



METROPOLITAN COUNCIL

Member of Council

March 20, 2018

Metro Planning Commission

Re: Donelson Transit-Oriented Redevelopment Plan, 2018M-001OT-001

Dear Commissioners,

I am writing to recommend changes to the proposed Donelson Transit-Oriented Redevelopment Plan (the "TOD"). This matter is Item #20 on your March 22, 2018, agenda.

Background Information

I am the current chair of the Metro Council's Ad Hoc Affordable Housing Committee. I also served on Mayor Barry's Transit and Affordability Taskforce. I chaired the Taskforce's Neighborhoods and Preservation of Housing Subcommittee. The Taskforce's final recommendations were issued on January 10, 2018, and can be found here:

http://letsmovevashville.com/site/web/assets/2018/01/Affordability-Taskforce-Recommendations_FINAL-1-10-18.pdf.

Also, please understand that TODs are completely new. This Donelson TOD will be the first one established in the State of Tennessee. It is expected that, if the May 1 transit referendum passes, there ultimately will be transit-oriented development districts on every light rail and bus rapid transit corridor in the county. A cursory review of the proposed transit plan would indicate that there ultimately could be 1 to 2 dozen of these districts in Nashville. Because the districts are established for decades at a time and transfer significant decision-making outside the Metropolitan Government to MDHA, an entity created separately under state law, it is critically important that this TOD be carefully crafted prior to being created.

In addition to TODs being new generally, we are creating a new role for MDHA. Up until now, MDHA has had two major roles in our city. Under one section of state law, MDHA is authorized to be a low-income housing agency.

Under a different section of state law, MDHA is authorized to implement economic redevelopment districts. I have read every existing economic development plan in Metro and they do not require affordable housing. This has been by design – economic redevelopment districts were designed under state law to revive local economic conditions, not provide housing. As a data point, consider the media coverage over the last year of a new development in the Rolling Mill Hills area where MDHA has sold property for development that does not include any affordable or workforce housing requirement.

Transit-oriented development creates a new, third role for MDHA in Metro. This role is a hybrid of its two historical roles. Now, Metro will authorize MDHA to implement districts where the goals will be both economic development and housing. In addition to blending its historical roles into a new, third role, TODs will give MDHA a much more significant role in affordable and workforce housing (as opposed to its more traditional role with low-income housing).

MDHA has been working hard to establish a redevelopment plan that adequately describes its new roles. I certainly appreciate MDHA's work and my continuing conversations with them on these issues. However, because the public hearing is upon us while our conversations are ongoing, I want to share my opinion that the proposed plan needs multiple changes to accurately describe MDHA's new role in Nashville.

In addition to issues related directly to MDHA's proposed TOD plan, the Taskforce made multiple recommendations for things that Metro (as opposed to MDHA) should accomplish BEFORE creating any TOD. None of these recommendations have been implemented at this time. I acknowledge that time has been short, and that the Metro Government has had some upheaval recently, but it is critical that Metro follow the recommendations of its own Taskforce before creating a TOD. In particular, the Taskforce recommended:

- Conduct a survey of affordable housing in the area surrounding a proposed TOD before creating a TOD. This is to create a baseline measurement of affordability in the area.
- Set firm goals for affordable units to be built and preserved in the TOD.
- Commit to additional funding above existing levels for affordable housing.
- Prior to the May 1 referendum, commit to create both a community land trust and a community land bank, and commit to funding levels and the timing for each.

It does not make sense to proceed with creating a transit-oriented development district without first following these important Taskforce recommendations.

Required Amendments to Proposed TOD Plan

To the extent that the Metro Planning Commission chooses to move forward with considering the TOD, it should only be approved if conditioned upon these amendments:

- Amend to clarify that a minimum of \$10 million of the approved tax increment financing will be used for affordable housing.
- Amend to state that, for the Donelson TOD, "affordable" means 0-60% AMI housing.
 - In the last day, I have received some information that MDHA may want to change this requirement to require both affordable (0-60% AMI housing) and workforce (60-120% AMI housing). If this is the case, then the plan should be amended to create a mechanism where the balance between affordable and workforce units is set only for the first 5 years. After five years, and then every 5 years thereafter, MDHA should recommend a new balance to the Council with the Council having the right to accept the recommended balance or adopt a

different balance. This would allow for the community as represented by MDHA and the Council to survey the housing landscape in the area periodically, determine needs, and tweak the balance between affordable and workforce as necessary.

- Amend to state that, for every project with residential units that asks for tax increment financing, there will be a minimum of 10% of the units that are affordable. This requirement must apply even if the total amount of tax increment financing for affordable housing in the district has exceeded \$10 million.
- Amend to state the minimum period of mandatory affordability for residential units financing by tax increment financing.
- Amend to state that, because a TOD is designed for Nashville residents to live along transit corridors, no investor-owned (Types 2 and 3) short-term rentals will be allowed in the TOD.
- Amend to require creation of a unified process for approving design and zoning changes in the district. Because resolving this issue, and further establishing a revised unified process, would likely be difficult prior to passage of the pending ordinance, the plan should be amended to require that, within one (1) year of the plan being approved by the Council, an intergovernmental agreement would be adopted putting into place a streamlined or unified process; otherwise, the district would be dissolved.
- Amend to allow both the Metro Council and MDHA to initiate amendments to the plan, subject to the approval of the other body. As submitted, only MDHA may initiate amendments to the plan.
- Amend the plan to expressly acknowledge the requirements of Metro Code provisions 5.06.020, 5.06.050, and 5.06.060, which are new tax increment financing laws passed by the Metro Council in early 2016. The currently proposed TOD is the first new TIF legislation since these new requirements were passed by the Council. New districts should expressly acknowledge these new requirements.
- Amend to add language in the plan to expressly forbid the use of tax increment funds from this district in any other economic redevelopment district or transit-oriented redevelopment district.
- Require that Metro implement the following Taskforce recommendations prior to creating the TOD:
 - Conduct a survey of affordable housing in the area surrounding the district before creating the district.
 - Set firm goals for affordable units to be built and preserved in the TOD.
 - Commit to additional funding above existing levels for affordable housing according to the recommendations of the Taskforce.

- Prior to the May 1 referendum, commit to create both a community land trust and a community land bank, and commit to funding levels and the timing for each.

I plan to attend the Commission's meeting on March 22, 2018, and will be happy to answer any questions you have about these comments.

Finally, let me thank you for your service to Metro. The volunteer work you do for Nashville is critically important. I know that all of us in the Metro Council appreciate your efforts.

Very truly yours,



Metro Council, At-Large Member

cc: Mike Jameson
Director, Metropolitan Council

MDHA
c/o Saul Solomon

Jeff Syracuse
Metro Council, District 15