

2008 NAHRO AWARDS

AGENCY AWARDS OF MERIT IN HOUSING AND COMMUNITY DEVELOPMENT

PROGRAM INNOVATION: AFFORDABLE HOUSING

CAMBRIDGE COURT APARTMENTS

1. SUMMARY OF PROGRAM

Fort Worth is one of the fastest growing cities in the nation. An urgent need exists, therefore, to develop quality affordable housing to support escalating low-income and homeless populations. The Fort Worth Housing Authority (FWHA) collaborated with private, local, state, and federal organizations in acquiring a 330 unit abandoned apartment complex in a blighted area of the city. FWHA successfully financed \$15,693,276 to remodel this development. This development now contains 33 designated public housing units, 33 units for the chronically homeless and 264 units for low-income households. This project combined creative financing, public/private partnerships, and adaptive reuse, benefiting all stakeholders.

2. DESCRIPTION OF THE PROGRAM

To better serve the ever-increasing low-income and homeless populations, the Fort Worth Housing Authority is consistently exploring opportunities for development of quality affordable housing. FWHA discovered such an opportunity in 2004. Cambridge Court Apartments was a 331 unit, abandoned apartment complex located in the western area of Fort Worth approximately nine miles from the downtown central business district. A market study was conducted by Integra Reality Resources. The study determined that based on population demographics a demand for 3,699 affordable units existed for qualifying families presently residing within a four mile radius of this development.

This development is less than one mile from Interstate Hwy 30, which provides connections to all other major roads serving Fort Worth. The site is within a short driving distance from major grocery/pharmacies, shopping centers, and a variety of other retail establishments, restaurants, schools, churches, and hospitals. The location of this development provided FWHA with an opportunity to play a role in revitalizing a blighted area with the potential to better the community as a whole. This development also enabled FWHA to provide quality affordable housing for populations in need.

FWHA moved forward by acquiring the property in September 2004 from the U.S. Department of Housing and Urban Development (HUD) for \$100. FWHA then formed Western Hills Affordable L.L.P. as a partnership; applied for tax credits; partnered with Carlton Development, Ltd.; and, formed TriVest Property Management as an affiliate to

manage the property after renovation. In addition, FWHA partnered with Chase Bank to privately finance part of the cost for the redevelopment of the project. FWHA organized and administered all aspects of this project.

After securing financing necessary to completely redevelop the property, FWHA completed the project in December of 2007.

3. THE RESULTS/SUCCESS OF THE PROGRAM

FWHA was able to redevelop the complex and provide quality affordable housing for populations typically excluded from conventional tax credit, mixed income development. Partnering with HUD to allow for the placement of the chronically homeless in conjunction with public housing units located in a mixed income environment is an achievement.

Coordinating and developing the partnerships necessary to make this project successful was difficult. Obtaining the monies necessary to redevelop the project was difficult but surmountable. With regard to the measurement of success, the City of Fort Worth brought a blighted and abandoned apartment complex back to life. The community is safer as a result of this achievement. In addition, quality affordable housing is now available to individuals in need where there was none. The new units are equipped with new appliances, ice maker, built in microwave, garbage disposals, carpet, ceramic tile, central heat and air, and high capacity water heaters. Laundry facilities, pools, business computer center, and fitness centers were added as amenities. All this is available at affordable rates to populations that typically do not enjoy this standard of living.

The following populations are being served by this development:

- Thirty-three (33) units (10%) are reserved for households earning 30% or less of AMGI. These units are reserved for the Shelter Plus Care program serving the chronically homeless. HUD awarded FWHA with \$9.6M in Shelter Plus Care funds for years 2000-2010.
- Thirty-three (33) units (10%) are reserved for households earning 30% of AMGI or less and they are designated public housing units.
- Seventy-seven (77) units (23%) are reserved for households earning 40% or less of AMGI.
- One hundred eighty-seven (187) units (57%) are reserved for households earning 50% or less of AMGI.

4. THE COST/FINANCING OF THE PROGRAM

The total project cost was \$15,693,276. Available Low Income Housing Tax Credits were used to finance \$9,247,720. FWHA worked with Chase Bank to privately finance the remaining \$6,445,556. In accordance with the underwriter's estimates, this development could achieve excessive profit levels because the Debt Coverage Ratio (DCR) exceeds 1.3, if maximum tax credit rents can be achieved. The property has been declared tax exempt by the State of Texas adding to the potential profitability of the project.

5. INNOVATION

The Cambridge Court Apartments project is innovative in various ways. For example, an innovative combination of financing was used to develop this project including, the use of low-income housing tax credits and private sector financing.

A unique partnership was formed to undertake the project including a public housing agency (FWHA), a developer (Carleton Development, Ltd.), an authorizing low-income housing tax credit agency (State of Texas), a federal agency (U.S. Department of Housing and Urban Development), a property management entity (TriVest Property Management), private financing (Chase Bank), and Western Hills Affordable L.L. P.

Implementation of the project also resulted in improved housing options for the low-income and homeless populations. Project implementation also resulted in the revitalization of a blighted area in west Fort Worth. In addition, the location of the project provides access to those services (retail, restaurants, etc.) and amenities (schools, churches, etc.) necessary for project residents to maintain a decent standard of living.