

A Resolution

NO. 5631-09-2022

A RESOLUTION OF NO OBJECTION TO SUPPORT A HOUSING TAX CREDIT APPLICATION FOR THE DEVELOPMENT OF PALLADIUM OAK GROVE AND ACKNOWLEDGEMENT THAT THE DEVELOPMENT IS LOCATED IN A CENSUS TRACT THAT HAS MORE THAN 20% HOUSING TAX CREDIT UNITS PER TOTAL HOUSEHOLDS

WHEREAS, the City of Fort Worth's 2022 Comprehensive Plan is supportive of the preservation, improvement, and development of quality, affordable, accessible rental and ownership housing;

WHEREAS, the City of Fort Worth's 2018-2022 Consolidated Plan makes the development of quality, affordable, accessible rental housing units for the City's low-income residents a high priority;

WHEREAS, Palladium Oak Grove, Ltd., an affiliate of Palladium USA International, Inc. ("Palladium USA") has proposed the development of an approximately 240-unit multifamily affordable rental housing development named Palladium Oak Grove, located at 840 and 1000 Oak Grove Road in the City of Fort Worth, which will include units affordable to households with incomes at or below eighty percent (80%) of Area Median Income, sixty percent (60%) of Area Median Income, thirty percent (30%) of Area Median Income;

WHEREAS, Palladium Oak Grove, Ltd. has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs ("TDHCA") (TDHCA Application No. 22617) for 2022 Non-Competitive (4%) Housing Tax Credits to finance a portion of the costs of development; and

WHEREAS, the 2022 QAP also states that applications for developments that will be located in a census tract with more than twenty percent (20%) Housing Tax Credit units per total households as established by the five (5) year American Community Survey are ineligible for Housing Tax Credits unless the governing body of the jurisdiction in which the development will be located states that it has no objection to the application, and that the governing body must also submit a resolution to TDHCA stating that the proposed development is consistent with the jurisdiction's obligation to affirmatively further fair housing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

1. Notice of intent to file an application for Non-Competitive (4%) Housing Tax Credits for the development of Palladium Oak Grove has been provided to the City Council by

Palladium Oak Grove, Ltd. in accordance with Section 2306.67071(a) of the Texas Government Code.

2. The City Council has had sufficient opportunity to obtain a response from Palladium Oak Grove, Ltd. regarding any questions or concerns about the proposed development.
3. The City Council has held a hearing for the purpose of receiving public comment on the proposed development in accordance with Section 2306.67071(b) of the Texas Government Code.
4. Pursuant to Section 11.3(e) and 11.4(c)(1) of the Texas Administrative Code, the City of Fort Worth, acting through its City Council, acknowledges that Palladium Oak Grove will be located in a census tract that has more than twenty percent (20%) Housing Tax Credit units per total households, that the City Council has no objection to the construction of the development, that it has determined that the development is consistent with the City's obligation to affirmatively further fair housing, and that this formal action has been taken to put on record the opinion expressed by the City Council of the City of Fort Worth.
5. After due consideration of the information provided by Palladium Oak Grove, Ltd. and any public comment on the proposed development, the City Council does not object to the application of Palladium Oak Grove, Ltd. to the TDHCA for 2022 Non-Competitive (4%) Housing Tax Credits for the purpose of the development of Palladium Oak Grove.

Adopted this 27th day of September, 2022.

ATTEST:

By: Jannette S. Goodall
Jannette S. Goodall (Sep 28, 2022 13:57 CDT)
Jannette S. Goodall, City Secretary



Palladium Oak Grove



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City of Fort Worth, Texas

Mayor and Council Communication

DATE: 09/27/22

M&C FILE NUMBER: M&C 22-0795

LOG NAME: 19PALLADIUMOAKGROVERESOLUTION

SUBJECT

(CD 9) Conduct a Public Hearing on the Application by Palladium Oak Grove, Ltd. to the Texas Department of Housing and Community Affairs for Non-Competitive (4%) Housing Tax Credits for Palladium Oak Grove, a Proposed Tax-Exempt Development to be Located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115, Adopt a Resolution of No Objection to the Application, Make Related Determinations, Authorize Waiver of Various City Fees in the Approximate Amount of \$300,043.00, and Find that Waiver of Fees Serves a Public Purpose and that Adequate Controls are in Place to Ensure the Public Purpose is Carried Out

(PUBLIC HEARING - a. Report of City Staff: Leah Brown; 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 Oak Grove, Ltd. to the Texas Department of Housing and Community Affairs for 2022 Non-Competitive (4%) Housing Tax Credits for the proposed tax-exempt development of Palladium Oak Grove, a multifamily affordable rental housing development, to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115;
2. Adopt the attached Resolution of No Objection to the application by Palladium Oak Grove, Ltd. to the Texas Department of Housing and Community Affairs for 2022 Non-Competitive (4%) Housing Tax Credits for Palladium Oak Grove, a proposed tax-exempt multifamily development; and
3. Determine that the development of Palladium Oak Grove is consistent with the City's obligation to affirmatively further fair housing;
4. Waive the listed City fees in the approximate aggregate amount of \$300,043.00; and
5. Find that the waiver of the listed fees serves the public purpose of providing decent, safe, and affordable housing to City residents and that adequate controls are in place to ensure that the public purpose is carried out.

DISCUSSION:

Palladium Oak Grove, Ltd. applied to the Texas Department of Housing and Community Affairs (TDHCA) for 2022 Non-Competitive (4%) Housing Tax Credits for the development of Palladium Oak Grove, a multifamily affordable rental housing 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.

Palladium Oak Grove will consist of approximately 240 units. There will be 48 units set aside for households earning 80 percent or less of Area Median Income (AMI), 168 units are reserved for households earning 60 percent or less of AMI, with the remaining 24 units set aside for households earning 0-30 percent of AMI. The development will consist of one-, two-, and three-bedroom units with a resort-style pool with gazebo, playground, dog park, cabana with grills, horseshoe pit, walking trails, and clubhouse with community room, business lab, High Speed Wi-Fi, state-of-the-art fitness center, children's playroom, and conference room. Palladium Oak Grove is located within close proximity to public transportation, retail, schools and access to both Interstate Highway 35 West and Interstate Highway 20, which connect to the greater Dallas-Fort Worth area.

The property upon which Palladium Oak Grove will be constructed is currently zoned as PD-Planned Development. No changes to the zoning designation are required.

Palladium Oak Grove, Ltd. is an affiliate of Palladium USA, Inc., which has developed over 25 affordable and mixed income multifamily properties in Texas. Palladium USA, Inc. approached the Fort Worth Housing Finance Corporation (FWHFC) about a partnership. On March 29, 2022, the FWHFC board approved a partnership in which the FWHFC will serve as general partner and general contractor which will provide the development with certain tax exemptions (Resolution Nos. FWHFC-2022-2 through FWHFC-2022-5).

If Palladium Oak Grove, Ltd. receives a tax exemption for the development through its partnership with the FWHFC, local taxing entities would forego an estimated aggregate amount of almost \$4.9 million in property tax revenue over fifteen years. Of that amount, the portion associated with estimated foregone City of Fort Worth property tax revenues is \$1,275,335.

On November 9, 2021, City Council adopted a housing tax credit policy (Mayor and Council Communication (M&C) 21-0845) 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 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 neighborhood association(s) (NA) or homeowner's association(s) (HOA) prior to submission of a resolution application. Palladium Oak Grove, Ltd. notified both Councilmember Elizabeth Beck (CD 9) and the Oakridge Terrace Neighborhood Association and held a meeting with the NA to inform the neighborhood of the proposed development and receive input. Councilmember Elizabeth

Beck and the Oakridge Terrace NA have indicated their support for the development.

The City's housing tax credit policy requirement specific to 4% housing tax credit developments states that at least 10 percent of the total units in a development be set-aside for households earning at or below 30 percent of the area median income (AMI). Palladium Oak Grove meets this policy requirement.

TDHCA rules state that if a proposed development will be located in a census tract with more than 20% Housing Tax Credit units per total households as established by the five-year American Community Survey, 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 a Resolution to TDHCA stating that the proposed development is consistent with the jurisdiction's federal obligation to affirmatively further fair housing. Palladium Oak Grove will be located in such a census tract. By approval of this M&C and related resolution, City Council affirms that it has no objection to the development and that the development is consistent with the City's obligation to affirmatively further fair housing.

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 the application for 2022 Non-Competitive (4%) Housing Tax Credits for the proposed development of Palladium Oak Grove. The development will 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.

Staff recommends the waiver of the following fees in the approximate amount of \$300,043.00:

Fee	Approximate Amount
All Building Permit related Fees (including Plans Review and Inspections)	\$297,360.00
Plat Application Fee (including Concept Plan, Preliminary Plat, Final Plat, Short Form Replat)	\$2,228.00
Community Facilities Agreement (CFA) Application Fee	\$2,230.00
Consent/Encroachment Agreement Application Fees	\$700.00
Sign Permit Fees	\$150.00
Stormwater Facilities Management Agreement Fee	\$635.00
Drainage Study Review Fee	\$1,360.00
IRPC Fees	\$7,353.00
Urban Forestry Fee	\$455.00

By approving this M&C, the City Council finds that the waiver of development fees for the Palladium Oak Grove development in the approximate amount of \$300,043.00, is necessary for the financial feasibility of the development and for meeting the public purpose of providing decent, safe, and affordable housing to low- to moderate- income residents. The City's housing finance corporation will be the sole member of the general partner of Palladium Oak Grove Ltd., and will own the land on which the development will be built. The affordability requirements for the project will be ensured through the long-term ground lease between the Fort Worth Housing Finance Corporation and Palladium Oak Grove Ltd. Additionally, various contracts and documents from TDHCA and the Department of Housing and Urban Development, which is insuring the development's primary loan, will also require certain affordability for no less than fifteen years. Accordingly, approval of this M&C also represents Council's finding that the ground lease and other documents are sufficient to ensure the public purpose is carried out. The amounts listed above are estimated fees, but this M&C authorizes the waiver of the actual amount of any listed fees once such fees are determined. In the event any of these fees were previously paid, approval of this M&C authorizes City staff to refund such payments.

This development is located in COUNCIL DISTRICT 9.

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 2022 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.

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

Originating Business Unit Head: Victor Turner 8187
Amy Connolly 7556

Additional Information Contact: Chad LaRoque 2661