



Multifamily Housing Revenue Bonds

ID 25-1315 ID 25-1316

Presenter: Jesse Kent

Director of Community Services

August 5, 2025

A vibrant mural on a wall, featuring a large blue parrot with white and yellow accents, surrounded by large yellow and pink flowers. The mural is set against a background of green foliage. The image is partially framed by a diagonal blue, white, and red stripe.

COMMUNITY SERVICES

BACKGROUND – HOUSING TAX CREDITS

The Housing Tax Credit program is the largest public funding source in the nation for affordable rental homes. Housing Tax Credits are funded federally and administered by states. In Texas, the program is administered by the Texas Department of Housing and Community Affairs (TDHCA).

There are two types of Housing Tax Credits:

4% HTC	<ul style="list-style-type: none">• Non-Competitive• Applications accepted year-round• Allows the developer to reduce federal tax burden by a proportion of eligible construction costs, 30% of the development costs.• Requires resolution of no objection from municipality• Must be at least 50% funded by Multifamily Housing Revenue Bonds
9% HTC	<ul style="list-style-type: none">• Competitive• Application occurs once per year• Allows the developer to reduce federal tax burden by a proportion of the eligible construction costs, 70% of the development costs.• Requires resolution of support from municipality

MULTIFAMILY HOUSING REVENUE BONDS

- Per Internal Revenue Code, 4% Housing Tax Credit developments are required to finance at least 50% of the cost of land and construction using Multifamily Housing Revenue Bonds.
- Texas Bond Review Board administers an annual finite amount of tax-exempt Private Activity Bonds, including Multifamily Housing Revenue Bonds.
- Once issued a Certificate of Reservation, 4% Housing Tax Credit Developments must find an approved government entity to issue the bond on a conduit basis. The bond is then purchased by a private investor fund the cost of development. These bonds do not create a debt or liability to the State of Texas or taxpayers of the jurisdiction.
- Two Housing Tax Credit Developments in the City of Denton have chosen Denton Housing Authority (DHA) as the conduit issuer.
 - Under the Internal Revenue Code, bond issuers are required to receive approval from the elected body that governs them.
 - The City of Denton's City Council is the elected body that governs DHA.

4% HTC Developments (2025)

- **Roselawn Village:** Roselawn Village Apartments is a 4% Housing Tax Credit Development proposed for 2800 Roselawn Dr. On [February 18, 2025](#), City Council approved a Resolution of No Objection for the developer's application to TDHCA for the tax credit ([ID 25-103](#)).
- **Waterford at Spencer Oaks:** The Waterford at Spencer Oaks Apartments is an existing apartment complex at 2100 Spencer Rd, Denton, TX 76205. Its' construction was funded by Housing Tax Credits in 1996. Their affordability commitments last 30 years, and would otherwise expire next year in 2026, with the apartments converting to market rate. By undergoing a rehabilitation with Housing Tax Credit funding, the development would recommit to affordability for another 30 years.

TIMELINE

- **Feb. 18:** Roselawn Village received Resolution of No Objection
- **July 10:** DHA held public hearings regarding Multifamily Housing Revenue Bond conduit issuance for both developments
- **Aug. 5:** City Council considered Resolution of No Objection for Waterford at Spencer Oaks
- **Aug. 5:** City Council will consider approval of DHA's Multifamily Housing Revenue Bond conduit issuance for both developments.

STAFF RECOMMENDATION

- Staff recommends **approval** of these Resolutions.