



2024 Housing Tax Credit Policy Developer Forum Questions/Comments and City Responses

Each year, the City of Fort Worth’s City Council adopts a Housing Tax Credit Policy that governs the issuance of resolutions to be included with applications submitted to the Texas Department of Housing and Community Affairs (TDHCA) for the award of low-income housing tax credits (HTC). On Tuesday, October 3, 2023, city staff held a Developer Forum in order to hear from developers about how the 2023 HTC Policy influenced their decision to pursue affordable housing developments in Fort Worth and to gather input on how City staff can craft a better HTC policy that results in more affordable housing developments being proposed in 2024. Staff received questions and comments from those developers in attendance as well as those submitted to htc@fortworthtexas.gov by the October 9, 2023 deadline.

City staff appreciates all of the input provided both during the Forum and in writing. The following provides a summary of those questions and comments as well as staff’s responses. The final version of the policy will go before City Council for approval on November 14, 2023.

GENERAL QUESTIONS/COMMENTS

GENERAL HTC POLICY QUESTIONS

How can the public ask questions about the policy?

Submit questions to htc@fortworthtexas.gov.

Has the City of Fort Worth adopted a formal policy for affordable housing?

On August 15th, Neighborhood Services Department (NSD) staff presented a 5-year plan to improve neighborhoods and address affordability to the City Council; a resolution to adopt the plan was approved by City Council on October 17, 2023. *The Neighborhood Conservation Plan and Housing Affordability Strategy* tackles both neighborhood conditions and the City’s affordable housing crisis. A digital version of the plan can be found [here](#).

Considering there are three new councilmembers this year, what is the process to educate them about Housing Tax Credits and affordable housing? Are they given a tour or affordable housing developments throughout the City?

New councilmembers are given an orientation where affordable housing is highlighted. Neighborhood Services leadership works closely with councilmembers and are able to schedule a tour upon request.

If a developer has an approved Resolution of No Objection for 4% HTC under the 2023 HTC policy, will the developer have to re-apply if submitting an application to TDHCA in 2024?

The developer would need to refer to the QAP for time limits on municipal resolutions to determine whether a re-application is needed.

Will a developer need to re-apply for a resolution if the developer needs to change their reservation or the project otherwise changes in scope or use?

Changes in project scope or the reservation do require the developer to submit a new application and receive a new resolution prior to submitting their application to TDHCA.

FLOOD RISK

The City highly advises developers investigate flood risk of any potential site, which includes FEMA and non-FEMA (local) designated areas. If you have questions about local flood risk, you can find information about your site at the City’s One Address website: <https://oneaddress.fortworthtexas.gov/>.



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2024 REQUEST FOR FUNDING

The City of Fort Worth and the Fort Worth Housing Finance Corporation does not currently have any funding available. Should any funding become available, a NOFA will be issued for the award of those funds.

FEE WAIVERS

The 2024 HTC policy will better define development application fees that are eligible for waivers. Fee waivers will be limited to \$30,000. This figure is based on average fee waivers HTC developments received in 2023. Additionally, new State legislation, HB 1526, allows for park dedication fees to be waived for affordable housing developments.

Transportation Impact fees and Waste Water Impact fees will **NOT** be waived outside of Neighborhood Empowerment Zone (NEZ) boundaries. The potential waiver of those fees will be handled as part of the NEZ application process and not included as part of the 2024 HTC Policy.

What is the likelihood that *all* fees will be waived by-right for affordable housing developments?

Impact fees are used to pay for capital improvements throughout the City that all residents use including affordable housing residents. It is unlikely that impact fees will be waived by-right for affordable housing.

This year the waiver of eligible development application fee waivers is proposed to be unlimited to \$30,000, is this just for the estimate or is the City proposing to cap application fee waivers at \$30,000?

The fee waivers will be limited to a maximum of \$30,000. Developers will have a credit of \$30,000 in the City's permitting system. Any leftover balance after the below fee waivers have been applied will not be returned to developers.

What are the eligible fee waivers?

Eligible fee waivers are:

- All building permit related fees
- Plat application fee
- Board of Adjustment application fee
- Demolition fee
- Structural moving fee
- Community Facility Agreement (CFA) application fee
- Zoning application fee
- Street and utility easement vacation application fee
- Ordinance Inspection fee
- Consent/Encroachment Agreement application fee
- Urban forestry application fee
- Sign permit fees

Will the Transportation Impact Fee waivers still be waived under the NEZ program?

This is currently under review and any changes will be included in the updated NEZ policy.



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2024 HTC POLICY TIMELINE

The deadline for 9% HTC application is January 5, 2024. It has been moved to one week earlier to ensure resolution recommendations are included in the February 13, 2024 City Council meeting agenda.

Are both 4% and 9% developments required to follow this timeline for approval of resolutions?

Nine percent developments must follow the proposed timeline to ensure that resolutions are provided in time for submission with competitive HTC applications to TDHCA.

Because 4% HTC are non-competitive and operate on a rolling basis with TDHCA, 4% HTC applications will be accepted quarterly. The developer should also be aware that the 30-day notification period must still be followed as well as the 7-day notification of a scheduled information session. It is recommended that developers coordinate with NSD staff early to be sure that city processes are incorporated into their development timeline. The resolution approval process takes approximately 10 weeks. See table below.

30-Day Notification Deadline	Application Deadline	City Council Consideration	TDHCA Application Deadline*
December 6, 2023	January 5, 2024	February 13, 2024	March 4, 2024
March 6, 2024	April 5, 2024	May 21, 2024	June 3, 2024
June 12, 2024	July 12, 2024	August 27, 2024	September 3, 2024
August 28, 2024	September 27, 2024	November 12, 2024	December 3, 2024

* Approximation of due dates based on TDHCA's 2023 calendar. Dates subject to change.

Due to proposed language in the 2024 QAP draft on prohibiting developments zoned into a school area with a failing TEA grade and the delay in TEA scores being released, developers are especially cautious in site selection for the 2024 9% HTC application round. Since the QAP will not be finalized until November, will the City allow for at a 7-day notification instead of a 45-day notification time period for notification of submission of a HTC application?

The City requires at least a 30-day notification period prior to submitting a HTC application. Site control is not a requirement for submitting a HTC notification or resolution application.

2024 HTC POLICY CONTENT

NOTIFICATION REQUIREMENTS

The City has expanded the notification boundary for neighborhood and homeowner association meetings to a half-mile. This is consistent with City's zoning notification requirements.

What should be included in the notifications? Can they be emailed or must they be mailed?

The notification must include:

- the developer' name and address and a representative's contact information,
- development name and address,
- a brief description of the development to include the target population(s) to be served, and
- the approximate number of units and the bedroom sizes to be provided.



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The notification must be sent by mail or email to the following groups:

- Neighborhood Services at htc@fortworthtexas.gov,
- the councilmember in whose district the development is or will be,
- the superintendent of the impacted ISD, and
- the impacted neighborhood or homeowner association(s). The City's Community Engagement Office (CEO) staff will introduce the developer and development to the impacted NA/HOA. This introduction will tell the developer which groups must be invited to at least one (1) information session.

Both NSD and CEO staff suggested notifications be both emailed and mailed.

0-30% AMI UNITS REQUIREMENT

It was suggested that the requirement for a minimum of 10% of total development units set-aside for the 0-30% AMI population be changed to a percentage of total "affordable" units rather than total "development" units.

City Council has identified the need for units serving this population as critical and NSD staff recommends that the Council maintain the requirement to apply to total development units.

TAX-EXEMPT DEVELOPMENT REQUIREMENTS

Though the City and FWHFC are out of soft funding, will partnerships with the FWHFC that result in a tax-exemption remain an option for developers?

FWHFC is still partnering with developers. Every partnership request must go through a fiscal underwriting analysis by a consulting financial advisor. Based on that analysis, the FWHFC will determine whether to proceed with a partnership and the partnership terms.

COMMUNITY ENGAGEMENT PROCESS

Working together, NSD and CEO staff are responsible for the initial introduction of affordable housing developers to any Neighborhood Associations (NA) and Homeowner Associations (HOA) within a half-mile radius of the proposed development.

What is the wording of the introductory email that CEO staff sends to NA and HOA? There are certain words that residents may have an emotional reaction to such as "low-income housing."

The CEO staff is sensitive to this. The current messaging states 'federal housing tax credits.'

How much does the City weigh the opinion of Neighborhood Associations?

Most successful developers are heavily engaged with NA and HOA. Each councilmember has their own view of how much influence NA or HOA has on the process. Most elected officials have concerns about developments that do not yet have zoning in place which is an often-cited concern of NA and HOA.

PUBLIC MEETING

Are virtual public meetings still acceptable?

Yes, please record these meetings for documentation purposes. NSD staff may request the recording to show proof of the meeting's occurrence.



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Do we need to record our neighborhood meetings?

While not required by the policy, virtual meetings should be recorded. In-person meetings can also be recorded should the developer choose to do so. Whether the meeting(s) is held in-person or virtually, the developer may be required to provide proof that a meeting was held.

PRO HOUSING GRANT

Neighborhood Services staff presented on a new grant application the City intends to submit at the end of October. The Pathways to Remove Obstacles to Housing, or PRO Housing, is a competitive grant administered by HUD to identify and remove barriers to affordable housing. The City will apply for \$10,000,000 and proposes distributing it among the seven following projects:

Proposed Project	Estimated Costs	Department Responsible
Development Capital Pool	\$5,000,000	NSD
Patternbook of Housing	\$1,000,000	Development Services, NSD
Unified Development Code	\$950,000	Development Services
Land Banking	\$400,000	NSD, Property Management
Alleyways Supporting Missing Middle	\$400,000	TPW, Development Services, PARD
Station Area Plan & FBC for Stockyards Station	\$750,000	The Lab, Development Services, NSD
Retrofitting Suburban Malls	\$1,500,000	TPW, The Lab, Development Services, NSD
TOTAL	\$10,000,000	

Developer feedback:

“All of the ideas are impactful. I would suggest a higher amount for the development capital pool? Is there any way to redistribute the funds shown on the chart?”

“Land banking can be used to leverage the tax credit. Please be strategic about the location of property as well as HTC deadlines.”

Where did the \$1.5 million for suburban malls come from?

The City is looking at three malls and \$500,000 is budgeted for a site-specific plan for each.