

City of Fort Worth

2026 Housing Tax Credit Policy



Background

Federal Involvement

In 1986, the federal government recognized the increasing need for housing to serve lower income individuals and families and so created housing tax credits (HTC) to incentivize the development of affordable housing through the private market. These tax credits are sold at a discount to offset the purchaser's federal income taxes owed. The capital generated from the sale of the credits reduces the developer's overhead, allowing the developer to offer reduced rents. Since the cost to develop a market rate or affordable housing unit is the same, this program leverages public funds with private investment to address the affordable housing crisis.

State and Local Involvement

The federal government delegated authority to issue HTC to the states. In Texas, it is the Texas Department of Housing and Community Affairs (TDHCA) that annually awards Competitive (9%) and Noncompetitive (4%) Housing Tax Credits (9% HTCs and 4% HTCs, respectively) to housing developers for the creation or renovation of eligible affordable housing developments. Each year, TDHCA implements a Qualified Allocation Plan (QAP) that outlines the scoring criteria for 9% HTC applications and the eligibility requirements for 4% HTC applications. In addition, the QAP describes the critical role that local counties and municipalities have in the award process.

9% Housing Tax Credit Program

The award of 9% HTC is a highly competitive process where the difference between an awarded project and a non-awarded project could be a single point. A portion of the points available under the QAP is tied to a municipality's actions as shown below.

9% HTC Program Scoring Criteria	Points
Resolution from Governing Body (City Council):	
Resolution of Support	17
Resolution of No Objection	14
Commitment of Development Funding	1
Total Possible City-related Points	18

Resolution

An application is not eligible for more than one resolution. Granting a resolution, whether of Support or No Objection, does not eliminate the need to separately apply for any required zoning change or requested financial support (from the City or Fort Worth Housing Finance Corporation (FWHFC)), nor does having a resolution mean that zoning changes or other project-related requests will be given preferential treatment. Granting a resolution only communicates to TDHCA that the City Council is aware of the request for housing tax credits and generally supports the submission of the HTC application to TDHCA. The actual award of HTC is at the discretion of TDHCA. The award of City funds and approval of zoning changes are separate City Council actions.

Development Funding

In order to award an application, the commitment of development funding point, TDHCA requires a letter from a City official committing to providing development funding in the form of a loan, a grant, reduced fees or contribution of other value for the benefit of the development. The City may provide funding by committing to the waiver of certain development-related fees. Once this letter is submitted to TDHCA, it cannot be withdrawn.

4% Housing Tax Credit Program

TDHCA awards 4% HTC to eligible applicants as a source of equity financing for the development of affordable housing. To be eligible for a 4% HTC award, the project must include tax-exempt bonds as part of its funding, with the bonds financing at least half of the cost of the project.

Resolution

Unlike the competitive 9% HTC program, TDHCA's approval of a 4% HTC application is tied to compliance with a set checklist rather than the scoring of an application. A required element of that checklist is the need for a Resolution of No Objection, which the City has discretion to either grant or deny. Regardless of whether the City is supportive of a 4% HTC development, state law requires that the City hold a public hearing on the 4% HTC application to gather community input.

Development Funding

The 4% HTC program does not require a commitment of development funding for the application to be considered complete.

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Purpose

The purpose of this policy is to provide criteria that will govern whether the City will provide a resolution of support or no objection to developments that will help the City to:

1. Increase the supply of quality affordable accessible housing;
2. Revitalize neighborhoods;
3. Create mixed-income communities; and
4. Better align housing choice options with multimodal transportation opportunities.

The policy is designed to be as objective as possible in order to avoid claims that subjective decisions are being made on a discriminatory basis. Each year, the policy is revised to adjust to changes made to the QAP and to incorporate local housing policies and strategies as needed.

Requirements for 9% and 4% HTC Applications

A developer must take the following actions to be considered for a resolution.

Application

1. Submit a complete application to the City with all required supporting documentation.

Notifications

2. Notify in writing the Councilmember for the district where the proposed development will be located at least **30** days prior to submission of an application to the City for a resolution.
3. Notify in writing the Superintendent of the school district that serves the proposed development at least **30** days prior to submission of an application to the City for a resolution.
4. Notify in writing City staff in the Neighborhood Services Department at least **30** days prior to submission of an application to the City for a resolution.
5. Following notification to the Neighborhood Services Department (NSD), NSD staff will coordinate with the Community Engagement Office (CEO) to introduce the developer and development to any neighborhood and/or homeowner associations with boundaries that are within ½-mile of the proposed development site.*
 - a. The introduction by CEO staff will be done within 2 weeks of notification to NSD staff so that the developer may schedule an information session(s).
 - b. If no neighborhood or homeowner association boundary is within 1/2-mile of the development, no information session will be required. In either case, the developer will receive an email and map from CEO staff. Regardless, the developer is strongly encouraged to reach out to the surrounding community if no neighborhood or homeowner associations are identified.
 - c. Coordination with the appropriate councilmember's office is recommended.
6. Conduct a minimum of one information session with all the neighborhood and/or homeowner associations, if any are identified as described above.*
 - a. Each applicable neighborhood or homeowner association must be notified of the information session(s) at least 7 days in advance of each meeting and such notice must include the time, date, and location of the meeting, as well as information about the proposed development.

- b. An information session is a publicly held meeting, scheduled by the applicant. It can be held at a regularly scheduled neighborhood or homeowner association meeting. The information session may also be held as a standalone event at a nearby location open to all applicable associations.
- c. Information sessions may be held in a virtual format and should be recorded to demonstrate proof if requested by NSD staff. For in-person meetings a sign-in sheet is sufficient proof, though this meeting may be recorded as well. If staff deems necessary, additional information sessions may be required.

**Developers who apply for tax credits to acquire and rehabilitate ('resyndicate') an existing housing tax credit property shall be exempt from #5 and #6 but may choose to complete these activities if desired by the Developer.*

Acceptable proof of written notification includes return receipt from certified mail, written response from the recipient, or electronic delivery receipt. Notifications to the various entities must include:

- the name of the developer and primary contact information for the developer,
- name and address of the proposed development, and
- a brief description of the development to include the target population(s) to be served, and approximate number and type(s) of units.

Tax Exemption

7. For developments that are proposed to be completely or partially tax-exempt, the developer must provide the City
 - a. the source of the tax-exemption,
 - b. the estimated aggregate value of the tax-exemption for the 15-year period following construction, and
 - c. all other information requested in the City's application.

Additional Requirements for 9% HTC Applications

1. Applications must be submitted by **January 5, 2026**.
2. All required information sessions, if applicable, must be held by **January 30, 2026**. City staff will reach out to collect documentation the information session took place and file it with the application.

Resolution of Support

A development will be considered for a Resolution of Support under the 9% HTC program if the development meets the following two requirements:

1. At least ten percent of the total units in the development will be set aside for households earning at or below 30% of Area Median Income (30% AMI tenants). Developers are responsible for securing contracts and resources for rental assistance and supportive services for the 30% AMI tenants;

AND

2. Development is located in at least one of the designated revitalization areas listed below:

- a. The applicant demonstrates that the development is eligible for opportunity index points by virtue of being located entirely within a high opportunity area as defined under TDHCA criteria in the 2026 QAP Section 11.9(c)(5)(A); OR
- b. The development is located entirely within one of the following City-designated revitalization areas: a Neighborhood Empowerment Zone (NEZ), a community or regional mixed-use growth center as defined in the City's Comprehensive Plan, a Tax Increment Financing District (TIF) or Urban Village, a Neighborhood Improvement Program area; OR
- c. The development is located entirely within the federally designated Choice Neighborhoods Implementation (CNI) Grant area.

Resolution of No Objection

City Council may consider granting a Resolution of No Objection to a development applying for 9% HTC if the development does not meet one of the Subsection 2 requirements needed to be eligible to receive a Resolution of Support.

Additional Requirements for 4% HTC Applications

There are no additional requirements for the consideration of a Resolution of No Objection under the 4% HTC program.

Additional Letters

If a hold harmless zoning letter will be needed for the application to TDHCA, the applicant must first apply for a resolution to the City and indicate that such a letter is also requested. The application is responsible for contacting the Development Services Department directly to request this letter. Requests made for any other letters after the submission deadline will not be honored.

Commitment of Development Funding – City Fee Waivers (Applies to 9% and 4% HTC Applications)

For any development awarded a Resolution of Support (for 9% HTC applications) or No Objection (for 4% HTC applications), City Council will commit to waiving the following development fees for a value of no less than \$500.00 and no more than \$30,000.00. If an applicant is applying for a resolution on behalf of a development that is or will be located within a Neighborhood Empowerment Zone (NEZ), the applicant must apply for fee waivers through the NEZ application process.

- All Building permit related fees
- Plat application fee
- Board of Adjustment application fee
- Demolition application fee
- Structural moving application fee
- Community Facility Agreement (CFA) application fee
- Zoning application fee
- Street and utility easement vacation application fee
- Ordinance Inspection fee
- Consent/Encroachment Agreement Application fee
- Urban Forestry application fee

- Sign Permit fees

The waiver of Water and Wastewater Impact fees is not permissible by City Ordinance. During the 88th Texas Legislative Session, passed House Bill (HB) 1526 passed, allowing for a partial waiver of Parkland Dedication Fees based on the number of affordable housing units included in the development. Developers must work directly with the Park and Recreation Department (PARC) to determine eligibility and the potential amount of the waiver.

City and/or Fort Worth Housing Finance Corporation Financial Support

In the event funds become available, the City and/or FWHFC may issue a Notice of Funding Availability (NOFA) to competitively award the funds. Funding awards will be issued in the form of a low-interest loan and may be subject to repayment.

Partnerships with the Fort Worth Housing Finance Corporation (FWHFC) will be evaluated separately with City staff under the FWHFC's Lending and Partnership Policy. The public benefit of the development must outweigh potential foregone taxes to the taxing entities to qualify for an ad valorem tax exemption by way of a FWHFC partnership interest.