

Mayor and Council Communication

DATE: 10/17/23

M&C FILE NUMBER: M&C 23-0864

LOG NAME: 19COLUMBIARENAISSANCESQUAREIII4%HTCREOLUTION

SUBJECT

(CD 8) Conduct a Public Hearing on the Application by Columbia Renaissance Square III, L.P. to the Texas Department of Housing and Community Affairs for Non-Competitive (4%) Housing Tax Credits for the New Construction of Columbia Renaissance Square Phase III, a Proposed Tax-Exempt Development Located at 2757 Moresby St. Fort Worth, TX 76105, Adopt a Resolution of No Objection to the Application, Make Related Determinations, Acknowledge the One-Mile Three Year Rule, and Acknowledge the Development is Located in a Census Tract that has More than 20 Percent Housing Tax Credit Units per Total Households

(**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 Columbia Renaissance Square III, L.P. to the Texas Department of Housing and Community Affairs for 2023 Non-Competitive (4%) Housing Tax Credits for the proposed development of Columbia Renaissance Square Phase III, a multifamily affordable rental housing development, located at 2757 Moresby Street, Fort Worth, TX 76105;
2. Adopt the attached Resolution of No Objection to the application;
3. Determine that the development of Columbia Renaissance Square Phase III as proposed is consistent with the City's obligation to affirmatively further fair housing;
4. Acknowledge that Columbia Renaissance Square Phase III 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; and
5. Acknowledge that Columbia Renaissance Square Phase III is located in a census tract that has more than 20 percent Housing Tax Credit units per total households and authorize this development to move forward with its application for tax credits.

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 development.

Columbia Renaissance Square III, L.P. (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 Columbia Renaissance Square Phase III, 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 (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.

Columbia Renaissance Square Phase III will consist of approximately 100 units. 55 units are reserved for households earning 60 percent or less of Area Median Income (AMI), and 25 Permanent Supportive Housing (PSH) units will be set aside for households exiting homelessness. The development will consist of one-, two-, and three-bedroom units with amenities including a community/club room, business center, laundry facilities, fitness center, and landscaped courtyards. The development is adjacent to the assets of Renaissance Square, which include over 200,000 square feet of retail, Cook's Children's Primary Care Clinic, Uplift Mighty Charter School--where families will receive priority enrollment, and the YMCA multiuse facility--where families will receive free membership and access to early childhood education. It is in close proximity to U.S. Route 287, which connects to the greater Dallas-Fort Worth area.

The development is compliant with zoning codes, however, a zoning change will be requested from medium density multi-family to high density multi-family allowing more flexibility with open space requirements.

Columbia Renaissance Square III, L.P. is an affiliate of Columbia Residential Communities, LLC. The previous two phases in the development were completed in 2017 and 2020 offering 140 units of family housing and 120 units of senior housing. Once Phase III is completed, the Developer will have brought a total of 360 units of housing to Southeast Fort Worth. They are working closely with Renaissance Heights Foundation, the purpose-built organization leading the revitalization of Renaissance Heights.

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), if any, prior to submission of a resolution application. Columbia Renaissance Square III, L.P. properly notified Councilmember Chris Nettles (CD 8) and Fort Worth Superintendent, Angélica Ramsey. The developer held a community meeting with the New Mitchell Blvd Neighborhood Association and the

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 located 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. Columbia Renaissance Square Phase III 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 it has no objection to the development.

TDHCA rules also 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 further fair housing. Columbia Renaissance Square Phase III 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 No Objection that it is consistent with the City's obligation to affirmatively further fair housing.

Columbia Renaissance Square Phase III 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 development 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 Columbia Renaissance Square Phase III. 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 8.

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. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years.

Submitted for City Manager's Office by: Fernando Costa 6122

Originating Business Unit Head: Victor Turner 8187

Additional Information Contact: Victor Turner 8187