

Mayor and Council Communication

DATE: 06/24/25

M&C FILE NUMBER: M&C 25-0585

LOG NAME: 19COLUMBIA RENAISSANCE III ARPA CONTRACT AMENDMENT

SUBJECT

(CD 8) Authorize the City Manager to have Discretion to Amend a Contract with Columbia Renaissance Square III, LP to Modify Affordable Housing Requirements Deemed Necessary to Enable Overall Project Financing

RECOMMENDATION:

It is recommended that City Council authorize the City Manager or his designee to have discretion to amend a contract with Columbia Renaissance Square III to modify affordable housing requirements deemed necessary by the City Manager to enable overall project financing.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize the City Manager or his designee to have discretion to amend City Secretary Contract No. 62420 (Contract) with Columbia Renaissance Square III, LP, to modify affordable housing requirements, for a multifamily development, Columbia Renaissance Square Phase III (Project), to the extent necessary, as determined by the City Manager, to enable project financing to be secured. The Contract provides \$1,500,000.00 in American Rescue Plan Act (ARPA) funds to be used to support the Project.

On November 19, 2024, through M&C 24-1025, City Council approved several financial measures to support the Project. The Project supports the City's Comprehensive Plan by providing quality, affordable housing for low- to moderate-income residents while promoting economic development and revitalization in the City. The Project is part of the Renaissance Heights Master Plan, featuring mixed-use development that includes affordable housing for seniors and families, along with retail, community services, and other amenities in Southeast Fort Worth.

The Project has commitments of federal funding from various sources, including the HOME Investment Partnership Program (HOME) in the amount of \$2,523,547.40, Emergency Rental Assistance 2 (ERA2) funds received from Tarrant County in the amount of \$4,000,000.00, and American Rescue Plan Act (ARPA) funds in the amount of \$1,500,000.00. Additionally, the Project is expected to be financed through the sale of 4% (non-competitive) Housing Tax Credits awarded by the Texas Department of Housing and Community Affairs (TDHCA) and tax-exempt bonds issued through the Tarrant County Housing Finance Corporation.

Columbia Renaissance Square III, LP (Owner) is an affiliate of Columbia Residential Communities, LLC (Developer) of Atlanta, Georgia, a highly experienced multifamily tax credit developer who has owned and operated over 34 developments throughout the country. They currently own and operate the two other affordable developments at this site - Columbia Renaissance Square Phase I and Columbia Renaissance Square Phase II. The Project will complete the multifamily component of the Renaissance Heights Master Plan. Columbia Renaissance Square Phase III is expected to consist of 100 new and affordable housing units targeting different income brackets.

Of the 100 new and affordable housing units, at least 10 units were originally planned to be designated as 'deeply affordable' for individuals earning at or below 30% of the Area Median Income (AMI). The remaining units are expected to consist of 29 units for those earning between 31% and 50% AMI, 41 units for those earning between 51% and 60% AMI, 11 units for those earning between 61-70% AMI, and 9 units for those earning between 71% and 80% AMI.

Due to uncertainty surrounding future federal funds expected to benefit the Project, one of the Project's primary lenders (Citibank) requires Developer to have flexibility when it comes to the affordable housing composition of the Project.

To ensure Developer can close on financing prior to its bond allocation deadline of July 25, 2025, the City Manager requests the discretion to authorize modifications to the Contract's affordable housing requirements. Specifically, a decrease in the number of units that the City requires be designated as "deeply affordable" – i.e., for individuals earning at or below 30% AMI. Such a modification will not be needed if future federal funding is received as expected. However, if the expected, future federal funding is not received to benefit the Project, the amendments to the Contract will be needed.

This Project is located in Council District 8.

FISCAL INFORMATION / CERTIFICATION:

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

Submitted for City Manager's Office by: Dana Burghdoff 8010

Originating Business Unit Head: Kacey Bess 8187

Additional Information Contact:

Chad LaRoque 2661

Dyan Anderson 7398

Expedited