

Mayor and Council Communication

DATE: 08/12/25

M&C FILE NUMBER: M&C 25-0679

LOG NAME: 19PRINCE HALL GARDENS REQUEST FOR 50% TAX EXEMPTION

SUBJECT

(CD 8) Deny the Request by Prince Hall Gardens Associates, LP to the City of Fort Worth for a 50% Property Tax Exemption Pursuant to Section 11.1825 of the Texas Tax Code for a Housing Development Known as Gardens at Cobb Park, Located at 1800 E Robert Street, Fort Worth, TX 76104; and Determine the City Cannot Afford the Loss of Ad Valorem Tax Revenue that Would Result from Approving the Exemption

RECOMMENDATION:

It is recommended that the City Council:

1. Deny the request by Prince Hall Gardens Associates, LP to the City of Fort Worth for a 50% property tax exemption pursuant to Section 11.1825 of the Texas Tax Code for a housing development known as Gardens at Cobb Park, located at 1800 E Robert Street, Fort Worth, TX 76104; and
2. Determine the City cannot afford the loss of ad valorem tax revenue that would result from approving the exemption.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take action in accordance with Texas Tax Code 11.825(x) regarding a written request for a 50% property tax exemption pursuant to Section 11.1825 of the Texas Tax Code for a housing development known as Gardens at Cobb Park, located at 1800 E Robert Street, Fort Worth, TX 76104 ("Development"). Tarrant County has a population of at least 2.1 million which means certain organizations constructing or rehabilitating low-income housing may request an exemption from taxation pursuant to Section 11.1825(w) of the Texas Tax Code. To receive an exemption from taxation under Texas Property Tax Code Section 11.1825, the requesting organization must submit a written request for the approval from the governing body of each impacted taxing unit. The City, as an impacted taxing unit, is required to take action pursuant to 11.1825(x) after receiving a written request for such exemption.

Prince Hall Gardens Associates LP ("Property Owner") submitted an application for a property tax exemption ("Application"), using Texas Comptroller Form 50-310, to Tarrant Appraisal District. Per the Application, Owner's mailing address is in Port Arthur, Texas. Property Owner is associated with Nautical Affordable Housing, Inc., a community housing development corporation located in Orange, Texas. The Application reflects that rehabilitation of Gardens at Cobb Park was completed in November 2012. The Development consists of 100 units and is leased to individuals or families earning at or below 60% of the Area Median Income (AMI) for the Fort Worth-Arlington region as established by the U.S. Department of Housing and Urban Development. The Development consists of 5-Units at 30% AMI, 45-Units at 50% AMI and 50-Units at 60% AMI. The property has a taxable value of approximately \$4,000,000.00, and the City tax bill would be \$27,000.00 annually. Approval of this application would result in an annual loss of \$13,500.00 in ad valorem tax revenue.

During the March 13, 2025 City Council Work Session, the Fort Worth Lab forecast 10% more value lost in property tax revenue for April-July FY2025 than in FY2024. With the projected deficit of \$15,205,010.00 for FY2026, it is likely the City will have to either raise the existing tax rate or reduce existing services to balance the budget.

Staff requests that City Council determine the City cannot afford the loss of ad valorem tax revenue that would result from approving the requested exemption and deny the request on such basis.

This development is located in COUNCIL DISTRICT 8.

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 this recommendation will have no material effect on City funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

Originating Business Unit Head: Kacey Bess 8187

Additional Information Contact: Chad LaRoque 2661

