

SUBSTITUTE ORDINANCE NO. BL2018-1139

**A Substitute Ordinance Approving the Donelson Transit-Oriented
Redevelopment Plan.**

WHEREAS, the Tennessee General Assembly has adopted 2017 Public Acts, Chapter 254, effective as of May 2, 2017 (codified at Tennessee Code Annotated, Sections 13-20-701 through 13-20-708), authorizing a housing authority to approve and implement a transit-oriented redevelopment project in order to redevelop transit-deficient areas; and

WHEREAS, the Metropolitan Development and Housing Agency desires to redevelop the transit-deficient area located within 1,320 feet on either side of Lebanon Pike between Park Drive ~~to~~ and Stewarts Ferry Pike; and

WHEREAS, the Metropolitan Development and Housing Agency has completed studies and prepared a plan for redevelopment entitled the "Donelson Transit-Oriented Redevelopment Plan," (herein referred to as the "Plan") consisting of a text, Redevelopment Plan Maps 1 and 2, and Exhibit "A" attached thereto, all dated ~~January 30~~ April 10, 2018, which has been submitted to the ~~Metropolitan~~ Council of the Metropolitan Government of Nashville and Davidson County, Tennessee (herein referred to as the "Metropolitan Council") for review and approval; and

WHEREAS, a copy of the Plan is attached to this Substitute Ordinance as an exhibit, and any capitalized terms in this Substitute Ordinance that are not defined herein shall have the meaning provided in the Plan; and

WHEREAS, the Metropolitan Development and Housing Agency has examined the area proposed for inclusion in the redevelopment project and determined that the absence of facilities for high capacity transit options for the area constitutes a serious and growing menace that is injurious to the public health, safety, morals, and welfare of residents and that facilities for high capacity transit are necessary to promote the elimination of traffic hazards, the implementation of regional solutions to traffic congestion, and the improvement of traffic facilities in order to protect the safety, health, morals, and welfare of the community; and the members of this Metropolitan Council have been duly apprised and are aware of these conditions; and

WHEREAS, the Plan adopts the development standards set forth in the Downtown Donelson UDO as adopted by the Metropolitan Council by BL2009-560, effective November 23, 2009, and as amended by BL2010-799, effective ~~February 4~~ January 24, 2011; and

WHEREAS, the project is located in Metropolitan Nashville and Davidson County, Tennessee and is to be undertaken by the Metropolitan Development and Housing Agency in accordance with and in furtherance of the objectives of Article I, Section 8 and 21 and Article II, Section 28 of the Constitution of Tennessee; 'The Housing Authorities Law,' Chapters 20 and 45, Public Acts of Tennessee of 1935 (1st Extraordinary Session),

as amended; Chapter 114 of Public Acts of Tennessee of 1945, as amended; Chapter 181 of Public Acts of Tennessee of 1955 (said statutes now codified in Tennessee Code Annotated Sections 13-20-201 through 13-20-209) and 2017 Public Acts, Chapter 254 (now codified at Tennessee Code Annotated Sections 13-20-701 through 13-20-708); and

WHEREAS, the Metropolitan Development and Housing Agency desires to utilize the tax increment financing provision pursuant to Tennessee Code Annotated Section 13-20-706 in furtherance of its projects; and

WHEREAS, the Plan conforms to Section 5.06.010 through Section 5.06.060 of the Metropolitan Code of Laws regarding the use of tax increment financing; and

WHEREAS, the Plan for the area is designed to implement the concepts from *Let's Move Nashville: Metro's Transportation Solution*, ~~which was~~ released in October 2017, which incorporated ideas from the *NashvilleNext* long range plan for Nashville's future growth adopted by the Metropolitan Planning Commission in 2015, the *nMotion* regional transit plan adopted in 2016, and the recommendations of the Transit and Affordability Taskforce released in January 2018; and

WHEREAS, the Plan sets aside a minimum of ten million dollars (\$10,000,000) of tax increment financing for affordable housing ("Minimum Housing TIF"); and

WHEREAS, the Plan for the area prescribes certain land uses and controls and provides for the acquisition by negotiation or otherwise of certain properties for public use or for resale to a redeveloper or redevelopers; and

WHEREAS, the Plan provides for relocation assistance to be provided to individuals and businesses permanently or temporarily displaced by the acquisition of land by MDHA for implementation of this Plan in accordance with the Uniform Relocation and Real Property Acquisition Policies Act of 1970; and,

WHEREAS, the members of the Metropolitan Council have carefully considered and reviewed the proposal for redevelopment, including requirements for affordable and workforce housing and the relocation of businesses that may be displaced; and

WHEREAS, as the Metropolitan Government seeks to establish future transit-oriented redevelopment districts, it along with the Metropolitan Development and Housing Agency intends to amend the subsection of the Redevelopment Plan entitled "Review Process and Submittal Requirements," which is intended to be temporary; and

WHEREAS, in order to implement the Plan, the Metropolitan Council must approve and authorize certain actions.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE-TENNESSEE:

Section 1. That it is hereby found and determined that the redevelopment area defined by the Plan entitled "Donelson Transit-Oriented Redevelopment Plan," dated ~~January 30~~ April 10, 2018, is a transit-deficient area as defined in and in accordance with Tennessee Code Annotated Section 13-20-702(4).

~~Section 2. That it is hereby found and determined that conditions existing within the transit deficient area are detrimental to the safety, health, morals and welfare of the people of Nashville and Davidson County and such conditions should be eliminated.~~

Section 2. That it is hereby found and determined that the transit-deficient area, or such portions thereof as deemed necessary for acquisition by the Metropolitan Development and Housing Agency by negotiation or otherwise, as provided by Tennessee Code Annotated 13-20-703, and so designated pursuant to the Plan, should be so acquired by the Metropolitan Development and Housing Agency, provided that the Metropolitan Development and Housing Agency shall not use eminent domain to eliminate transit-deficient areas and may only use eminent domain to acquire land, or interests in land, for public facilities and public infrastructure, including high capacity transit facilities.

Section 3. That the Plan entitled "Donelson Transit-Oriented Redevelopment Plan," consisting of a text, Redevelopment Plan (~~R.P.~~) Maps 1 and 2, and Exhibit "A" attached thereto, all dated ~~January 30~~ April 10, 2018, as filed with the Metropolitan Clerk, is hereby in all respects approved.

Section 4. That it is hereby found and determined that the Plan for the project area conforms to the *NashvilleNext* Plan and adopts the design standards of the Downtown Donelson Urban Design Overlay.

Section 5. That the use of tax increment financing pursuant to Tennessee Code Annotated Section 13-20-706, is hereby approved for undertaking activities specified in the Plan.

Any property taxes levied upon property within the boundaries of the Donelson Transit-Oriented Redevelopment District each year after the effective date of this Ordinance shall be divided as provided in Tennessee Code Annotated Section 9-23-103. In accordance with Section 5.06.020 of the Metropolitan Code, the Metropolitan Development and Housing Agency is hereby authorized to collect and use all incremental tax increment revenues generated from all parcels identified in the Donelson Transit-Oriented Redevelopment District for uses permitted in the Plan and as allowed under Tennessee Code Annotated Section 13-20-706 and Tennessee Code Annotated Section 9-23-103.

No incremental tax revenues for property in the Project Area may be pledged as collateral for, or to support payment of, a loan or other debt obligation related to a project or property outside of the Project Area.

Section 6.

(a) In connection with the Plan, the term "Affordable Housing" shall mean residential units affordable to and occupied by households earning sixty percent (60%) or less of area median income (AMI); and the term "Workforce Housing" shall mean residential units affordable to and occupied by households earning more than sixty percent (60%) but not more than one hundred and twenty percent (120%) of AMI.

(b) At least once every five (5) years, MDHA shall make a recommendation to the Metropolitan Council about what portion of Minimum Housing TIF shall be used for Affordable Housing and for Workforce Housing. The period from the date this ordinance is passed until MDHA's first review and recommendation shall be referred to as the "Initial Period." Each subsequent period between reviews and recommendations shall be referred to as a "Subsequent Period."

(c) For the Initial Period, one hundred percent (100%) of Minimum Housing TIF awarded during this period must be used for Affordable Housing. During the Initial Period, if any tax increment revenues are pledged as collateral for, or to support payment of, a loan or other debt obligation related to Workforce Housing, it shall not count toward the Minimum Housing TIF established in the Plan.

(d) If any amendments to this Section 6 are determined to be necessary as a result of MDHA's periodic review and recommendation for a Subsequent Period, changes to this Section 6 may be accomplished by Resolution of the Metropolitan Council without an amendment to the Plan.

Section 7. Any Affordable Housing units created using tax increment financing under the Plan must remain qualified as Affordable Housing for a period of fifteen (15) years or the duration of the tax increment loan, whichever is greater. Any Workforce Housing units created using Tax Increment Financing under the Plan must remain qualified as Workforce Housing for a period of fifteen (15) years or the duration of the tax increment loan, whichever is greater.

Section 8. That it is hereby found and determined that, in addition to the elimination of transit-deficient areas from the Donelson Transit-Oriented Redevelopment District, the undertaking of the Donelson Transit-Oriented Redevelopment Project in such area will further promote the public welfare and proper development of the community.

Section 9. The subsection of the Plan entitled "Review Process and Submittal Requirements" may be replaced in whole or in part by the Metropolitan Council adopting a Resolution.

Section 10. That it is hereby found and determined that the Plan for the Donelson Transit-Oriented Redevelopment District will afford maximum opportunity, consistent with sound needs of the locality as a whole, for the redevelopment of the area by private enterprise.

Section 11. That this Ordinance shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

APPROVED by Metropolitan
Development and Housing Agency:

Executive Director

INTRODUCED BY:

Member(s) of Council

APPROVED AS TO AVAILIBILITY OF
FUNDS

Talía Lomax-O'dneal
Director of Finance

APPROVED AS TO LEGALITY OF
FORM AND COMPOSITION

MDHA Attorney