

Mayor and Council Communication

DATE: 02/14/23

M&C FILE NUMBER: M&C 23-0137

LOG NAME: 192023_9%HTCRESOLUTIONS

SUBJECT

(CD 5 and CD 8 / Future CD 5, CD 8, and CD 11) Consider and Adopt Resolutions of Support for 2023 Competitive (9%) Housing Tax Credit Applications, Approve Commitments of Development Funding in the Form of Fee Waivers in the approximate amount of \$75,964.00 for Specified Developments, Acknowledge the One-Mile Three Year Rule and Make Related Determinations, and Find that the Fee Waivers Serve a Public Purpose and that Adequate Controls are In Place

RECOMMENDATION:

1. Acknowledge the receipt of requests for City support for applications to the Texas Department of Housing and Community Affairs for 2023 Competitive (9%) Housing Tax Credits from various developers;
 2. Consider and adopt the attached Resolutions of Support for 2023 applications for Competitive (9%) Housing Tax Credits for the multifamily housing developments listed below, to be located at various sites throughout the City;
 3. Approve fee waivers in the approximate amount of \$75,964.00 as the City's commitment of development funding for each of the developments that receive a Resolution of Support;
 4. Find that the fee waivers for these developments 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;
 5. Acknowledge that Avenue at Lancaster and Babers Manor are each located one linear mile or less from developments that serve the same target populations and which previously received an allocation of Housing Tax Credits for new construction; and
 6. Acknowledge that the Lofts at Redwood is located in a census tract that has more than 20 percent Housing Tax Credits units per total households, and authorize this development to move forward with its application for tax credits.
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DISCUSSION:

On November 8, 2022, the City Council adopted a policy for City support of applications to the Texas Department of Housing and Community Affairs (TDHCA) for Noncompetitive (4%) and Competitive (9%) Housing Tax Credits and for City commitments of development funding (Mayor and Council Communication (M&C) 22-0924). This year the City received ten applications from developers requesting Resolutions of Support for proposed 9% tax credit developments in Fort Worth. Six of the applications met the policy requirements and are recommended to receive resolutions of support through this M&C. Two applications (7340 Kingswood Living and Reserve at Basswood) will be considered for resolutions at the City Council meeting to be held on February 28, 2023. Developers for 900 Bridgewood Living and Timberland Heights withdrew their applications.

Resolutions of Support:

Staff requests that the City Council consider and adopt Resolutions of Support for the following developments as they have met the unit set-aside criteria and notification requirements outlined in the City's policy. Additionally, all of these developments are located in designated revitalization areas as defined by the City's 2023 Housing Tax Credit Policy.

Avenue at Lancaster to be developed by CSH Avenue at Lancaster, Ltd., an affiliate of Brompton Community Housing Development Corporation, to be located at 5733 Craig St., Fort Worth, 76112 (CD 5 / Future CD 11). The site for the proposed development is zoned B-Two-Family, proposed to be changed to PD-Planned Development. The proposed development will not be tax exempt.

Babers Manor to be developed by FW Babers Manor, LP, an affiliate of Fort Worth Housing Solutions, to be located at 4400, 4408, 4416, and 4424 Ramey Avenue, Fort Worth, TX 76105 (CD 5 / Future CD 5). The site for the proposed development is zoned PD-Planned Development. The proposed development will be tax-exempt because Fort Worth Housing Solutions is a quasi- public agency with tax-exempt status.

Bell Station Apartments to be developed by AMTEX Bell Station Fund LP, an affiliate of AMTEX Development, LLC, to be located at 3300 Raider Ave, Euless, TX 76040 (CD 5 / Future CD 5). The site for the proposed development is zoned AG-Agricultural, proposed to be changed to C-Medium Density Multifamily. The proposed development will be tax-exempt because of a partnership with Fort Worth Housing Solutions, a quasi-public agency with tax-exempt status.

Lofts at Redwood to be developed by CSH Lofts at Redwood, Ltd., an affiliate of Brompton Community Housing Development Corporation, to be located at 5008 Collett Little Rd., Fort Worth, 76119 (CD 5 / Future CD 11). The site for the proposed development is zoned E-Neighborhood Commercial, proposed to be changed to UR-Urban Residential. The proposed development will not be tax exempt.

The Heights at Crowley to be developed by TX Crowley 2023, Ltd., an affiliate of Generation Housing Partners, LLC, to be located at 7500 Crowley Rd., Fort Worth, 76134 (CD 8 / Future CD 8). The site for the proposed development is zoned FR-General Commercial Restricted, proposed to be changed to PD-Planned Development. The proposed development will not be tax exempt.

The Reserves at Cottonwood Creek to be developed by OPG Cottonwood Creek Partners, LLC, an affiliate of Overland Property Group, LLC, to be located at 7808 Brentwood Stair Rd, Fort Worth, 76112 (CD 5 / Future CD 5). The site for the proposed development is zoned A-7.5-One-Family, proposed to be changed to C-Medium Density Multifamily. The proposed development will not be tax exempt.

Commitment of Development Funding:

Per the City’s 2023 HTC Policy, any development receiving a resolution of support will also receive a waiver of development fees for a value of no less than \$500.00. This commitment of development funding qualifies tax credit applicants for an additional point and increases the competitiveness of their applications to TDHCA. Staff requests that City Council approve commitments of development funding in the form of fee waivers for each development that is recommended for a Resolution of Support. Three of the developments, Lofts at Redwood, Avenue at Lancaster, and Babers Manor are located in a Neighborhood Empowerment Zone (NEZ). Accordingly, development fees for those three projects will be waived pursuant to the NEZ Policy, with such waiver being in an amount of no less than \$500.00. For all other developments, the approximate amount of the fee waivers is \$75,964.00 as outlined below. The fee waiver amount may be applied to (a) all building permit related fees (including Plan Reviews, Inspections and Re- inspection Fees); (b) Plat/Replat Application Fees; (c) Board of Adjustment Application Fees; (d) Demolition Fees; (e) Structural Moving Fees; (f) Zoning Fees; (g) Street/Alley and Utility Easement Vacation Application Fees; (h) Ordinance Inspection Fees; (i) Consent/Encroachment Agreement Application Fees; (j) Urban Forestry Application Fees; (k) Sign Permit Fees; (l) Community Facilities Agreement (CFA) Application Fees; and (m) Floodplain Development Fees.

Fee waivers will be conditioned upon the development receiving an award of 2023 housing tax credits 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 amounts listed are estimated fees, but this M&C authorizes the waiver of the actual amount of any listed fees once such fees are determined. In the event any of these fees were previously paid, approval of this M&C authorizes City staff to refund such payments.

Fees	Bell Station Apartments	The Heights at Crowley	The Reserves at Cottonwood Creek
All Building Permit Related Fees	\$17,092.00	\$15,608.00	\$20,073.00
Plat Application Fee	\$ 635.00	\$ 625.00	\$ 575.00
Demolition Fee (Commercial Razing Permit Fee)	\$0.00	\$0.00	\$0.00
Community Facilities Agreement (CFA) Application Fee	\$0.00	\$2,230.00	\$2,230.00
Zoning Application Fee	\$2,700.00	\$2,700.00	\$2,700.00
Urban Forestry Fee	\$250.00	\$294.00	\$252.00
Sign Permit Fee	\$0.00	\$0.00	\$0.00
Floodplain Development Fee	\$4,000.00	\$0.00	\$4,000.00
Estimated Development Fees Total*	\$24,677.00	\$21,457.00	\$29,830.00

*Per the 2023 HTC Policy, developments awarded a Resolution of Support for may be eligible for waivers of Transportation Impact and Water and Wastewater Impact fees. Developers must work with the respective departments to determine the eligibility and amount of those waivers, if any.

Limitations on Developments With Certain Neighborhood Risk Factors:

More than 20% HTC Units per Total Households

TDHCA rules state that if a proposed development will be located in a census tract with more than 20 percent Housing Tax Credit units per total

households as established by the five-year American Community Survey, it will be ineligible for tax credits 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 Lofts at Redwood will be located in a census tract in which more than 20 percent of the total households are Housing Tax Credit units. Staff recommends that City Council vote to specifically allow this development and approve the additional determination in the attached Resolution of Support that it is consistent with the City's obligation to affirmatively further fair housing.

One-Mile Three Year Rule

Avenue at Lancaster and Babers Manor are each located one linear mile or less from developments that serve the same target populations and which previously received an allocation of Housing Tax Credits for new construction. The governing body of the municipality where the proposed development is to be located must specifically vote to allow the construction of a new development that is within one linear mile or less from a development that serves the same target population.

Other Considerations:

All of the proposed developments recommended for a resolution are subject to all applicable City laws, ordinances, policies and procedures including those pertaining to zoning changes and annexation. Council member support for purposes of approving these Resolutions does not constitute approval of any required zoning change or annexation.

The proposed developments are located in COUNCIL DISTRICTS 5 and 8 / Future COUNCIL DISTRICTS 5, 8, and 11.

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 these recommendations will have no material effect on City funds.

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