p>Condominiums have traditionally offered an important option for homeownership. However, for many years now condominium construction has been largely stagnant, especially on the more affordable end of the market – even as apartment construction of rental units has been steady. Why?</p> <p>Condominiums are more expensive and complicated to build than apartments. Insurance costs are higher because of the risk of lawsuits over construction defects. Materials must meet higher standards, and financing is harder to get – for both builders and homebuyers. For all these reasons, building apartments is more profitable and poses fewer risks.</p> <p>For more on this topic: Where have all the condos gone? (2019)</p>
<p>Aside from “The Hill” project, does the city ever apply income/rent restrictions for new development or are builders free to charge market rates, which only keeps the housing stock exclusive?</p>	<p>Projects such as The Hill, built locally by nonprofit developers, are built as affordable housing with subsidies in the financing that support the ability to produce apartments for income-qualified households</p> <p>Mandatory inclusionary zoning is not legal in Tennessee, so the City cannot compel developers to offer affordable units. While the City could explore incentives (e.g. tax abatements, density bonuses) to encourage developers to voluntarily include below-market rate units in a project, it would still require a feasible cost-benefit outcome to be worthwhile for the developer.</p>

	<p>For more on what it takes to finance the development of affordable housing, try out this calculator: The cost of affordable housing: Does it pencil out?</p>
<p>I have been on Hous Com for 10 years. Plan Staff has never show up once with a new idea. We have no meetings with Plan Staff unless we request it. They do not show the need for a spread of housing at all. How do we change that narrow public presence?</p>	<p>Please contact Assistant City Administrator Vernon Gerth at 550-6671.</p>
<p>Why doesn't the City of Franklin construct their own employee only multifamily housing units and rent them out at a price that is proportional to the employees income?</p>	<p>While the City of Franklin is not in the business of housing development, the Envision Franklin update offers the opportunity for developing housing policy that can support a wider variety of housing options and affordability that could help more local employees to live in the community.</p>
<p>What are your thoughts on inclusionary zoning ordinances?</p>	<p>Mandatory inclusionary zoning is not legal in Tennessee, so the City cannot compel developers to offer affordable units.</p>
<p>Aren't incentives for adding affordable housing illegal in TN?</p>	<p>While the City could explore incentives (e.g. tax abatements, density bonuses) to encourage developers to voluntarily include below-market rate units in a project, it would still require a feasible cost-benefit outcome to be worthwhile for the developer.</p>
<p>Has shared ownership between the COF and people in key professions (e.g. police, fire fighter, teacher) been considered? The cost is lower for the family and both benefit from appreciation when the property is sold. I know of a church that did this in an expensive neighborhood in California for their key staff people</p>	<p>Shared appreciation (also known as shared equity) is a worthwhile policy option that can help to make homeownership more affordable. Shared equity programs allow borrowers to purchase homes at below-market prices. In exchange, borrowers agree to sell the property only to other income-qualified buyers and/or share the home's appreciation with the organization that subsidized the purchase. Community land trusts are a common way to implement shared equity homeownership programs.</p> <p>For more information: Shared Equity Housing - Neighborworks Shared Equity Housing: By the Numbers – Grounded Solutions Network</p>
<p>Current ADUs are only available if you live on the property, so investors cannot build ADUs. How do we get staff to change this regulation? I own a large tract that could house 2 more families, but ADU law keeps 1 house only.</p>	<p>The City of Franklin does require that the primary home is owner-occupied on a lot with an ADU. Any changes would need to be considered by the Franklin Board of Mayor and Aldermen (BOMA) and/or the Franklin Municipal Plan Commission.</p>

<p>You keep mentioning increasing density but every survey the city has done shows that the citizens do not want anymore dense developments. The zoning should be more dense in the city and less dense towards the county land. Will the zoning be address for the urban growth boundaries in Envision Franklin?</p>	<p>Envision Franklin does apply for all parcels within the city limits as well as within the Urban Growth Boundary. Envision Franklin has eight different residential design concepts of varying residential building types and lot size minimums. Generally, the outlying areas are designated as lower intensive residential uses in order to provide a transition. However, the cost to extend water and sewer, improve roads, construct new infrastructure makes it difficult to accomplish low density development.</p>
<p>Does commercial ownership of properties for short-term rental purposes (e.g. AirBnB) compound the problem of prices going up due to the increased demand? Should this type of large-scale commercial ownership be prohibited?</p>	<p>State law does not allow for local governments to prohibit short term rentals. However, local governments can impose administrative requirements for ADUs such as registration, permitting, and compliance with health and safety codes to manage these properties.</p>
<p>There are some tiny home communities in the area of Tims Ford Lake. Is this a viable low-cost option for areas near Franklin - whether in the City or County?</p>	<p>A tiny home is typically a single-family home, generally 400 square feet or less, that is intended as a permanent, non-transitory occupancy. Whether they are a viable option locally would require careful consideration of opportunities and challenges.</p>
<p>How do you not dilute desirability with financial inclusivity?</p>	<p>The Envision Franklin update is an opportunity to renew a shared vision for the city and the future – and offers the potential to examine how to both address local housing needs and embrace community character.</p>
<p>Should "apartment" be listed as "multifamily" based on zoning definitions? How do you determine what is a condo vs. what is an apartment if they are just entitled as "multifamily"?</p>	<p>I think you are referring to the annual development report and how apartments are categorized. The BOMA requested staff provide this breakdown several years ago. The staff does not know for sure whether a multifamily unit will be a rental or a condo until it is built. Please reach out to planning staff to discuss further.</p>
<p>What is the one thing that could be done to expand our housing stock for workforce housing?</p>	<p>That is a hard question – if only because there housing policy works best with a multipronged approach. Zoning reform, tax strategies, and subsidies are all important elements that work best in coordination to expand housing options. Pursuing just one or two of those three is less likely to achieve the desired results.</p>

	<p>An example for each of those to cultivate more workforce housing:</p> <ul style="list-style-type: none"> • Zoning reform: make duplexes widely permitted throughout the city. • Tax strategies: Institute a land value tax that charges a higher tax rate on land and a lower rate on structures. This is to encourage owners of expensive land to build more intensively. (Such as a duplex instead of a single-family home.) • Subsidies: Establish a shared equity program to lower the cost of homeownership.
<p>Expand on the social equity and affordability comment.</p>	<p>A housing strategy can and should meet multiple goals, including supporting social equity and affordability. As one example, there are many people who work in Franklin and serve the community – such as teachers, firefighters, and police officers – who cannot afford to live in the City. Expanding housing options to make it possible for those who serve the community and wish to live in Franklin has multiple benefits, including: a greater stake in the community they serve, higher retention for employers, and shorter/fewer car trips to commute.</p>
<p>If you could pick one product type that the City of Franklin needs the most, what would it be?</p>	<p>There seems to be the most unmet potential for duplexes and cottage courts. (Ok, that’s two.)</p>

Growth and the City of Franklin

Question	Answer
<p>If the population of Williamson County is projected to grow by over 100k by 2040, it would seem that we need to provide 50,000 new units in 25 years, so 2,000 units per year. Are we? Where? How can we do that if all we say we want is single family homes?</p>	<p>The rapid growth of The City of Franklin and Williamson County does require thinking about planning strategically to accommodate housing demand. The Envision Franklin update offers an important opportunity to explore how to manage this expected growth.</p>
<p>The projected demographic change does not reflect reality...if you lived here you would know....the vast majority of people moving in here are young with little kids</p>	<p>The local demographic data is the most recent available from the U.S. census/American Community survey, providing an overall picture of the community that is broader than individual observations.</p>

Housing and Transportation

Question	Answer
<p>Roads and traffic is an issue like you said....so tell me how does adding multiunit developments help with traffic?</p>	<p>Housing and transportation are closely tied and benefit from a coordinated approach. Reducing traffic congestion requires either building bigger roads or reducing the number of cars trips on existing roads.</p>
<p>Envision Franklin currently talks about quality of life, but nothing is explicitly included regarding traffic - which is a big factor in quality of life. Will the new version include explicit traffic metrics/goals?</p>	<p>Having more mixed-use neighborhoods, where residents can walk or bike to nearby destinations for school, work, or shopping, is a better way to reduce car trips than building bigger roads. (Although long a popular approach, “building bigger roads” has been shown to actually attract more car traffic.)</p>
<p>What needs to be done to CONSTRAIN any new development by TRAFFIC impacts? The COF Traffic Guidelines say LOS D or better (including peak), but many areas in the COF are already failing - up to LOS F. New housing and commercial development should not make traffic worse!!</p>	<p>The real estate phrase “retail follows rooftops” means that sufficient housing is necessary to support nearby shopping and retail. For example, 1,000 households in a walkable neighborhood are needed to support a corner grocer or other small goods and services businesses. Larger retailers and supermarkets require an even larger population within the neighborhood, or need to be located on a transportation node like a busy intersection. Adding more compact and/or multiunit housing options creates the necessary framework for a successful mixed-use neighborhood.</p>
<p>20 min suburb is for major metropolitan areas not for a small town like this...tell me how this is relevant?</p>	<p>The 20-minute suburb is an excellent vision for Franklin, particularly as part of the greater Nashville metro region. The plan proposes how existing suburban communities can be transformed to become places where residents can meet all of their daily needs within a 20-minute walk. This study re-envision American suburbs as more affordable, interconnected, sustainable, and inclusive.</p>
<p>Where have communities in the suburbs been successful getting people off the roads with cars? I know of some attempts in California that have been unsuccessful and a big financial drain on the government. Not having a car is a big city thing.</p>	<p>Recommended resource: Case Studies in Retrofitting Suburbia: Urban Design Strategies for Urgent Challenges, by June Williamson and Ellen Dunham-Jones, director of the urban design program at Georgia Tech.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Doral, Florida (Miami metro area)

	<ul style="list-style-type: none"> • Baton Rouge, Louisiana • The Domain in Austin, Texas • Lancaster, California (Los Angeles metro area)
Do we think that in the next ten years the number of single occupant car travel is going to remain constant? Certainly the proliferation of self driving cars, ride sharing, and remote work will drive that down significantly.	Trends such as self-driving cars, ride sharing, and remote work are certainly important to monitor and consider for the future – but these are more likely to complement a broader housing-transportation strategy, rather than solve all the current challenges.

Presentation and Role of the Consultant

Question	Answer
These pole questions are specifically curated to get a specific result to help bolster your proposal and are not genuine	Some of the poll questions were crafted to help introduce viewers to certain concepts (e.g., missing middle housing, accessory dwelling units). Other poll questions were created to solicit audience feedback (e.g. which housing types are compatible in your neighborhood.)
Do any of you live in Franklin or Tennessee? if not how could any of you speak to what us best for this town?	The consultant team was selected through a competitive process based upon a Request for Qualification (RFQ) the City issued. The Envision Franklin update is a collaborative effort, including city leaders and employees, members of the community, and the consulting team. While the consulting team is based in Indiana, our role is to provide guidance on regional and national trends and best practices, as well as lead community engagement to assist with updating the Envision Franklin plan and developing a housing strategy. The Franklin Municipal Planning Commission ultimately approves any changes to the plan.
"You are from Indiana?"	
How can you speak to any authority to what is best?	
You experience as a consultant is great, but my experience as a property owner, business owner, neighbor, etc I can speak better to what is needed for this town better than you can?	
As an example what would you do about the issue on Liberty Park that we are currently dealing with?	
if you do not know what I am talking about then how could you know what it good for this town?"	
This is a fake Q&A...all of these questions are teed up. None of these questions are on the list. You are clearly trying to set a narrative and not answering any questions that locals like I have	The questions answered during the presentation were all based on submitted questions, but with the available time they were consolidated to answer by common themes. This written Q&A is designed to respond more individually to questions.

Other

Question	Answer
<p>Our county is very beautiful and these dense developments toward the unincorporated county has not preserved the character of existing area. What can envision franklin do to preserve the scenic roads? Deep set backs? More screening on roads? People who move outside the city do not wish to have commercial anything where they live. They do not need the convenience and do not desire it, because they plan their trips.</p>	<p>Envision Franklin is focusing on the City of Franklin and the surrounding Urban Growth Boundary. Special Considerations and the use of specific Design Concepts address specific areas. Concerns about Williamson County would need to be addressed with the county government.</p>
<p>This was very leading towards low income housing, but there is no mention of the current economy. You build for tomorrow, not today. Is this recognized?</p>	<p>The City is seeking to determine the vision of the broader community as well as in specific areas of town while also understanding market forces and coordinating infrastructure needs to support future growth and development.</p>
<p>There was 1Billion that came into Williamson county last year.....what are you talking about?</p>	<p>Not sure, please reach out planning staff to clarify at 550-6741.</p>
<p>Or we could stop subsidizing drivers: add toll roads, increase gas tax, stop widening roads so people find driving less attractive.</p>	
<p>Why are you not asking the actual questions that I asked on the Q and A?</p>	<p>Please reach out to planning staff at 550-6741 with any concerns.</p>
<p>Are you purposely avoiding my questions on an open forum for the public?</p>	<p>Please reach out to planning staff at 550-6741 with any concerns.</p>