

Mayor and Council Communication

DATE: 06/23/20

M&C FILE NUMBER: M&C 20-0445

LOG NAME: 19COWANPLACERESOLUTION

SUBJECT

Conduct a Public Hearing on the Application by FW Cowan Place, LP to the Texas Department of Housing and Community Affairs for Non-Competitive Housing Tax Credits for Cowan Place, a Tax Exempt Development to be Located at 5400 East Rosedale Street, Adopt Resolution of No Objection to the Application, and Make Related Determinations (COUNCIL DISTRICT 5)

(PUBLIC HEARING - a. Report of City Staff: Chad LaRoque; 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 FW Cowan Place, LP to the Texas Department of Housing and Community Affairs for 2020 Non-Competitive (4%) Housing Tax Credits for the tax exempt development of Cowan Place, a proposed senior mixed income multifamily tax exempt development to be located at 5400 East Rosedale Street;
 2. Adopt the attached Resolution of No Objection to the application by FW Cowan Place, LP to the Texas Department of Housing and Community Affairs for 2020 Non-Competitive (4%) Housing Tax Credits for Cowan Place, a proposed tax exempt development; and
 3. Acknowledge that Cowan Place is located in a census tract with a poverty rate above 40 percent for individuals, and authorize the development to move forward with its application for tax credits.
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DISCUSSION:

FW Cowan Place, LP is applying to the Texas Department of Housing and Community Affairs (TDHCA) for 2020 Non-Competitive (4%) Housing Tax Credits for the development of Cowan Place, a mixed income senior multifamily development and has requested a Resolution of No Objection from the City Council. TDHCA requires Housing Tax Credit applicants to provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comment on the proposed development.

Cowan Place will consist of approximately 174 units for seniors 62 and older. There will be 156 units set aside for households earning 60 percent or less of Area Median Income (AMI) with seven percent of the total units being set aside for households earning 0-30 percent of AMI. At least ten percent of the total units will be market rate units and five percent of the total units will be Permanent Supportive Housing (PSH) units. The four story residential building will consist of one- and two- bedroom units with community and activity space including a movie room, billiards table, health suite, beauty salon and fitness center. The common areas will be lighted to provide added security for residents. Cowan Place is located within close proximity to public transportation and nearby amenities including Rosedale Plaza Park.

On October 22, 2019, the City Council authorized the City to act as a co-applicant with Fort Worth Housing Solutions (FWHS) for a Choice Neighborhoods Implementation (CNI) Grant from the U.S. Department of Housing and Urban Development (HUD), and committed \$39,375,654 over a six-year period for various improvements and activities in the Cavile Place and Historic Stop Six neighborhood (M&C 19-0268). In April 2020, FWHS and the City were awarded the CNI Grant by HUD. Cowan Place is located in the grant area and will be a part of the revitalization efforts for the neighborhood.

On December 19, 2019, the Board of Commissioners of FWHS approved a partnership with McCormick Baron Salazar, Inc. in which FWHS will be the sole member of the general partner of FW Cowan Place, LP, the entity that will construct, own and manage Cowan Place. FWHS will act as the general contractor for the development, will own the land on which it will be sited, and will enter into a long term ground lease with the partnership for the improvements. The development will be tax exempt.

Limitations on Developments with Certain Neighborhood Risk Factors:

The current Qualified Allocation Plan (QAP) promulgated by TDHCA states that if a proposed development will be located in a census tract that has a poverty rate above 40 percent for individuals, the governing body of the appropriate municipality or county must acknowledge the high poverty rate and authorize the development to move forward with its application in a resolution. Cowan Place will be located in a census tract with a poverty rate above 40 percent for individuals.

Following the close of the public hearing, Staff requests that the City Council consider the attached Resolution of No Objection to support the application for 2020 Non-Competitive (4%) Housing Tax Credits for the proposed development of Cowan Place. Staff also recommends that City Council specifically vote to acknowledge the high poverty rate and authorize the development to move forward with its tax credit application and include this in the Resolution of No Objection. The development could assist the City in fulfilling its goals under its Consolidated Plan and Comprehensive Plan 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 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 under the Agreement to develop Cowan Place, the Fort Worth Housing Solutions will be the real property owner and exempt from paying property taxes.

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

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