

# Mayor and Council Communication

DATE: 02/18/20

M&C FILE NUMBER: M&C 20-0083

LOG NAME: 192020CHTC

## SUBJECT

Consider and Adopt Resolutions of Support and Resolutions of No Objection for 2020 Competitive Housing Tax Credit Applications, Approve Commitments of Development Funding, Determine which Developments Contribute More than any Others to the City's Concerted Revitalization Efforts, Acknowledge the One Mile Three Year Rule and Make Related Determinations (COUNCIL DISTRICTS 2, 3, 4, 5, 6, 8 and 9)

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## RECOMMENDATION:

It is recommended that the City Council:

1. Acknowledge the receipt of requests for City support for applications to the Texas Department of Housing and Community Affairs for 2020 Competitive (9%) Housing Tax Credits from various developers;
2. Consider and adopt the attached Resolutions of Support and Resolutions of No Objection for 2020 applications for Competitive (9%) Housing Tax Credits for the multifamily housing developments listed below to be located at various sites throughout the City;
3. Approve fee waivers in an amount not to exceed \$2,500.00 as the City's commitment of development funding for each of the developments that receive a Resolution of Support, find that the fee waivers for these developments serve the public purpose of providing quality, accessible, affordable housing for low to moderate income households in accordance with the City's Comprehensive Plan and Annual Action Plan, and find that adequate controls are in place through the Neighborhood Services Department to carry out such public purpose;
4. Determine that The St. Giles, The Park Tower, Crossroads Apartments, Cowan Place, Avenue at Sycamore Park, and Palladium Fain Street Apartments are the developments that contribute more than any others to the City's concerted revitalization efforts either in an Urban Village, a Tax Increment Financing District, a Neighborhood Empowerment Zone, a distinct area within a Neighborhood Empowerment Zone with a Strategic Plan, or an adopted Transformation Plan;
5. Acknowledge that the Crossroads Apartments and Cowan Place are each located in a census tract with a poverty rate above 40 percent for individuals, and authorize these developments to move forward with their applications for tax credits; and
6. Acknowledge that Crossroads Apartments and the Palladium Fain Street Apartments are each located one linear mile or less from developments that serve the same target population and which received an allocation of Housing Tax Credits for new construction and adaptive reuse after **January 3, 2017**.

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## DISCUSSION:

On November 19, 2019, the City Council adopted a policy for City support of applications to the Texas Department of Housing and Community Affairs (TDHCA) for Noncompetitive (4%) and Competitive (9%) Housing Tax Credits and for City commitments of development funding (M&C 19-0318). This year the City received eleven applications from developers requesting Resolutions of Support for proposed 9% tax credit developments in Fort Worth. Staff has reviewed the applications for consistency with the City's policy.

### Resolutions of Support:

Staff requests that the City Council consider and adopt Resolutions of Support for the following developments as they have met the unit set aside criteria and notification requirements outlined in the City's policy. Additionally, all of these developments are located in close proximity to jobs, retail, transit and services.

### Resolutions of Support, Local Development Funding, Concerted Revitalization Plan:

The following developments are also recommended to receive local Commitments of Development Funding and are the ones that contribute more than any other to the City's Concerted Revitalization Plans:

- **The St. Giles** to be developed by HTG St. Giles, LLC, an affiliate of Housing Trust Group, to be located at 2707 Decatur Avenue (Council District 2). The site for the proposed development is zoned "K" - Heavy Industrial, proposed to be changed to "PD" - planned development. The proposed development will not be tax exempt.
- **The Park Tower** to be developed by HTG Jacksboro, LLC, an affiliate of Housing Trust Group, to be located at 1209 Jacksboro Highway (Council District 2). The site for the proposed development is zoned "F" - General Commercial, proposed to be changed to "C" - Medium Density Multifamily. The proposed development will not be tax exempt.
- **Avenue at Sycamore Park** to be developed by CSH Avenue at Sycamore Park, Ltd., an affiliate of Brompton Community Housing Development Corporation, to be located at 2601 Avenue J (Council District 8). The site for the proposed development is zoned "UR" - Urban Residential. The proposed development will not be tax exempt.
- **Crossroads Apartments** to be developed by Crossroads Apartments, LP, an affiliate of Union Gospel Mission of Tarrant County, and to be

- located at 1105 East Lancaster (Council District 8). The site for the proposed development is zoned "MU-2" - High Intensity Mixed Use, proposed to be changed to "PD" - Planned Development. The proposed development will not be tax exempt.
- **Cowan Place** to be developed by FW Cowan Place, LP, an affiliate of Fort Worth Housing Solutions, and to be located at 5400 East Rosedale (Council District 5). The site for the proposed development is zoned "PD" - Planned Development. The proposed development will be exempt from property taxes.
  - **Palladium Fain Street Apartments** to be developed by Palladium Fain Street, Ltd., an affiliate of Palladium USA, Inc. to be located at 4001 Fain Street (Council District 4). The site for the proposed development is zoned "PD" – Planned Development for all uses in "D" High Density Multifamily. The proposed development will not be tax exempt.

#### **Resolution of Support and Local Development Funding:**

The following developments are also recommended to receive local Commitments of Development Funding:

- **Gala at Ridgmar** to be developed by Gala at Ridgmar, LP, an affiliate of Gardner Capital, to be located at the northeast corner of Plaza Parkway and Lands End Boulevard (Council District 3). The site for the proposed development is zoned "MU-1" – Low Intensity Mixed Use. The proposed development will not be tax exempt.
- **Provision at Fort Worth** to be developed by Provision Fort Worth, LP, an affiliate of Gardner Capital, to be located on the north side of east Rendon Crowley Road east of Old Highway 1187 (Council District 6). The site for the proposed development is zoned "CR" – Low Density Multifamily. The proposed development will not be tax exempt.
- **Azalea West** to be developed by Azalea West, LLC, an affiliate of Saigebrook Development, LLC and O-SDA Industries, LLC, to be located at 2700 - 2708 Azalea Avenue (Council District 9). The site for the proposed development is zoned "MU-1, A-5" – Low Intensity mixed Use One Family, proposed to be changed to "PD" - Planned Development. The proposed development will not be tax exempt.
- **The Lex on Jessamine** to be developed by The Lex on Jessamine, LLC, an affiliate of Saigebrook Development, LLC and O-SDA Industries, LLC, to be located at 2260 and 2274 Hemphill and 710 Jessamine Street (Council District 9). The site for the proposed development is zoned "E" – Neighborhood Commercial, proposed to be changed to "PD" - Planned Development. The proposed development will not be tax exempt.

#### **Commitment of Development Funding:**

The policy allows a local commitment of development funding at City Council discretion. This commitment of development funding qualifies tax credit applicants for an additional point and increases the competitiveness of their applications to TDHCA. Staff requests that City Council approve commitments of development funding in the form of fee waivers in an amount not to exceed \$2,500.00 for each development recommended for a Resolution of Support. The fee waiver amount may be applied to (a) building permit related fees (including Plans Review, Inspections and Re-inspection Fees); (b) Plat/Replat Application Fees; (c) Board of Adjustment Application Fees; (d) Demolition Fees; (e) Structure Moving Fees; (f) Zoning Fees; (g) Street/Alley and Utility Easement Vacation Application Fees; (h) Temporary Encroachment Fees; (i) Consent/Encroachment Agreement Application Fees; (j) Urban Forestry Application Fees; (k) Sign Permit Fees; (l) Community Facilities Agreement (CFA) Application Fees; and (m) Street Closure Fees.

Fee waivers will be conditioned upon the development receiving an award of tax credits from TDHCA. The City's Neighborhood Services Department will be responsible for verifying that the public purpose for the fee waivers is carried out. Upon approval, permitting and related fees will be waived in an amount up to \$2,500.00 to assist in facilitating the goals of the City's Comprehensive Plan and Annual Action Plan.

#### **Concerted Revitalization Plan:**

TDHCA rules state that an application may receive additional points if the proposed development is identified in a resolution as contributing more than any other development to a city or county's concerted revitalization efforts. The City has created Urban Villages to help promote central city revitalization. They are districts which are more compact, contain a greater mix of land uses, and give greater emphasis to pedestrian and transit access. The City has created 12 Tax Increment Financing zones (TIFs) as authorized by the Texas Tax Code. TIFs allow local governments to publicly finance needed structural improvements and enhanced infrastructure within defined areas. The City's Neighborhood Empowerment Zones (NEZs) were created to promote affordable housing and economic development in the designated zone. Four NEZs have adopted Strategic Plans for certain distinct areas located in the larger NEZ to guide the rebuilding neighborhoods with compatible quality infill housing and appropriate mixed use development in commercial areas. The City Council adopted the Cavile Place/Historic Stop Six Transformation Plan in 2014. The City's Transformation Plans are comprehensive strategies to revitalize specific areas or neighborhoods. All of the City's Urban Villages, TIFs, NEZs, and Transformation Plans are included in the City's annual Comprehensive Plan as part of its goal of revitalizing central city neighborhoods and commercial districts (2019 Comprehensive Plan, Part II, Chapter 5: Housing, and Part III, Chapter 10: Economic Development). The Cavile Place/Historic Stop Six Transformation Plan is located in Appendix A of the Comprehensive Plan.

The St. Giles, The Park Tower, Crossroads Apartments, Cowan Place, Avenue at Sycamore Park, and Palladium Fain Street Apartments are developments located either in an Urban Village, a TIF, a NEZ created by City Council, a distinct area within a NEZ with a Strategic Plan, or an area that has an adopted Transformation Plan. Staff determined that these developments will significantly contribute to the City's ongoing revitalization efforts in each of the Urban Villages, TIFs NEZs or Transformation Plan areas in which they will be located since the recommended developments are new affordable housing for households earning at or below 80 per cent of Area Median Income. In addition, the increased density of this new housing will support the new retail, office and other housing development located or being developed in each Urban Village, TIF, NEZ, or Transformation Plan area. Staff recommends that the City Council adopt the attached Resolutions determining that the St. Giles, The Park Tower, Crossroad Apartments, Cowan Place, Avenue at Sycamore Park, and Palladium Fain Street Apartments are developments that contribute more than any other developments to the City's concerted revitalization efforts underway in the Urban Villages, TIFs, NEZs, or Transformation Plan areas in which they are located.

#### **Limitations on Developments With Certain Neighborhood Risk Factors:**

TDHCA rules state that if a proposed development will be located in a census tract with a poverty rate above 40 percent for individuals, the governing body of the appropriate jurisdiction must acknowledge the high poverty rate and authorize the development to move forward with its application for tax credits.

The Crossroads Apartments and Cowan Place will each be located in a census tract with a poverty rate above 40 percent for individuals. Staff recommends that City Council vote to acknowledge the high poverty rate and authorize both of these developments to move forward with their tax credit applications.

**One Year Three Mile Rule**

The Crossroads Apartments and Palladium Fain Street Apartments are each located one linear mile or less from developments that serve the same target population and which received an allocation of Housing Tax Credits for new construction and adaptive reuse after January 3, 2017. The governing body of the municipality where the proposed development is to be located must specifically vote to allow the construction of a new development that is within one linear mile or less from a development that serves the same target population.

These proposed developments are subject to all applicable City laws, ordinances, policies and procedures including those pertaining to zoning changes and annexation. Councilmember support for purposes of approving these Resolutions does not constitute approval of any required zoning change or annexation.

The proposed developments are located in COUNCIL DISTRICTS 2, 3, 4, 5, 6, 8 and 9

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

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

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