

Mayor and Council Communication

DATE: 02/13/24

M&C FILE NUMBER: M&C 24-0114

LOG NAME: 19MERIDIAN4%HTCRESOLUTION

SUBJECT

(CD 2) Conduct a Public Hearing on the Application by 4450 Marine Creek Parkway (TX) Owner LP to the Texas Department of Housing and Community Affairs for Non-Competitive (4%) Housing Tax Credits for the Acquisition and Rehabilitation of The Meridian, a Proposed Tax-Exempt Development, Located at 4450 Marine Creek Pkwy., Fort Worth, Texas 76106, Adopt a Resolution of No Objection to the Application, Make Related Determinations, Approve Commitment of Development Funding in an Amount of No Less Than \$500.00 and No More Than \$30,000.00, Find that the Fee Waivers Serve a Public Purpose, and Adequate Controls are in Place to Carry Out Such Public Purpose and Determine that Development of The Meridian is Consistent with the City's Obligation to Affirmatively Further Fair Housing

(PUBLIC HEARING - a. Report of City Staff: Leah Brown; b. Citizen Presentations; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing to allow citizen comment on the application of 4450 Marine Creek Parkway (TX) Owner LP to the Texas Department of Housing and Community Affairs for 2024 Non-Competitive (4%) Housing Tax Credits for the acquisition and rehabilitation of The Meridian, a multifamily affordable rental housing development, located at 4450 Marine Creek Parkway, Fort Worth, Texas 76106;
2. Adopt the attached Resolution of No Objection;
3. Acknowledge that the development is located in a census tract that has more than 20 percent Housing Tax Credits per total households, and authorize this development to move forward with its application for housing tax credits;
4. Approve fee waivers in an amount of no less than \$500.00 and no more than \$30,000.00 as the City's commitment of development funding;
5. Find that the fee waivers serve the public purpose of providing quality, accessible, affordable housing for low-to moderate-income households in accordance with the City's Comprehensive Plan and Annual Action Plan, and find that adequate controls are in place through the Neighborhood Services Department to carry out such public purpose; and
6. Determine that development of The Meridian as proposed is consistent with the City's obligation to affirmatively further fair housing.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions in accordance with state law and City policy regarding an application for housing tax credits for the acquisition and rehabilitation of an affordable housing development.

4450 Marine Creek Parkway (TX) Owner LP (Developer) has advised the City that it intends to apply to the Texas Department of Housing and Community Affairs (TDHCA) for 2024 Non-Competitive (4%) Housing Tax Credits (HTC) for the acquisition and rehabilitation of The Meridian, a multifamily affordable rental housing development. The Developer has requested a Resolution of No Objection from the City Council. TDHCA will not award 4% Housing Tax Credits to an applicant unless they provide a Resolution of No Objection from the governing body of the jurisdiction in which the development is sited. State law requires that the governing body conduct a public hearing for citizens to provide comment on the proposed development – regardless of whether the governing body intends to issue a resolution.

The Meridian will consist of approximately 280 units. All 280 units are reserved for households earning 60 percent or less of Area Median Income (AMI). The development will consist of one-, two- and three-bedroom units. Currently, the development is 96% occupied. Housing tax credits will be used to preserve and reinvest new capital into the existing Meridian Townhomes to keep them affordable for an additional 30 years. Upgrades made to each will include an appliance package, new countertops, new cabinets, new lights, HVAC improvements, and interior furniture, fixtures, and equipment. Community improvements will include upgrades to the clubhouse, exterior LED lighting, improved signage, and parking lot and swimming pool improvements. Amenities available to residents include a community room, pool and fitness center, playground, basketball court, and after-school tutoring. The development site is located near retail, groceries, parks, and has nearby access to Northwest Loop 820 that connects to the greater Dallas-Fort Worth area.

4450 Marine Creek Parkway (TX) Owner LP is an affiliate of April Housing, which has developed over 550 affordable and mixed-income multifamily HTC properties throughout the United States. The Developer plans for the development to be tax-exempt by potentially partnering with a Public Finance Corporation or Public Housing Authority.

On November 14, 2023, City Council adopted an updated housing tax credit policy (M&C 23-0946) that outlines the requirements for an applicant to receive a Resolution of No Objection for a 4% HTC development. The policy requires that the councilmember who represents the district in which the development will be located be notified as well as the superintendent of the school district in which the development is sited and any registered neighborhood or homeowner's association(s) with boundaries that are within one-half mile of the proposed development. In addition, at least one public meeting must be held for the affected registered neighborhood association(s) (NA), if any, prior to submission of a resolution application. 4450 Marine Creek Parkway (TX) Owner LP notified Councilmember Carlos Flores (CD 2), and Lake Worth superintendent, Dr. Rose Mary Neshyba. The Developer held a Zoom meeting with the Terrace Landing Home Owners Association and the Far Greater Northside Historical NA.

Limitations on Developments with Certain Neighborhood Risk Factors:

TDHCA rules state that if a proposed development will be located in a census tract with more than 20 percent HTC units per total households as established by the five-year American Community Survey, it will be ineligible for HTC unless the governing body of the jurisdiction votes to specifically allow it and also submits a resolution to TDHCA stating that the proposed development is consistent with the jurisdiction's federal obligation to affirmatively further fair housing.

The Meridian is located in a census tract in which more than 20 percent of the total households are HTC units. Staff recommends that City Council vote to specifically allow this development and approve the additional determination, in the attached resolution, that it is consistent with the City's obligation to affirmatively further fair housing.

Commitment of Development Funding:

Per the City's 2024 Housing Tax Credit Policy, any 4% HTC development receiving a resolution of no objection will also receive a waiver of development fees for a value of no less than \$500.00 and no more than \$30,000.00. Staff requests that City Council approve commitments of development funding in the form of fee waivers for The Meridian for an amount up to \$30,000.00. The fee waiver amount may be applied to (a) all building permit related fees; (b) plat application fees; (c) Board of Adjustment application fee; (d) demolition application fee; (e) structural moving application fee; (f) Community Facilities Agreement (CFA) application fee; (g) Zoning application fee; (h) street and utility easement vacation application fee; (i) ordinance inspection fee; (j) consent/encroachment agreement application fee; (k) urban forestry application fee; and (l) sign permit fees.

Fee waivers will be conditioned upon the development receiving an award of 2024 HTC from TDHCA. The City's Neighborhood Services Department will be responsible for verifying that the public purpose for the fee waivers is carried out.

The affordability requirements for the development will be ensured through various contracts and documents from TDHCA that will require the maintenance of affordability for an additional thirty years. Depending on the lender chosen for this development, additional affordability requirements may also apply. Approval of this M&C also represents Council's finding that the TDHCA's affordability requirements and documents are sufficient to ensure the public purpose of housing affordability is carried out.

Following the close of the public hearing, Staff requests that the City Council consider the attached Resolution of No Objection, including all related acknowledgements included therein, to support the application for 2024 Non-Competitive (4%) Housing Tax Credits for the proposed rehabilitation of The Meridian. Rehabilitating this development as a quality and affordable housing option will assist the City in fulfilling its goals under its Consolidated Plan and Comprehensive Plan, and in fulfilling its obligation to Affirmatively Further Fair Housing by providing quality, accessible, affordable housing for low- to moderate-income residents and supporting economic development and revitalization.

This development is located in COUNCIL DISTRICT 2.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of the above recommendations will have no material effect on the Fiscal Year 2024 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years.

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Expedited