

## Franklin For All

DRAFT Vision & Zoning Recommendations  
June 8, 2022



## Vision for Franklin Center

The vision for Franklin Center is meant to be a picture of what new zoning, when implemented, can achieve for the area and the community as a whole. It is aspirational but realistic given the market for development and constraints. It was crafted based on the feedback received during a substantial public engagement process, including two public forums, a community survey, four focus groups with targeted stakeholders, meetings with the Steering Committee, and conversations with Town staff and leadership. The following vision statement will help guide future decisions, and zoning changes should be prioritized that can best advance the vision.

*In the future, Franklin Center will have a vibrant downtown area with appropriate levels of residential density to support local businesses and benefit from the area's many amenities, including its walkability, transit connectivity, accessibility, and numerous destinations. With its diverse array of shops, restaurants, cultural events, and entertainment options, Franklin Center is a destination for residents and visitors alike. There is an optimal amount of parking to serve both residential and commercial needs without sacrificing the pedestrian experience. The look of Franklin Center is inviting, safe, and clean, and it is a place where people of all ages can gather. There are ample public realm amenities such as plazas, outdoor seating, art, green space, lighting, and bicycle parking.*

*New development in Franklin Center has a high quality of design that honors the area's traditional New England architecture and is the right density for each neighborhood. Sustainable features are integrated into the design of buildings, public spaces, and transportation systems. Zoning laws are more in line with historic development patterns, making it easier for landowners to improve their properties and reducing the number of zoning nonconformities. There are a range of housing types in Franklin Center to serve households at a range of incomes, including low-income households. Downtown properties provide enough value and revenue for Franklin to sustain its high-quality of services town-wide.*

## Zoning Recommendations

Zoning is a key tool used at the local level to shape a municipality through requirements and incentives for land use. It provides the legal framework for what can and cannot be developed on a parcel of land, including the types of uses that are allowed, size and siting of structures, amount of required parking, open space considerations, and more. Well-crafted zoning should tell the private sector about what kind of development the Town wants to see and where. In general, desired uses and building typologies should be allowed by-right or with limited approvals to facilitate the development process.

Based on the feedback from the public process, MAPC has proposed 11 recommendations that can help realize the Franklin Center vision. They are intended to be a starting point for developing appropriate zoning for the area. MAPC and the Town of Franklin will draft and vet the new zoning language during a follow-up phase of work. This phase will include a public engagement process to prepare the new zoning language for local adoption.

Franklin's Department of Planning & Community Development (DPCD) will lead the implementation of these recommendations with support from MAPC or another consultant. Implementation will be contingent upon collaboration with the Franklin For All Steering Committee, Town Council, Planning Board, Town Manager, Town of Franklin staff, and Franklin Downtown Partnership.

The proposed approach to rezoning includes the following:

- A Chapter 40R Smart Growth Overlay District for the downtown core that balances density with high-quality design and the need for Affordable Housing, and meets the Section 3A requirements
- Supplementary Town-wide Affordable Housing requirements
- Land use permitting changes to base zoning districts to better incentivize desired commercial uses and housing types
- Programming to manage parking and support small business and property owners
- Additional incentives for outstanding projects

**Recommendation 1:** Establish a Chapter 40R Smart Growth Overlay District with Design Standards that includes properties in the Downtown Commercial, Commercial 1, and General Residential V District.

Massachusetts General Law Chapter (MGL) 40R encourages the creation of dense residential and mixed-use zoning overlay districts that include deed-restricted Affordable Housing units and are located close to public transit. 40R Districts must allow densities of eight units/acre for single family homes, 12 units/acre for townhouses, and 20 units/acre for condominiums and apartments. Projects must be developable as of right or through a limited review process like

site plan review and must be reviewed in 120 days. Detailed design standards may accompany the zoning language for the district that projects must adhere to.

At least 20% of all units permitted in the 40R District must be deed-restricted Affordable Housing. These are units that, by law, can only be rented or sold to low-income households without these households paying more than 30% of their income. Affordable Housing has restrictions on its deed that preserve affordability for decades or in perpetuity, ensuring that income-eligible households can stay in their communities. Eligibility to live in Affordable Housing is based on income status, which is determined by comparing a household's total pre-tax income and the number of people in the household to the Area Median Income (AMI). AMI is the median income for households across the Greater Boston region, including Franklin, and is \$140,200 for the year 2022. A household is considered "low-income" if its annual income is 80% or less of the AMI, which is \$78,300 for a single person and \$111,850 for a family of four.

There are a number of financial incentives associated with adopting a 40R Smart Growth Overlay District and streamlining the development review process. Depending on the net increase in as-of-right units allowed, Franklin can receive between \$10,000 and \$600,000 in one-time state funding. There is an additional bonus of \$3,000 for every new unit created. Communities with a 40R District can also receive a higher state match for new school buildings and are considered more favorably when applying for state grants.

In adopting a 40R Smart Growth Overlay District that covers the Downtown Commercial, Commercial I, and General Residential V Districts and allows densities of 20 units/acre as of right, Franklin would be able to meet its requirement for multifamily zoning as an MBTA community under MGL Chapter 40A, Section 3A. Despite eliminating the special permit for multifamily and mixed-use developments in the 40R District, the design standards would promote a high quality of design, and the Planning Board could still deny a project if it were not meeting standards.

Establishing a 40R District sends a strong message to developers that Franklin would like to prioritize development in this location, and it sets clear standards for developers to follow as they design their projects. Regulations could be structured in a way that avoids the need for any variances, creating much more certainty for developers and their funding sources. Payment that the Town gets from the state for establishing the district and creating new units could be utilized for public amenities or streetscape improvements in Franklin Center.

The following would be specified in the zoning for a 40R Smart Growth Overlay District:

- Purpose of the district
- Allowed and prohibited uses
- Dimensional requirements
- Off-street parking requirements
- Affordable Housing requirements
- Plan approval procedures

- Waivers of dimensional requirements or design standards, particularly for projects providing community benefits, such as sustainable buildings, publicly-accessible open space, preservation/rehabilitation of historic properties, etc.

The table below provides a summary of the suggested dimensional, use, and parking regulations for the Smart Growth Overlay District. Some elements differ between the three base zoning districts, while others are consistent across all three districts.

	Smart Growth Overlay District		
Base zoning district	Downtown Commercial	Commercial I	General Residential V
Minimum lot area	5,000 square feet, regardless of number of units		
Minimum frontage	50 feet		75 feet
Minimum depth	50 feet		75 feet
Minimum front setback	N/A	N/A	10 feet
Maximum front setback	5 feet		N/A
Minimum side setback	N/A, 10 feet if abutting residential district		10 feet
Minimum rear setback	N/A, 10 feet if abutting residential district		15 feet
Maximum height	40 feet and 3 stories		
Maximum coverage	N/A		50%
Allowed uses	Mixed-use	Mixed-use, multifamily	Multifamily
Parking spaces	1 space per unit	1 space per unit	1.5 spaces per unit
Parking location	Surface parking must be located outside of the required front yard setback		
Affordable Housing	20% of all units		
Waivers	Dimensional and other requirements (such as design standards) may be waived at the Planning Board's discretion		

Design standards may include the following:

- Building types and architectural styles
- Materials and colors
- Type, proportions, and glazing of windows and doors
- Bays, projections, parapets, roof forms, and other architectural features
- Lighting styles
- Signage, awnings, and canopies
- Mechanical service areas and enclosures
- Awnings and canopies
- Street, sidewalk, parking, and infrastructure standards
- Natural site features and landscaping

Almost 40 communities in Massachusetts have established 40R Smart Growth Overlay Districts since the legislation enabling the districts was passed in 2004. Municipalities with successful 40R Districts that have been built out entirely or in part include Reading, Northampton, Natick, Haverhill, Easton, Newburyport, Belmont, Westborough, and more.

The following action items would need to occur in order to implement a 40R District:

Action Item	Lead on Action Item
1. Draft zoning language and design guidelines for the Chapter 40R Smart Growth District that reflect the Franklin Center vision. For the zoning regulations, there will be a new section in Special Regulations (Article V) and also an update to the Zoning Map and Table of Zoning Map Amendments. The design guidelines will be a stand-a-lone document that is referenced in the zoning language.	DPCD with consultant
2. Produce communication materials to educate the public about 40R Districts and the benefits to Franklin associated with creating a district.	DPCD with consultant
3. Present draft zoning amendment to establish the 40R District at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
4. Hold a Planning Board public hearing on the draft zoning amendment.	Planning Board with support from DPCD
5. Submit a preliminary application to DHCD to determine if the district is eligible under the 40R Program. DHCD will issue a letter of eligibility within 60 days.	Town Manager with support from DPCD
6. Hold an additional Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
7. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD
8. Formally apply for 40R District designation with proof of local adoption. DHCD will issue a letter of approval within 30 days of receiving the application.	Town Manager with support from DPCD
9. After approval, submit an Incentive Payment application for the expected number of net new units in the 40R District.	DPCD
10. Submit an Annual Update to receive a Certification of Compliance for the 40R District. The Annual Update is meant to verify that the district is being developed in a manner that reasonably complies with the requirements of	DPCD

Action Item	Lead on Action Item
40R and that the plan approval is not unreasonably denying plans for compliant projects. There is a different Annual Update form for districts in active development, future districts, and mature districts substantially built out.	
11. To receive a Density Bonus Payment of \$3,000 for each bonus unit, submit for each project an application to DHCD detailing the number and type of new units, including a copy of the building permit(s) issued and other relevant documentation.	Building Commissioner with support from DPCD

## **Recommendation 2: Adopt an inclusionary zoning policy that is Town-wide and create a minimum threshold for Affordable Housing in new development.**

An inclusionary zoning policy sets a requirement for the minimum number of units in a development that must be designated as deed-restricted Affordable Housing (defined in Recommendation 1). Amongst communities in Massachusetts, the requirement typically ranges from 10% to 20% of all units. The trigger for implementation of inclusionary zoning is usually between five and ten units. Many municipalities allow for a “payment in-lieu” of providing units that would provide funding for the Affordable Housing Trust Fund. A payment in-lieu option should be generally equal to the cost of building an Affordable Housing unit.

Franklin should consider adopting a Town-wide inclusionary zoning policy as a supplement to the 40R Smart Growth Overlay District to provide additional avenues to produce Affordable Housing and establish a more level playing field between affordability requirements across the community. Given that Affordable Housing requires a large subsidy from a developer to provide, many places include density bonuses in their policies to help offset costs. This may include allowing a bonus market-rate unit for every Affordable unit required or other flexibility regarding dimensional standards or parking requirements.

Affordable Housing can also be deed-restricted for moderate-income households making between 80% and 120% of the AMI. Though the Subsidized Housing Inventory only tracks units available to those making less than 80% of the AMI, Franklin is already eligible for “safe harbor” under Chapter 40B. This gives the Town some flexibility in structuring its inclusionary zoning policy and providing Affordable Housing options at different income levels. The Town may decide to require that a portion of Affordable units should be designated for low-income households and another portion should be designated for moderate-income households.

The following action items would need to occur in order to implement a Town-wide inclusionary zoning policy:

Action Item	Lead on Action Item
1. Conduct additional housing market research, including quantitative data collection and interviews with local real-estate professionals, to determine the financial feasibility of an inclusionary zoning policy in Franklin.	DPCD with consultant
2. Draft amendment to establish a Town-wide inclusionary zoning policy by creating a new section in Special Regulations (Article V).	DPCD with consultant
3. Produce communication materials to educate the public about inclusionary zoning and its benefits.	DPCD with consultant
4. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
5. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
6. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD

**Recommendation 3:** Create a new definition in the zoning bylaw for “mixed-use development” and allow the use by-right in the Downtown Commercial and Commercial I Districts, and by special permit in the Mixed Business Innovation and Residential V Districts.

Franklin’s zoning bylaw does not include a definition for “mixed-use.” Residential and commercial uses are defined individually and treated separately, which can create undue confusion. If both residential and commercial are allowed by-right in a particular zone, the project can be approved by-right, otherwise it must get a special permit (if allowed) for the uses not allowed by-right. Mixed-use buildings are only allowed by-right in the Downtown Commercial District and by special permit in the Commercial I District. Mixed-use should be easier to build if that is the building typology people want to see.

Most participants in the visioning process indicated that mixed-use buildings were their desired typology for the Downtown Commercial, Commercial I, and Mixed Business Innovation Districts. While the MBI District does not currently allow mixed-use development at all, the Town should consider allowing it by special permit given the potential for a desirable project that combines residential and commercial uses in an innovative way. To maintain the priority for commercial uses in the MBI District, the Town could decide to require that more than half of the square footage is designated for commercial use.

Even if mixed-use developments are allowed by-right in the Downtown Commercial and Commercial I Districts, the Town will still maintain oversight of the design and layout through the site plan review process. In order to obtain a building permit for development of anything other than a single- or two-family dwelling, the applicant must obtain site plan review approval from the Planning Board.

The following action items would need to occur in order to implement this zoning amendment:

Action Item	Lead on Action Item
1. As a part of a larger package of dimensional and use changes, draft a zoning amendment to establish and regulate mixed-use development in Franklin Center. This will involve updating the Use Regulations Schedule (Part VI); Schedule of Lot, Area, Frontage, Yard and Height Regulations; and Definitions (Section 185-3).	DPCD with consultant
2. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
3. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
4. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD

**Recommendation 4:** Consider requiring a special permit for first-floor offices and personal service-related businesses in the Downtown Commercial District to incentivize commercial uses with vibrant and interactive storefronts.

Participants in the visioning process identified retail shops, restaurants/bars, art galleries, and artisanal/craft maker spaces as their preferred commercial uses for the Downtown Commercial District. Currently, there many personal service-related businesses (salons, tailors, optical stores) and offices (banks, law firms, real estate agents) on the ground floor of commercial and mixed-use buildings on East Central, Main, and Depot Streets. These kinds of uses do little to activate the street and draw visitors to the downtown.

To better incentivize the kinds of commercial uses that the community wants to see in the DC District, Franklin could consider requiring a special permit for personal service-related businesses and offices on the first floor of buildings. These uses would still be allowed by-right if they are located on a story above the first floor. There would be no penalty for existing first-floor service-related businesses and offices, but new proposals for these uses would require additional zoning relief from the Planning Board or ZBA.



The following action items would need to occur in order to implement this zoning amendment:

Action Item	Lead on Action Item
1. As a part of a larger package of dimensional and use changes, draft a zoning amendment updating the Use Regulations Schedule (Part II) to require a special permit for first-floor offices and personal service-businesses in the Downtown Commercial District.	DPCD with consultant
2. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
3. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
4. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD

**Recommendation 5:** Create a new definition in the zoning code for “three-family” and allow the use by-right in the Commercial I and General Residential V Districts, and potentially by special permit in the Single-Family Residential IV District.

Currently, the definition for multifamily use in Franklin includes any building with more than two units. As such, three- and four-unit buildings are grouped in the same category as buildings with dozens or hundreds of units. Proposals for three-families in the Commercial I and General Residential V Districts would still be required to receive site plan review approval, but there would be more certainty for the landowner by not needing a special permit for the use. Allowing three-families by special permit in the Single Family Residential IV District would enable this use in appropriate areas that already have many three-family homes that were constructed before the creation of zoning.

In establishing the new three-family use, Franklin should specify appropriate dimensional requirements for the use that are less restrictive than those for multifamily buildings but somewhat more restrictive than those for single- and two-family homes.

The following action items would need to occur in order to implement this zoning amendment:

Action Item	Lead on Action Item
1. As a part of a larger package of dimensional and use changes, draft a zoning amendment to define and regulate three-family uses in Franklin Center. This will involve	DPCD with consultant

Action Item	Lead on Action Item
updating the Use Regulations Schedule (Part VI); Schedule of Lot, Area, Frontage, Yard and Height Regulations; and Definitions (Section 185-3).	
2. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
3. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
4. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD

**Recommendation 6:** Allow new single-family uses by special permit instead of by-right in the Commercial I District in order to better incentivize higher densities.

Given the desire for higher density mixed-use and multifamily buildings in the Commercial I District, Franklin should consider allowing the least dense housing option—single-family homes—by special permit rather than by-right. This would put the district closer in line with Downtown Commercial District, which does not allow single-family by-right or by special permit. This would not impact existing single-family properties in the Commercial I District, but it would prevent the creation of new single-family homes or the conversion of a multi-unit structure to a single-family without zoning relief.

The following action items would need to occur in order to implement this zoning amendment:

Action Item	Lead on Action Item
1. As a part of a larger package of dimensional and use changes, draft a zoning amendment updating the Use Regulations Schedule (Part IV) to require a special permit for single-family uses in the Commercial District I.	DPCD with consultant
2. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
3. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
4. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD

**Recommendation 7: Create a new definition for “accessory dwelling units” (ADUs) and allow them by-right on single-family parcels in the General Residential V and Single-Family Residential IV Districts.**

Also commonly referred to as an “in-law apartment” or “granny flat,” an accessory dwelling unit (ADU) is a secondary dwelling unit on the same lot as a larger primary dwelling unit. The ADU may be attached to the existing home or detached in a small, separate building, such as a converted garage or a new building designed to match the built context. A typical ADU is between 250 and 1,200 square feet and has one or two bedrooms, and detached ADUs are usually required to be between six and ten feet from the primary dwelling unit.

ADUs provide a way to incrementally increase housing density in a way that is appropriate for existing neighborhoods. They can serve as a more affordable option than other new market-rate units, and they may help homeowners to stay in their homes because they are able to generate additional income by renting out the ADU. They are also a particularly good housing typology to meet the needs of seniors and people with disabilities who seek independence but still need support from family or other caregivers.

Franklin currently allows ADUs by-right in the GRV District and by special permit from the ZBA in the DC, CI, and SFVI Districts. However, there is no specific definition for ADUs, and they are referred to as a “two-family by conversion” in the use regulations. Without a clear definition and guidance for regulating ADUs, owners may be unaware that an ADU could be allowed on their property.

Allowing ADUs by-right in the SFVI District (in addition to the GRV District) would allow for subtle increases in density without impacting the character of single-family neighborhoods. New zoning regulations should specify the dimensional, parking, and design standards that landowners must adhere to in order to obtain a building permit to construct an ADU. These will ensure that ADUs are only built on properties where they can be appropriately accommodated.

In recent years, a number of communities in Massachusetts have passed zoning amendments to allow for and regulate accessory dwelling units. The municipalities include Lexington, Newton, Reading, Orleans, and Weymouth. While these towns have made it easier to construct ADUs, none have experienced a large influx of landowners seeking to utilize the zoning tool.

The following action items would need to occur in order to implement this zoning amendment:

Action Item	Lead on Action Item
1. Draft amendment to formally establish and regulate accessory dwelling units in Franklin. This will involve by creating a new section in Special Regulations (Article V) as	DPCD with consultant

Action Item	Lead on Action Item
well as updating the Use Regulations Schedule (Part VI) and Definitions (Section 185-3).	
2. Produce communication materials to educate the public about ADUs and their benefits.	DPCD with consultant
3. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
4. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
5. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD

**Recommendation 8:** Establish a shared-use parking policy for the Town-owned parking lots in Franklin Center and, if possible, negotiate with the owners of private lots to allow shared-use parking.

Concerns about a lack parking were voiced repeatedly during the visioning process, and they were mentioned as a reason why some oppose higher density residential uses in the downtown. At the same time, people want to prioritize walkability, and they indicated that they would be willing to walk a few minutes from their car to their destination. Establishing a formal shared-use parking policy can maximize the use of Town-owned lots, and potentially privately-owned lots as well (such as the parking lot that Rockland Trust owns), without adding more impervious pavement to Franklin Center.

Between the Library, Depot/Downtown, and Ferrara parking lots, there are about 130 spaces in the downtown that could be used for overnight residential parking through a shared-use parking program. With this program, spaces would remain prioritized for commuters and commercial uses during the day but could be used by residents during the evening hours when spaces are otherwise empty.

In reviewing project proposals for the downtown, the Planning Board could choose to allow developers to count a portion of spaces in the public lots towards their off-street parking requirement. Requests to utilize shared parking should be supplemented with supporting evidence from a traffic engineer that there will not be conflicts between the uses. Allowing shared-use parking by special permit is likely the most appropriate way for the Planning Board to retain its discretion. The Town of Franklin would want to establish an overnight residential parking permit to track the number of residents utilizing the lots at night and ensure that there is not more demand for spaces than there is supply.

Many municipalities in Greater Boston have established shared-use parking programs and policies, including Marlborough, Melrose, Norwell, and Stoneham. Some require special permits for shared-use parking while others allow it by-right for buildings adjacent to or within a certain distance of municipal lots.

The following action items would need to occur in order to implement a shared-use parking policy for Franklin Center:

Action Item	Lead on Action Item
1. Conduct outreach to business owners in Franklin Center to understand their parking needs.	DPCD and Franklin Downtown Partnership
2. Initiate discussions with owners of private parking lots to understand their openness to shared-use parking. Inquire about the compensation and concessions that they would need in order to consider participating.	DPCD and Franklin Downtown Partnership
3. Draft amendment to formally establish and regulate shared-use parking in Franklin. This will involve updating the parking, loading and driveway requirements (Section 185-21) to include a description of shared-use parking and the specifics of the special permit.	DPCD with consultant
4. Present draft zoning amendment at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
5. Hold Planning Board public hearing(s) and vote to adopt the zoning amendment.	Planning Board with support from DPCD
6. Hold Town Council public hearing(s) and vote to adopt the zoning amendment.	Town Council with support from DPCD
7. Set up shared-use parking permit system, including the annual fee, hours of use, and other requirements of the permit system.	Town Clerk and Collector with support from DPCD

### **Recommendation 9:** Establish a façade improvement program for small-business and property owners in the downtown.

Stakeholders during the visioning process mentioned that many buildings in the downtown need “sprucing up,” and this contributes to a perception of unsafety (even if the area is actually safe). Creating a program to provide loan or grant funding to small-businesses and property owners could provide an incentive for owners of existing buildings to make façade improvements like new signage, awnings, painting, lighting, and more. To fund this program,

Franklin could use payments from the 40R Smart Growth District or from in-lieu fees generated through inclusionary zoning.

A façade improvement program should be supplemented by design guidelines to ensure that upgrades match the desired aesthetic for Franklin Center. These can be the same design guidelines as those associated with the proposed 40R Smart Growth District, or they can exist as their own document.

The following action items would need to occur in order to implement a façade improvement program for Franklin Center:

Action Item	Lead on Action Item
1. Confirm a dedicated funding source for the façade improvement program. Establishing this program will rely on the implementation of a 40R District or an incentive zoning policy with an in-lieu option unless another source of funding is identified.	See Recommendations 1 and 2
2. Draft policy, with design guidelines, creating a façade improvement program for Franklin Center.	DPCD and Franklin Downtown Partnership
3. Present draft policy at a Franklin For All Steering Committee for review.	DPCD and Franklin For All Steering Committee
4. Hold Town Council public hearing(s) and vote to adopt the policy.	Town Council with support from DPCD
5. Establish account to hold funds designated for the façade improvement program.	Treasurer
6. Create application form for façade improvement program and promote program to local property owners.	DPCD and Franklin Downtown Partnership

**Recommendation 10:** Consider applying for Municipal Vacant Storefront District designation from the state to assist small business owners with moving into vacant storefronts.

During this process, many noted the challenge with vacant storefronts in the downtown. In part, this is due to high rental costs that make commercial spaces unaffordable, especially to small-business owners. Providing financial assistance to small-business owners could help incentivize desired commercial uses in Franklin Center. Filing these vacancies is important for downtown vibrancy and local economic development.

The Massachusetts Vacant Storefronts Program (MVSP) was created in 2018 to encourage new occupancy of vacant storefronts. Municipalities may apply to the Economic Assistance Coordinating Council (EACC) for certification to designate a downtown area as a Certified Vacant Storefront District. After achieving such a designation, businesses or individuals can work with the municipal designee to apply to the EACC for refundable Economic Development Incentive Program tax credits of up to \$10,000 for leasing and occupying a vacant storefront in that district. Municipalities must provide a source of matching funds. Community Preservation Act (CPA) funding may be a good option for this local match.

Applications are competitive and are considered factors such as: “the potential synergy with other downtown businesses; commitment to storefront improvements; whether the municipality has made local plans or investments to revitalize the downtown; the amount of matching funds provided by the municipality to the business applicant.”

Since the program’s inception, sixteen communities in Massachusetts have areas designated as Certified Vacant Storefront Districts, including Attleboro, Clinton, Gloucester, Greenfield, and Westborough.

The following action items would need to occur in order to establish a Municipal Vacant Storefront District:

Action Item	Lead on Action Item
1. Conduct outreach to small business owners to understand if they would benefit from and utilize the tax credits offered by the Massachusetts Vacant Storefronts Program if Franklin had a designated district.	DPCD and Franklin Downtown Partnership
2. Identify and secure a source of matching funds, such as the Community Preservation Act.	DPCD and Community Preservation Committee
3. If there is interest among small business owners, submit municipal application for Certification of a Vacant Storefront District.	DPCD
4. Recruit businesses for vacant storefronts and assist with their application to the EACC for refundable tax credits. Up to two businesses in a municipality may receive assistance each year.	DPCD
5. If one or more businesses receive tax credit awards, submit an annual report to the Massachusetts Office of Business Development (MOBD).	DPCD

**Recommendation 11: Utilize Tax Increment Financing (TIF) for new businesses and development that provide outstanding community benefits, prioritizing projects in the Smart Growth Overlay District.**

Tax-Increment Financing (TIF) utilizes tax increments, the difference between the current assessed value of a property and the assessed value over time as improvements to the district take place. The Assessor calculates the tax on the added value of the new construction and rehabilitation. With TIF, the Town would grant property tax exemptions to landowners of up to 100% of the tax increment for a fixed period of time. This provides up-front benefits to developers in the form of tax relief that can help pay for construction costs. In accordance with MGL Chapter 40, Section 59, a municipality can enter into a TIF agreement with a landowner for up to 20 years.

It is important to note that TIF provides property tax exemptions *only* on the tax increment that comes from new investments. As such, the Town does not lose revenue as a result of negotiating TIF agreements because it can still collect taxes on the pre-investment property value. After the tax-reduction period, Franklin would receive payments based on the full assessed value of the property.

Massachusetts provides two main avenues for municipalities to establish state-authorized TIF programs. The Economic Development Incentive Program (EDIP) is for commercial properties and is tied to job creation and investment while the Urban Center Housing Tax Increment Financing (UCH-TIF) Program promotes the revitalization of commercial areas through housing development. The UCH-TIF Program has a requirement that 25% of the housing assisted by the exemption will be deed-restricted Affordable Housing for either 40 years or the useful life of the housing, whichever is longer. For use of either program, Franklin would need to create a TIF Plan for the designated area that's adopted by the Town Council and submitted to the appropriate state agency for approval.

Given the Town's reliance on property taxes to fund the local budget, TIF should be utilized in special circumstances where a new business or development project would bring great community benefits to Franklin Center. In these cases, the benefits of the investment should outweigh any foregone tax revenue. This could be for a culturally-stimulating commercial use such as a brewery, food market, or movie theater. It could also be used for a development with substantial public open space, Affordable Housing units, or LEED certification. Franklin has utilized TIF four times in the past within the Town's industrial Economic Opportunity Areas.

The following action items would need to occur in order to utilize TIF in Franklin Center:



Action Item	Lead on Action Item
1. Conduct outreach to existing and prospective landowners in Franklin Center to understand their interest in utilizing TIF for major property improvements.	DPCD, Town Manager, Franklin For All Steering Committee
2. If landowners are interested in moving forward with a TIF agreement, draft a TIF Plan for the designated TIF Zone. At a minimum, this will need to include plans for proposed public and private development projects in the zone and executed agreements with property owners who would be receiving tax increment exemptions.	DPCD, Town Manager, Franklin For All Steering Committee
3. Hold Town Council public hearing(s) and vote to adopt the TIF Plan.	Town Council with support from DPCD
4. Submit locally-adopted TIF Plan to either Economic Assistance Coordinating Council or the Department of Housing and Community Development, depending on the TIF type, for state approval.	DPCD