

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0740

LOG NAME: 19PALLADIUMELANCASTER4%HTCRESOLUTION

SUBJECT

(CD 11) Conduct a Public Hearing on the Application by Palladium E Lancaster Avenue, Ltd. to the Texas Department of Housing and Community Affairs for Non-Competitive (4%) Housing Tax Credits for the New Construction of Palladium E Lancaster Avenue, a Proposed Tax-Exempt Development Located at 4909 & 5003 E Lancaster Avenue and 4900 & 4808 Norma Street, Fort Worth, Texas 76103, Adopt a Resolution of No Objection to the Application, Make Related Determinations, and Acknowledge the One-Mile Three Year Rule

(PUBLIC HEARING - a. Report of City Staff: Dyan Anderson; b. Citizen Presentations; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing to allow citizen comment on the application of Palladium E Lancaster, Ltd. to the Texas Department of Housing and Community Affairs for 2023 Non-Competitive (4%) Housing Tax Credits for the proposed tax-exempt development of Palladium E Lancaster, a multifamily affordable rental housing development, located at 4909 & 5003 E Lancaster Avenue and 4900 & 4808 Norma Street, Fort Worth, Texas 76103;
2. Adopt the attached Resolution of No Objection to the application;
3. Determine that the development of Palladium E Lancaster as proposed is consistent with the City's obligation to affirmatively further fair housing; and
4. Acknowledge that Palladium E Lancaster is located within one linear mile or less from developments that serve the same target population and previously received an allocation of Housing Tax Credits for new construction.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions in accordance with state law and City policy on an application for tax credits on the new construction of an affordable housing project.

Palladium E Lancaster Avenue, Ltd. (Developer) has advised the City that it intends to apply to the Texas Department of Housing and Community Affairs (TDHCA) for 2023 Non-Competitive (4%) Housing Tax Credits for the new construction of Palladium E Lancaster, a multifamily affordable rental housing development. The Developer has requested a Resolution of No Objection from the City Council. TDHCA will not award 4% Housing Tax Credits to an applicant unless they provide a Resolution of No Objection from the governing body of the jurisdiction in which the development is to be located. State law requires that the governing body conduct a public hearing for citizens to provide comment on the proposed development – regardless of whether the governing body intends to issue a resolution.

Palladium E Lancaster will consist of approximately 243 units. 170 units are reserved for households earning 60 percent or less of Area Median Income (AMI) and 24 deeply-affordable units set aside for households earning 0-30 percent of AMI. The development will consist of one-, two-, and three-bedroom units with amenities including a resort-style pool, playground, dog park, cabana with grill, multisport court, clubhouse with community room, business center, and state-of-the-art fitness center. Green and resilience features such as window shading and electric vehicle charging stations will be incorporated in the development helping it meet National Green Building Standards. The development site is located within close proximity to retail, groceries, parks, and access to both Interstate Highway 30 West, I-820 East Loop, and State Highway 180, which connect to the greater Dallas-Fort Worth area.

A zoning change to allow for the new multifamily development was recommended for approval by the zoning commission on July 12, 2023 and passed by City Council during the August 8, 2023 meeting.

Palladium E Lancaster Avenue, Ltd. is an affiliate of Palladium USA, Inc., which has developed over 25 affordable and mixed-income multifamily tax credit properties in Texas. The developer approached the Fort Worth Housing Finance Corporation (FWHFC) about a partnership in which the FWHFC would serve as the general partner and general contractor. If approved, this partnership will provide the development with certain tax exemptions.

On November 8, 2022, City Council adopted an updated housing tax credit policy (M&C 22-0924) that outlines the requirements for an applicant to receive a Resolution of No Objection for a 4% housing tax credit development. The policy requires that the councilmember who represents the district in which the development will be located be notified as well as the superintendent of the school district in which the development is located and lastly, any registered neighborhood or homeowner's association(s) with boundaries that are within one-quarter mile of the proposed development. In addition, at least one public meeting must be held for the affected registered neighborhood association(s) (NA), if any, prior to submission of a resolution application. Palladium E Lancaster Avenue, Ltd. notified Mayor Pro Tem Gyna Bivens (CD 5), Councilmember Jeanette Martinez (CD 11) and Fort Worth superintendent, Angélica Ramsey. The developer held multiple meetings with the Central Meadowbrook NA who unanimously endorsed the development.

TDHCA rules state that if a proposed development will be located within one linear mile or less from other developments that serve the same target population and which received an allocation of Housing Tax Credits for new construction, it will be ineligible for Housing Tax Credits unless the governing body of the jurisdiction in which the proposed development is to be location has no objection to the application and also submits Resolution to TDHCA stating that the proposed development is consistent with the jurisdiction's federal obligation to affirmatively further fair housing. Palladium E Lancaster will be located within one mile of another tax credit property serving the same population. By approval of this M&C and related resolution, City Council affirms that is has no objection to the development and that the development is consistent with the jurisdiction's federal obligation to affirmatively further fair housing.

Palladium E Lancaster is located in Neighborhood Empowerment Zone (NEZ) 6. Accordingly, development fees will be waived pursuant to the NEZ policy, which such waiver being in an amount of no less than \$500.00.

The affordability requirements for the project will be ensured through various contracts and documents from TDHCA, which will require the maintenance of affordability for an additional thirty years. Depending on the lender chosen for this development, additional affordability requirements may also apply. Approval of this M&C also represents Council's determination that the TDHCA's affordability requirements and documents are sufficient to ensure the public purpose of housing affordability is carried out.

Following the close of the public hearing, Staff requests that the City Council consider the attached Resolution of No Objection, including all related acknowledgements included therein, to support of the application for 2023 Non-Competitive (4%) Housing Tax Credits for the proposed new construction of Palladium E Lancaster. Providing this development as a quality and affordable housing option will assist the City in fulfilling its goals under its Consolidated Plan and Comprehensive Plan, and in fulfilling its obligation to Affirmatively Further Fair Housing by providing quality, accessible, affordable housing for low- to moderate-income residents and supporting economic development and revitalization.

This development is located in COUNCIL DISTRICT 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 the above recommendations will have no material effect on the Fiscal Year 2024 Budget, and that any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

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