

Mayor and Council Communication

DATE: 12/09/25

M&C FILE NUMBER: M&C 25-1124

LOG NAME: 19COBBLESTONE MANOR REQUEST FOR 50% TAX EXEMPTION

SUBJECT

(CD 5) Deny the Request by Fort Worth Leased Housing Associates III, LP to the City of Fort Worth for a 50% Property Tax Exemption Pursuant to Section 11.1825 of the Texas Tax Code for an Affordable Housing Development Known as Cobblestone Manor, Located at 8201 Sartain Drive, Fort Worth, TX 76120 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 deny the request by Fort Worth Leased Housing Associates III, LP to the City of Fort Worth for a 50% property tax exemption pursuant to Section 11.1825 of the Texas Tax Code for an affordable housing development known as Cobblestone Manor, located at 8201 Sartain Drive, Fort Worth, TX 76120 and 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 11.1825(x) regarding a written request for a 50% property tax exemption pursuant to Section 11.1825 of the Texas Tax Code for an affordable housing development for seniors known as Cobblestone Manor, located at 8201 Sartain Drive, Fort Worth, TX 76120 (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.

Fort Worth Leased Housing Associates III, LP (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 Fort Worth, TX. The General Partner of the Owner is associated with Development Corporation of Tarrant County, a Community Housing Development Organization located in Fort Worth, Texas. The Application reflects the Owner will acquire the property December 15, 2025 and will be completing a \$9,900,000.00 rehabilitation of the property by August 31, 2027. The rehabilitation will use tax-exempt bonds and equity from Low Income Housing Tax Credits to make significant upgrades and security improvements for the senior residents. The Owner is requesting the tax exemption to underwrite as part of their capital stack to make the project financially feasible. The Development was originally built in 2007, consists of 220 units and is leased to seniors at or below 60% of the Area Median Income for the Fort Worth-Arlington region as established by the U.S. Department of Housing and Urban Development. The property has not been previously tax-exempt and has a taxable value of approximately \$19,894,751.00. The City tax bill would be \$133,295.00 annually. Approval of this application would result in an annual loss of \$66,647.50 in ad valorem tax revenue.

Because the City had to implement budget cuts in order to balance the Fiscal Year 2026 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 5.

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 Thomas 8187

Additional Information Contact: Dyan Anderson 7398