

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING THE FORT WORTH COMMUNITY LAND TRUST AS A COMMUNITY LAND TRUST TO OPERATE WITHIN THE CITY PURSUANT TO SECTION 373B.002 OF THE TEXAS LOCAL GOVERNMENT CODE AND ADOPTING AN EXEMPTION TO TAXATION PURSUANT TO SECTION 11.1827 OF THE TEXAS TAX CODE

WHEREAS, the City Council of the City of Fort Worth (“**City**”) has adopted development and revitalization of the City’s neighborhoods and affordable housing stock as a strategic goal, and City residents and the City Council have determined that quality accessible affordable housing is needed for moderate, low and very low-income City residents;

WHEREAS, the City Council created the Fort Worth Housing Finance Corporation (the “**Corporation**”) in 1979 pursuant to the Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code, to facilitate neighborhood revitalization and housing initiatives in the City, including but not limited to issuing tax exempt bonds; developing, rehabilitating and promoting housing; and assisting low to moderate income City residents in acquiring quality, accessible, affordable housing through lending and construction activities;

WHEREAS, Community Land Trusts (“**CLT**”) are being formed across the country and make it possible for limited-income households to own homes on land that is leased from the CLT through long-term (typically 99-year), renewable ground leases;

WHEREAS, the Fort Worth Community Land Trust (“**FWCLT**”) was incorporated in 2023 as the first CLT in the City with a mission of ensuring permanent stewardship of land for community benefit and the perpetual preservation of affordable homes located on that land;

WHEREAS, the City and Corporation worked closely with the FWCLT to ensure the success of forming the City’s first CLT;

WHEREAS, the Corporation contributed \$3,700,000 in the form of a forgivable loan toward acquisition costs for the FWCLT’s initial purchase of real property and improvements from Southwestern Baptist Theological Seminary (the “**Seminary Property**”);

WHEREAS, the real property and improvements at the Seminary Property have generally been exempt from taxation during the period the Seminary owned them;

WHEREAS, under Section 11.1827 of the Texas Tax Code, a community land trust designated under Section 373B.002 of the Texas Local Government Code may be entitled to an exemption from taxation by a taxing unit of land owned by the trust, together with the housing units owned by the trust and located on the land if certain criteria are met, including that the exemption is adopted before July 1;

WHEREAS, when a community land trust sells improvements to a private individual, those improvements would be subject to taxation but the trust's ownership stake in the land would remain exempt;

WHEREAS, it is the desire of the Fort Worth City Council to designate the FWCLT as a community land trust to operate within the City pursuant to Section 373B.002 of the Texas Local Government Code and to adopt any tax exemption for which the FWCLT is entitled, including pursuant to Texas Tax Code Section 11.1827.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS THAT:

1. The Fort Worth City Council hereby designates the Fort Worth Community Land Trust as a community land trust to operate within the City of Fort Worth pursuant to Section 373B.002 of the Texas Local Government Code.

2. In accordance with Texas Tax Code Section 11.1827, a community land trust that has been designated by the City Council to operate within the City of Fort Worth under Section 373B.002 of the Texas Local Government shall have exempted from taxation the following property: land owned by the trust, together with the housing units located on the land if the units are owned by the trust, in accordance with Texas Tax Code Section 11.1827. This exemption shall be subject to all applicable requirements of Section 11.1827 and other provisions of the Texas Tax Code.

2. Today's actions apply only to City property taxes and not to taxes owing to other taxing units.

3. Should any part, portion, section, or part of a section of this ordinance be declared invalid or inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion, or judgment shall in no way affect the remaining portions, parts, sections, or parts of sections of this ordinance, which provision shall be, remain, and continue to be in full force and effect.

4. This ordinance shall take effect upon its passage and will apply upon appropriate action by the Texas Comptroller of Public Accounts.

**APPROVED AS TO FORM AND
LEGALITY:**

CITY SECRETARY:

Leslie L. Hunt
Senior Assistant City Attorney

Jannette S. Goodall
City Secretary

Adopted and Effective: June 25, 2024