

2024 Housing Tax Credit Developer Forum

Tuesday, October 3, 2023
Como Community Center

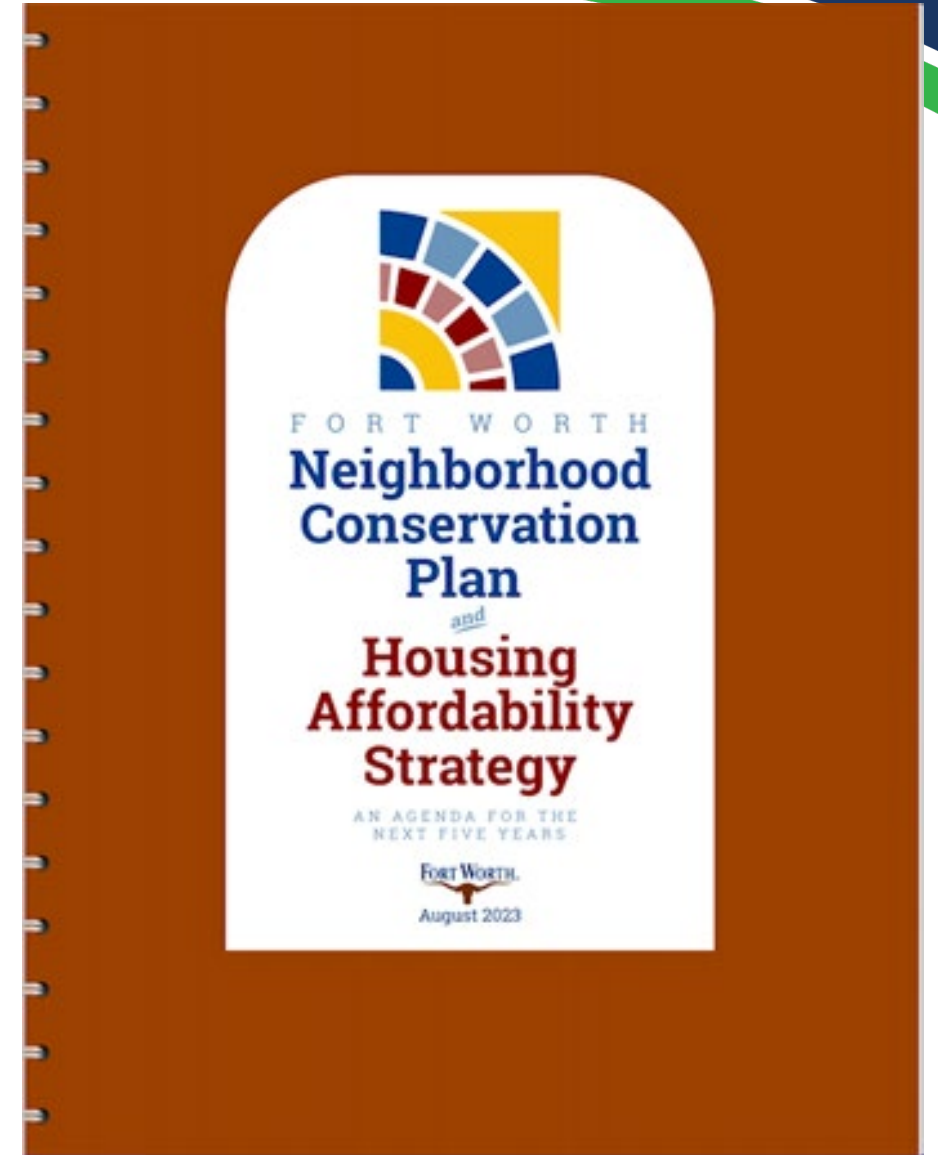
Amy Connolly, Assistant Director
Neighborhood Services Department



Agenda

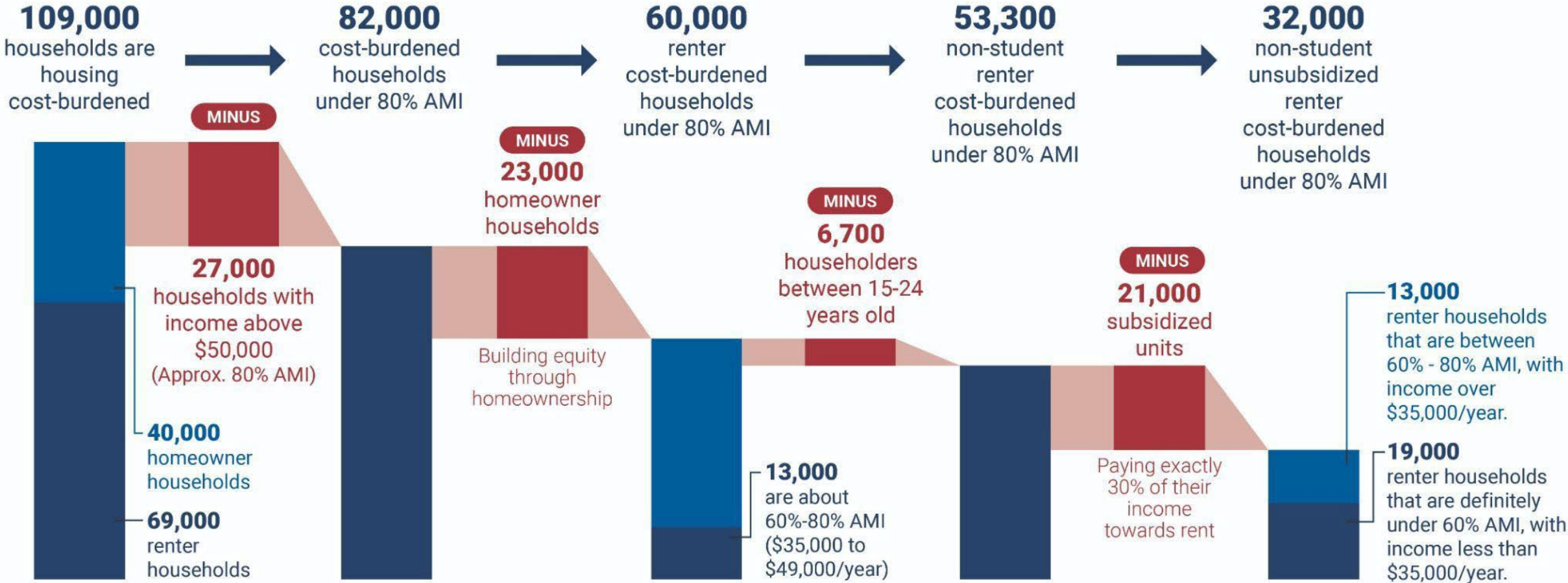
- Review of Fort Worth Neighborhood Conservation Plan and Housing Affordability Strategy
- 2023 HTC Policy in Review
- Proposed Changes to the 2024 HTC Policy Process
- Receive Feedback on 2024 Proposed Changes
- HUD PROHousing Grant application overview/feedback

Fort Worth Neighborhood Conservation Plan & Housing Affordability Strategy



32,000 Low Income Renters Can't Afford Their Homes

There is a gap between the number of affordable units that are available and the number that are needed to provide everyone with homes that they can afford.



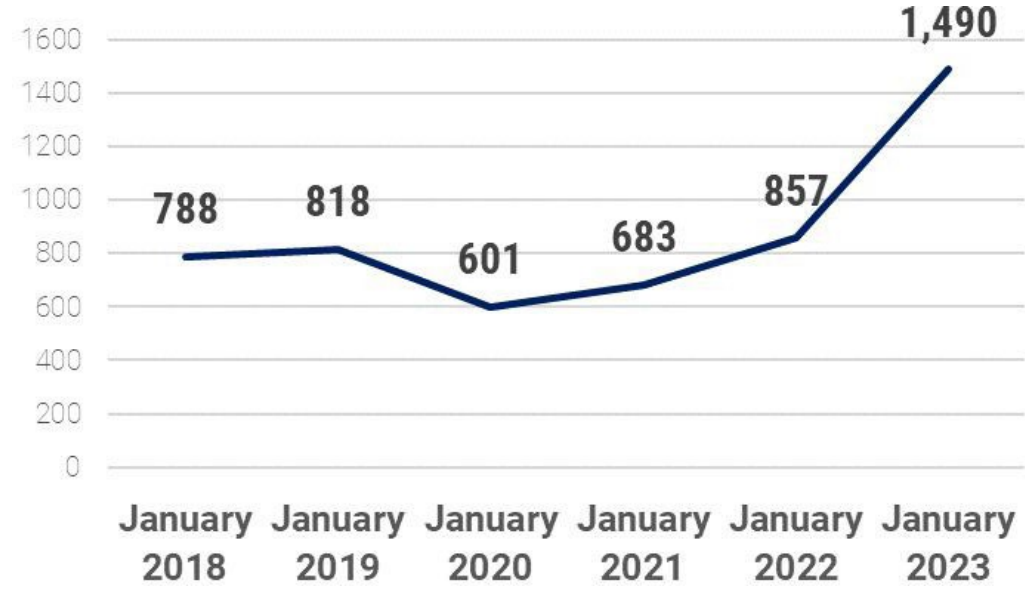
All population numbers are approximate and income ranges represent the closest approximation of AMI ranges using US Census household income data. Note that in 2019 there were approximately 21,000 renter-subsidized units, which is generally the same as these 2021 estimates.

Evictions and Homelessness are Going Up

The Homeless Coalition says they're seeing many new families, and evictions are rising. With a tighter housing market, these numbers will go up.

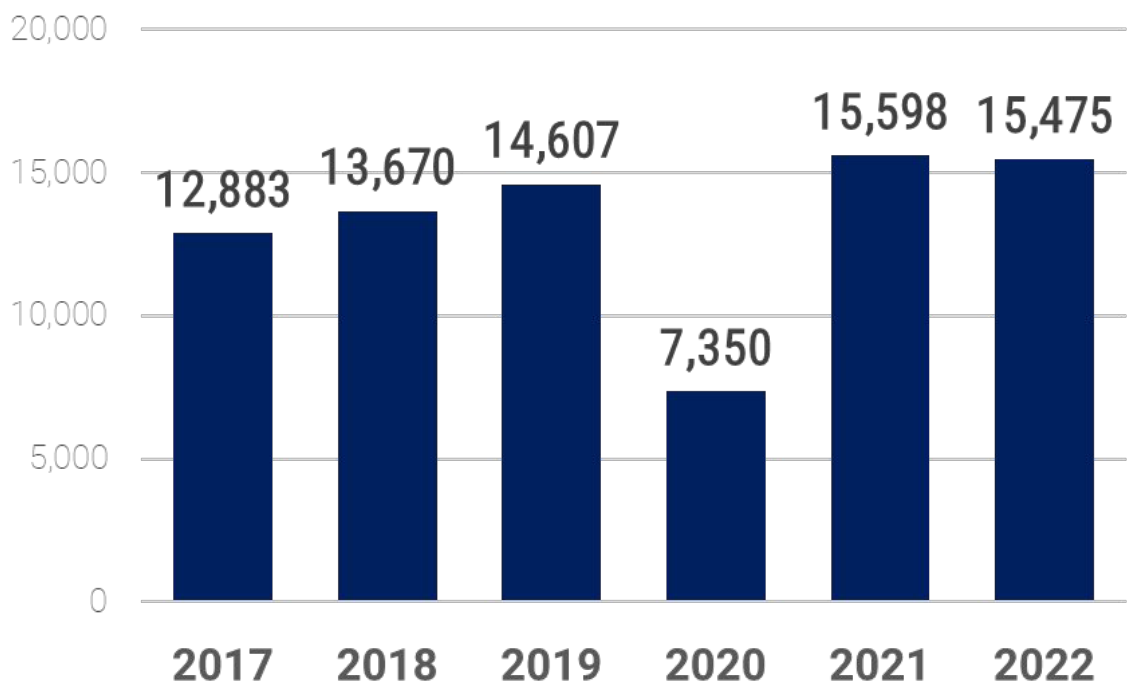
Fort Worth Monthly Point-In-Time Count of Homeless Households

Fort Worth Neighborhood Services Dept, Directions Home; 2021 did not include in person counts, only outreach



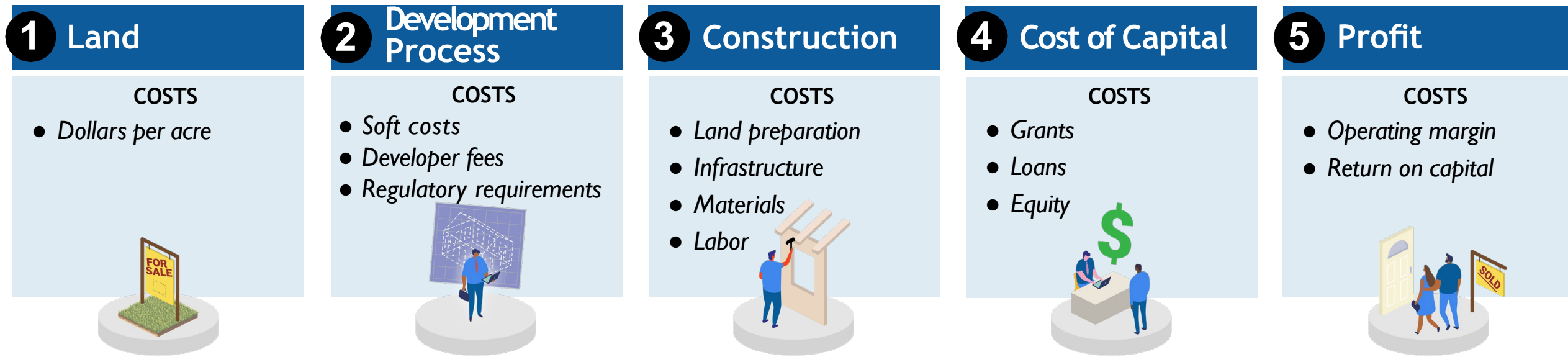
Fort Worth* Eviction Filings Over Time

Ninigret Partners calculations based on North Texas Eviction Project & Tarrant County Dispute Resolution Program

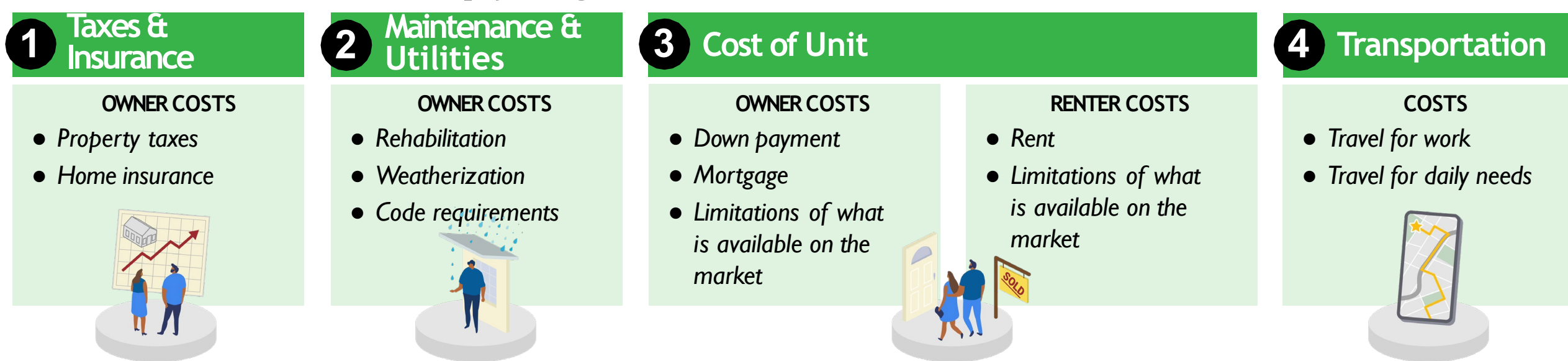


* Only reflects Tarrant County portion of Fort Worth

The Costs of Building & Preserving Housing



The Costs of Occupying a Home



What Should The City Do?



Attack the Cost of Building & Preserving Housing

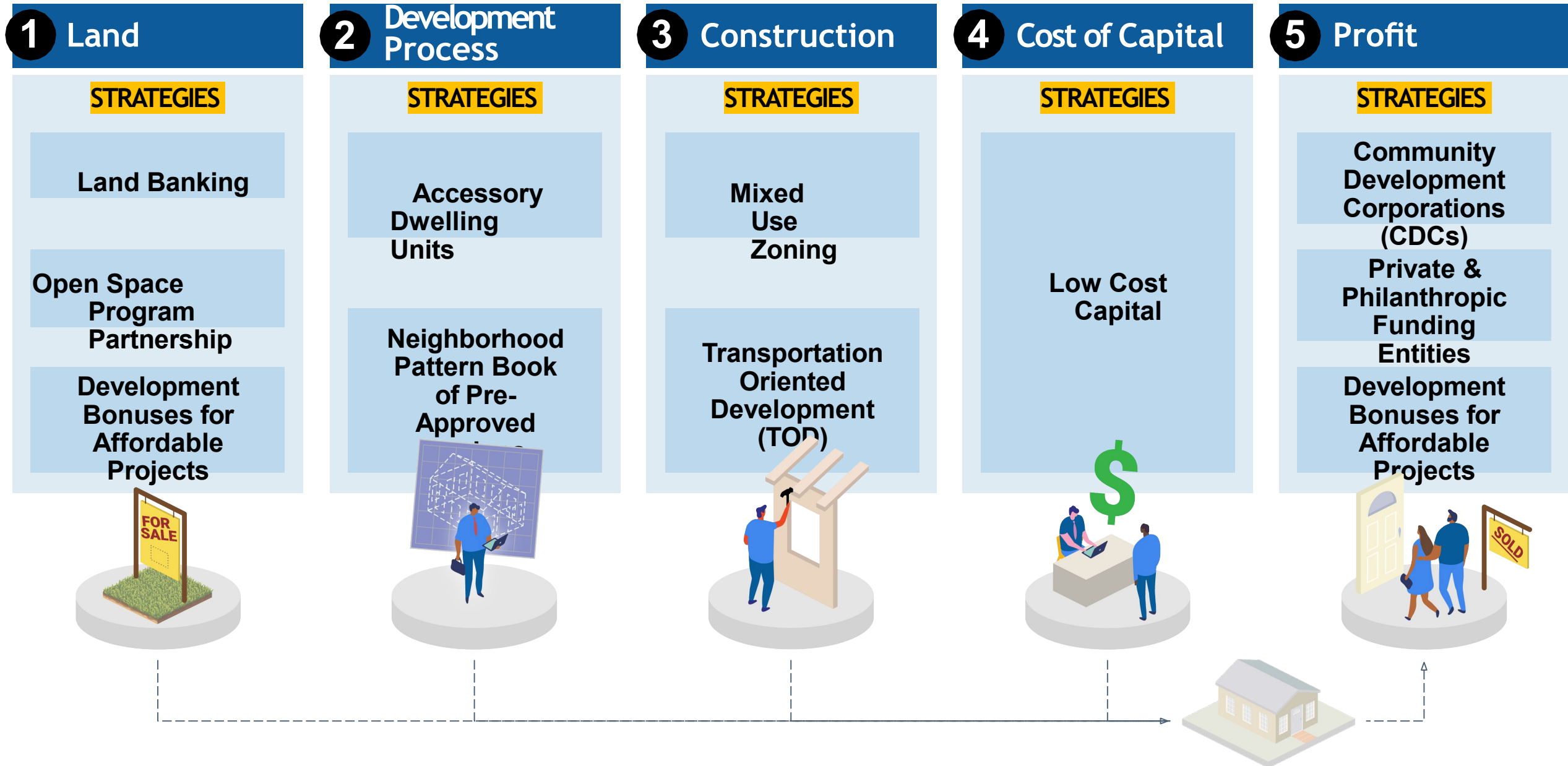


Attack the Cost of Occupancy
for owners and renters



Intervene and Manage Housing Crises
to reduce homelessness and save affordable homes

Attack the Cost of Building & Preserving Housing



Attack the Cost of Occupying a Home

1 Taxes & Insurance

STRATEGIES

Property Tax Assistance for Low-Income Owners

Homestead Exemption



2 Maintenance & Utilities

STRATEGIES

City Rehabilitation Program

Tax Abatements for Property Improvements (NEZs)

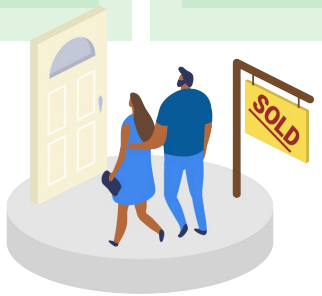


3 Cost of Unit

OWNER STRATEGIES

Community Land Trust

Down Payment Assistance



RENTER STRATEGIES

Rental Assistance

Targeted Code Enforcement at Multi-Family Rental Properties

4 Transportation

STRATEGIES

Transportation Oriented Development (TOD)



Intervene *and* Manage Housing Crises

1 Crisis



2 Threat of Home Loss



STRATEGIES

**Feasible
Repayment
Options for
At-Risk Owners**

**Eviction
Diversion
Program**

3 Home Loss



STRATEGIES

**Acquire and
Preserve Properties
At Risk of Foreclosure
or Tax Lien**

4 Homelessness



STRATEGIES

**“Functional
Zero” Approach
to
Homelessness**

HOME LOSS may occur due to a range of public processes including:

- *Eviction*
- *Foreclosure*
- *Tax delinquency and sale*
- *Code enforcement action*

Increase Capital Available for New Housing

Fund a range of affordable housing development and preservation strategies, including land acquisition, development projects, preservation of existing housing, and more.

Details

Category	Percent	Dollars	Impact	Assumptions
Rental	50%	\$50M		
Protect LIHTC Properties	25%	\$25,000,000	3,200 units are approaching 30 years	Based on HUD LIHTC reporting, may need revision
Acquire Rental Units For 60-80% AMI	25%	\$25,000,000	200+ units acquired with resources to renovate	Philanthropic and private capital leveraged 3 to 1 or 4 to 1 on public dollars, \$200k/unit acquisition cost
Homeownership	30%	\$30M		
Help Existing Homeowners	15%	\$15,000,000	600 homes rehabbed	\$25,000/unit.
Build New Homes	15%	\$15,000,000	- Option 1: About 500 units at \$30k buydown for 80% AMI to get prices under \$300k. - Option 2: About 187 units at \$80k buydown for 60% AMI to get priced under \$200k	Depends on the size of the buydown. Houston is \$82k/ unit with target of \$200-\$270k. Credit score is the key issue on mortgage declines in FTW / Tarrant County. May require down payment assistance, homeownership education
Homelessness	15%	\$15M		
Support Construction of Permanent Supporting Housing	15%	\$15,000,000	120 - 150 units, more than doubles city ARPA commitment, creating opportunity for "functional zero" homelessness.	This would not impact the ability to fund operating costs of PSH, which are significant
Flex	5%	\$5M		
Housing Innovation Funds	5%	\$5,000,000	-	Land acquisition, flexible capital stack, proof of concept construction

What did we hear last year?

Developer Feedback from 2023 meeting

- Appreciated the additional time given for the submission deadline
- Requested the waiver of additional fees (*in particular impact fees*)
- Requested expediting the development process
- Requested IPRC fees be assessed differently
- Suggested that the City or FWHFC consider acquiring property in priority areas to sell via RFP/RFQ as a means of reducing development costs
- Requested the removal of the 0-30% AMI set-aside for 4% HTC developments

2023 HTC Policy in Review

2023 HTC Resolution Requirements

Requirements	9%		4%
	Support	No Objection	No Objection
Minimum 10% of total units are 0-30% AMI	X	X	
Located in TDHCA-defined high opportunity area, mixed-use growth center, city revitalization area, or CNI Neighborhood	X		
Written notifications sent to Councilmember, City Staff, ISD, and Registered NA/HOA	X	X	X
Neighborhood/HOA information session held prior to application deadline	X	X	X
Applicants required to declare intent to seek City or FWHFC funds in the resolution application	X	X	X

2023 HTC Timeline

DATE	ACTIVITY
October 3, 2022	HTC Developer Forum
October 7, 2022	Developer deadline to submit policy questions/comments
October 21, 2022	Answers to developer questions posted to the website
November 8, 2022	Council consideration & approval of Proposed 2021 Policy
December 14, 2022	Deadline to submit notifications (30 days ahead of submittal)
January 13, 2023	Deadline to host at least 1 neighborhood information session (same day as submittal)
January 13, 2023	Deadline for developers to submit application to Neighborhood Services
January/February 2023	Staff recommendations presented at City Council Work Session
February 2023	City Council consideration & approval of resolutions

Proposed Changes in 2024 HTC Policy Process

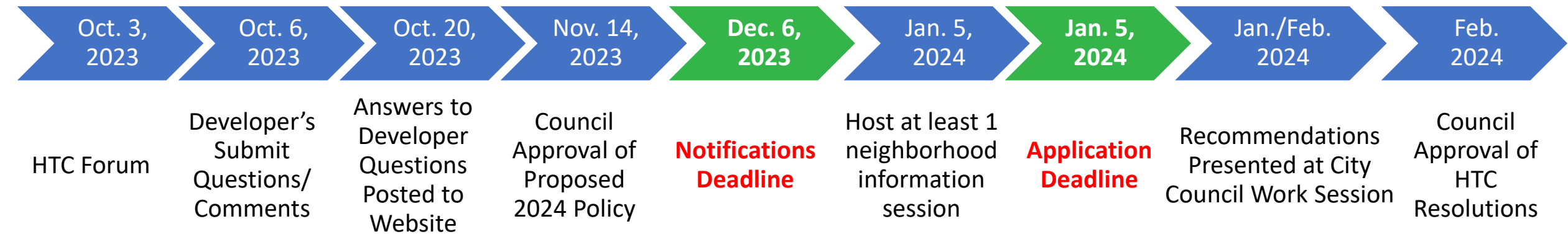
- Moved submission deadline up 1 week (from January 13 to January 6) to ensure meeting February 13 Council Meeting deadlines
- Better defined development fees eligible for waivers under this policy & City ordinance
 - Reduce eligible development application fee waivers from *unlimited* to \$30,000
 - Addition of potential park dedication fee waivers per HB 1526
 - City will not waive or reduce Transportation Impact fees or Water/Wastewater Impact fee waivers
- Requests for hold harmless zoning letters added to the application.
 - Process for receiving this letter and multifamily revenue bond letters is better explained
- Expanded notification boundary for neighborhood and homeowner association meetings to ½-mile (*same as zoning notifications*)
- Added quarterly deadlines for the submission of 4% HTC applications to standardize that process and create shared expectations
- Removed requests for future funding by CFW or FWHFC

2024 HTC Resolution Requirements

Requirements	9%		4%
	Support	No Objection	No Objection
Minimum 10% of total units are 0-30% AMI	X	X	
Located in TDHCA-defined high opportunity area, mixed-use growth center, city revitalization area, or CNI Neighborhood	X		
Written notifications sent to Councilmember, City Staff, ISD, and Registered NA/HOA	X	X	X
Neighborhood/HOA information session held prior to application deadline	X	X	X
Applicants required to declare intent to seek City or FWHFC funds in the resolution application	X	X	X

2024 Proposed HTC Timeline

Notification & Applications Deadlines Pushed Up 1 Week



2024 Proposed HTC Timeline

DATE	ACTIVITY
October 3, 2023	HTC Developer Forum
October 6, 2023	Developer deadline to submit policy questions/comments
October 20, 2023	Answers to developer questions posted to the website
November 7, 2023	Council consideration & approval of Proposed 2023 Policy
December 6, 2023	Deadline to submit notifications (30 days ahead of submittal)
January 5, 2024	Deadline to host at least 1 neighborhood information session
January 5, 2024	Deadline for developers to submit application to Neighborhood Services
February 2024	Staff recommendations presented at City Council Work Session
February 2024	City Council consideration & approval of resolutions

Community Engagement Process

1. Developer notifies Neighborhood Services Department (NSD) staff of intent to submit an HTC application that indicates the address(es) of the proposed development.
2. NSD staff prepares a map that shows the registered NA/HOA within a **½-mile** radius of the proposed development and sends that map to Community Engagement Office (CEO) staff.
3. CEO staff send an introductory email to both the affected NA/HOAs and the developer. The email will include contact information for all entities notified and the map as noted above. This communication must be attached to the HTC application to provide proof of notification to the affected NA/HOA.
4. Developers engage with NA/HOA and hold at least **1 information session**. The session does NOT have to be held at a NA/HOA meeting but must be held in the area where the proposed development will be located.

FEEDBACK?

2024 Proposed HTC Timeline

DATE	ACTIVITY
October 3, 2023	HTC Developer Forum
October 6, 2023	Developer deadline to submit policy questions/comments
October 20, 2023	Answers to developer questions posted to the website
November 7, 2023	Council consideration & approval of Proposed 2023 Policy
December 6, 2023	Deadline to submit notifications (30 days ahead of submittal)
January 5, 2024	Deadline to host at least 1 neighborhood information session
January 5, 2024	Deadline for developers to submit application to Neighborhood Services
February 2024	Staff recommendations presented at City Council Work Session
February 2024	City Council consideration & approval of resolutions



PRO HOUSING
Pathways to Removing Obstacles



Pathways to Removing Obstacles to Housing Grant Opportunity

City of Fort Worth



PRO HOUSING
Pathways to Removing Obstacles



Pathways to Removing Obstacles to Housing Grant Opportunity

City of Fort Worth

What are PRO Housing grants for?

- Pathways to Removing Obstacles to Housing, or PRO Housing, is a competitive grant being administered by HUD.
- PRO Housing seeks to identify and remove barriers to affordable housing production and preservation
- PRO Housing is a component of the Community Development Block Grant (CDBG) program.



What kinds of barriers does PRO Housing seek to remove?

Barriers to affordable housing look different in every community. They can be caused by:

- zoning decisions
- land use policies or regulations
- inefficient procedures
- gaps in available resources for development
- deteriorating or inadequate infrastructure
- lack of neighborhood amenities
- challenges to preserving existing housing stock



What is HUD prioritizing in the PRO Housing competition?

HUD will prioritize applicants that demonstrate:

- progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation
- an acute demand for housing affordable to households with incomes below 100 percent of the area median income.



How much, How many, When, How Long?

- Approximately \$85,000,000 is available
- HUD expects to make approximately 20 awards
- The minimum award amount is \$1,000,000
- The maximum award amount is \$10,000,000
- PRO Housing has a six-year period of performance.
- The estimated project start date is 1/31/2024, or after the expected issuance of awards.
- The estimated project end date is 9/30/2029.



What activities are eligible?

Eligible activities include:

- Planning and policy activities
- Development activities
- Infrastructure activities, and
- Preservation activities



7 City of Fort Worth Proposed Projects

- **Development Capital Pool** -- \$5M of affordable housing development low-cost capital awarded through NOFA to highest scorers using TDHCA's High Opportunity Index, must revolve
- **Patternbook of Housing** – Architectural/engineering plans for single family, duplexes, “missing middle housing” (3-12 units), and accessory dwelling units that are preapproved for particular zoning districts; including design development + intellectual property
- **Unified Development Ordinance** – Evaluation of current zoning ordinance, subdivision regulations, and building codes related to the development of affordable housing & desired goals; development of new zoning code, subdivision regulations, and building codes into new single ordinance that is connected



7 City of Fort Worth Proposed Projects (cont.)

- **Land Bank Plan and Ordinance** – Development of an official land banking plan and ordinance and/or legislation to enact a land bank within the City of Fort Worth
- **Alleyways Supporting Missing Middle Analysis** – Research and development of new policies/ordinances to support the preservation & development of alleyways to support missing middle housing.
- **Station Area Plan & Form Based Code for Stockyards/Northside TOD** – Development of station area plan and new zoning code for the area surrounding the TRE/Trinity Metro Station for Transit Oriented Development.



7 City of Fort Worth Proposed Projects (cont.)

- **Retrofitting Suburban Malls to Create Affordable Housing** – Studies analyses land use and redevelopment of areas surrounding three area malls to re-establish grid pattern of street, redevelop vacant sites/parking fields into new housing opportunities, and redevelopment options for existing commercial developments & outlots. Determining opportunities for larger transit facilities in these areas.



Proposed Cost Estimates for Grant

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	



FEEDBACK?

Thank you!

Send comments/questions to

HTC@fortworthtexas.gov by Friday, October 6, 2023.

Answers will be posted to the department's website

<https://www.fortworthtexas.gov/departments/neighborhoods>

by Friday, October 20, 2023.

