



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Meeting Agenda

### Denton City Public Facility Corporation

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Tuesday, December 16, 2025

5:00 PM

Council Work Session Room

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#### **REGISTRATION GUIDELINES FOR ADDRESSING THE DENTON CITY PUBLIC FACILITY CORPORATION**

Citizens are also able to participate in the following way (NOTE: Other than public hearings, citizens are only able to comment one time per agenda item; citizens cannot use both methods to comment on a single agenda item. Public comments are not held for work session reports.):

- eComment – On December 10, 2025, the agenda was posted online at <https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>. Once the agenda is posted, a link to make virtual comments using the eComment module will be made available next to the meeting listing on the Upcoming Events Calendar. Within eComment, citizens may indicate support or opposition and submit a brief comment about a specific agenda item. Comments may be submitted up until the start of the meeting at which time the ability to make an eComment will be closed. Similar to when a citizen submits a white card to indicate their position on an item, the eComments will be sent directly to members of the Denton City Public Facility Corporation and recorded by the Secretary.

Members review comments received in advance of the meeting and take that public input into consideration prior to voting on an agenda item. The Chair will announce the number of Comment Cards submitted in support or opposition to an item during the public comment period. Comments will not be read during the meeting. The Secretary will reflect the number of comments submitted in favor/opposition to an item, the registrant's name, address, and (summary of) comments within the Minutes of the Meeting, as applicable.

After determining that a quorum is present, the Denton City Public Facility Corporation of the City of Denton, Texas, will convene in a Regular Meeting on Tuesday, December 16, at 5:00 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

#### **REGULAR MEETING**

##### **1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC**

This section of the agenda permits a person to make comments regarding public business on items as listed on the agenda and in-person presentations (allows for comments on items not listed on the agenda.) Each speaker will be allowed a maximum of three (3) minutes with up to five speakers per meeting.

##### **2. ITEMS FOR CONSIDERATION**

NOTE: The Denton City Public Facility Corporation reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

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- A. [DCPFC25-00](#)  
[1](#) Consider approval of the minutes for the Initial Meeting of Denton City Public Facility Corporation on Tuesday, January 7, 2025, at 1:00 p.m. in City Council Work Session Room at City Hall, 215 E McKinney St., Denton, Texas.
- Attachments: [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Draft Minutes](#)
- B. [DCPFC25-00](#)  
[5](#) Consider approval of the policies and procedures of Denton City Public Facility Corporation, including application and award procedures.
- Attachments: [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Policies and Procedures Manual](#)  
[Exhibit 3 - Presentation](#)
- C. [DCPFC25-00](#)  
[4](#) Consider approval of a resolution of the Board of Directors of the Denton City Public Facility Corporation, amending the bylaws of the Corporation pursuant to chapter 303 of the Texas Local Government Code; and providing an effective date.
- Attachments: [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Existing DCPFC Bylaws](#)  
[Exhibit 3 - Proposed Bylaws Redline](#)  
[Exhibit 4 - Proposed Bylaws](#)
- D. [DCPFC25-00](#)  
[3](#) Receive a report regarding the history to date of Denton City Public Facility Corporation, the powers of a Public Facility Corporation, and administrative items remaining for Denton City Public Facility Corporation to complete.
- Attachments: [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Presentation](#)
- E. [DCPFC25-00](#)  
[2](#) Receive nominations and elect a President, Vice President and Secretary.
- Attachments: [Exhibit 1 - Agenda Information Sheet](#)

CERTIFICATE

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on December 10, 2025, in advance of the three (3) business day posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code. The agenda was amended on December 11, 2025 to correct the name of the board in some instances to Denton City Public Facility Corporation.

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OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST TWO (2) BUSINESS DAYS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.

## **DENTON CITY PUBLIC FACILITY CORPORATION**

Principal Office: 215 E McKinney St,  
Denton TX 76201

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### **AGENDA INFORMATION SHEET**

**DATE: December 16, 2025**

### **SUBJECT**

Consider approval of the minutes for the Initial Meeting of Denton City Public Facility Corporation on Tuesday, January 7, 2025, at 1:00 p.m. in City Council Work Session Room at City Hall, 215 E McKinney St., Denton, Texas.

### **DISCUSSION**

The Initial Meeting of Denton City Public Facility Corporation (DCPFC) was held Tuesday, January 7, 2025, at 1:00 p.m. in City Council Work Session Room at City Hall, 215 E McKinney St., Denton, Texas. The DCPFC Board will need to approve the minutes of the Initial Meeting (Exhibit 2)

### **EXHIBITS**

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – Draft Minutes

Respectfully submitted:  
Jesse Kent  
Director of Community Services  
City of Denton

Prepared by:  
Leia Atkinson  
Housing Programs Coordinator  
City of Denton

## **DENTON CITY PUBLIC FACILITY CORPORATION**

Principal Office: 215 E McKinney St,  
Denton TX 76201

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After determining that a quorum was present, the Denton City Public Facility Corporation (DCPFC) convened for an Initial Meeting on Tuesday, January 7, 2025, at 1:00 p.m. in City Council Work Session Room at City Hall, 215 E McKinney St., Denton, Texas.

**MEMBERS PRESENT:** Members Gerard Hudspeth, Paul Meltzer, Vicki Byrd, Brian Beck, Joe Holland, Brandon Chase McGee

**MEMBERS ABSENT:** None

Called to order 1:02 p.m. with five members present. Member McGee had not yet arrived. The members unanimously elected Member Hudspeth to preside over the meeting until officers were elected.

### **1. ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. DCPFC 24-001 - Consider approval of a resolution of the board of directors of the Denton City Public Facility Corporation, approving the bylaws of the Corporation pursuant to Chapter 303 of the Texas Local Government Code; and providing an effective date.

Member McGee arrived. Member Meltzer provided comments on the bylaws specifically addressing the provisions that limited the authority of the Denton City Council over the Denton City Public Facility Corporation (DCPFC) Board. He recommended the removal of the procedures for the removal of members and removal of the officer position of Treasurer.

A discussion followed regarding the legal separation between the DCPFC Board and the City Council.

**Member Byrd moved to approve the bylaws as written; however, the motion failed for lack of a second.**

**Member Beck motioned to approve the bylaws with changes, including that members could only be seated members of the City Council, DCPFC members could not remove other members from the DCPFC board, the officer positions of president and vice president would be held by the mayor and mayor pro-tem of City Council respectively, and the position of treasurer would be removed from the bylaws. Member Meltzer seconded the motion.**

**AYES (6):** Members Gerard Hudspeth, Paul Meltzer, Vicki Byrd, Brian Beck, Joe Holland, Brandon Chase McGee

**NAYS (0):** None

- B. DCPFC 24-002 - Receive nominations and elect a President, Vice-President, Treasurer, and Secretary

**DENTON CITY PUBLIC FACILITY CORPORATION**

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Item B was not called due to time constraints and the need for City of Denton staff to prepare the room for the upcoming City Council meeting.

The meeting was adjourned at 1:32 p.m.

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GERARD HUDSPETH  
PRESIDENT  
DENTON CITY PUBLIC  
FACILITY CORPORATION

MINUTES APPROVED ON \_\_\_\_\_

# **DENTON CITY PUBLIC FACILITY CORPORATION**

Principal Office: 215 E McKinney St,  
Denton TX 76201

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## **AGENDA INFORMATION SHEET**

**DATE: December 16, 2025**

### **SUBJECT**

Consider approval of the policies and procedures of Denton City Public Facility Corporation, including application and award procedures.

### **BACKGROUND**

[May 7, 2024](#): City Council approved Denton City Public Facility Corporation, a public facility corporation, pursuant to Chapter 303 of the Texas Local Government Code; approving the articles of incorporation and the initial bylaws for the corporation ([ID 24-992](#)).

A Public Facility Corporation (PFC) operates by making partnerships with developers of affordable housing. The PFC can negotiate the extent of affordability provided based on the City's need and in accordance with Chapter 303 of the Texas Local Government Code. In exchange, the PFC offers the development exemption from property taxes. A Policies and Procedures manual offers a PFC standard policies and procedures regarding how it accepts applications and makes decisions regarding potential partnerships. It also offers direction to the General Manager on the board's priorities for the PFC and how the board would like the PFC to operate.

Provided today is a draft DCPFC Policy & Procedures Manual for the board to consider and provide direction on. The Manual includes the following:

- Application Process
- Application Scoring Matrix
- Standards for Decision Making
- Reporting and Monitoring Requirements for Partners

### **EXHIBITS**

1. Exhibit 1 – Agenda Information Sheet
2. Exhibit 2 – Policies and Procedures Manual
3. Exhibit 3 – Presentation

Respectfully submitted:  
Jesse Kent  
Director of Community Services  
City of Denton

Prepared by:  
Leia Atkinson  
Housing Programs Coordinator  
City of Denton

# **Affordability Incentives Manual**

*Policies and Procedures for Affordability Incentives managed by  
Denton City Public Facility Corporation*

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## Contents

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<b>Overview.....</b>	<b>2</b>
Key Objectives. ....	2
Partnership Criteria. ....	2
Statement of Purpose. ....	2
DCPFC Board of Directors.....	3
Application and Review Process. ....	3
Monitoring and Reporting.....	3
<b>Application and Decision-Making Process .....</b>	<b>3</b>
Application. ....	3
Initial Review. ....	4
Project Requirements.....	4
Board of Directors Review. ....	5
Recommendation and Term Sheet. ....	5
Agreement.....	5
Data and Reporting Requirements. ....	6
Program-Level Metrics and Reporting. ....	6
<b>GLOSSARY .....</b>	<b>7</b>
<b>Appendix A – Definition of Affordability .....</b>	<b>8</b>
<b>Appendix B – Scoring Matrix.....</b>	<b>9</b>
Scoring Matrix for DCPFC Partnerships.....	9

## Overview

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Denton City Public Facility Corporation is committed to fostering diverse housing options and opportunities for everyone in our community.

This document serves as a guide for developers, stakeholders, and the public, detailing the policies and procedures of the Denton City Public Facility Corporation (DCPFC). By providing clear criteria and structured processes, DCPFC aims to foster housing affordability, a key driver to sustaining the high quality-of-life that attracts people to live, work, and play in the City of Denton.

### Key Objectives.

- Promote housing affordability by leveraging public and private investments to develop affordable housing.
- Address the needs of extremely low-income, very low-income, and low-income households by financing housing developments that meet specific affordability criteria.
- Encourage geographic and economic diversity in housing developments, ensuring a mix of incomes and equitable access to affordable housing throughout Denton.

### Partnership Criteria.

DCPFC Projects are prioritized based on:

- **Affordability:** Developments providing homes for Very Low-Income and Extremely Low-Income Households.
- **Areas of Opportunity:** Developments located in High Opportunity Areas as determined annually by the Texas Department of Housing and Community Affairs.
- **Supportive and Senior Housing:** Developments providing housing for seniors or supportive housing for people with disabilities, fleeing domestic violence, or exiting homelessness.
- **Rehabilitation:** Developments renovating existing structures.
- **Program Participation:** Developments that dedicate units for households exiting homelessness in Denton by partnering with the Local Homeless Coalition.

### Statement of Purpose.

The Denton City Public Facility Corporation (DCPFC) is a non-profit corporation and public instrumentality of the City of Denton, established for the purpose of assisting persons of

low and moderate income to acquire and own decent, safe, sanitary, and affordable housing. DCPFC will pursue this purpose by partnering with housing developments within the City of Denton which will provide homes to low-income households at rates affordable to those households. DCPFC is authorized by and will remain fully compliant with Texas Local Government Code [Chapter 9. C.303](#).

## **DCPFC Board of Directors.**

The affairs of DCPFC shall be managed by a board of directors which shall be composed entirely of the City Council of the City of Denton. A majority of the entire membership of the board of directors, including any vacancies, is a quorum.

## **Application and Review Process.**

Developers seeking funding or partnerships must complete a formal application, which undergoes a multi-step review process:

1. **Initial Staff Review:** Applications are reviewed for completeness and alignment with program goals.
2. **Board Review:** The DCPFC board evaluates applications using a detailed scoring matrix and makes recommendations for partnership or funding.
3. **Agreement:** If selected, applicants negotiate a term sheet and enter into a formal agreement with the City.

## **Monitoring and Reporting.**

All funded projects are subject to ongoing monitoring, including construction status reports, affordability commitments, and compliance with reporting requirements. Key metrics, such as the number of affordable homes constructed, are publicly reported to ensure transparency and accountability.

## **Application and Decision-Making Process**

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### **Application.**

All applicants will apply through the collective [Request for Affordability Incentives](#) application form. Within five business days, The Assistant Secretary will reach out to the email of the Authorized Officer listed on the application to outline next steps.

## Initial Review.

The Assistant Secretary (appointed by the DCPFC Secretary) will review applications for completeness and alignment with DCPFC's goals before presenting them to the Board of Directors.

Applications will be considered incomplete until all requested documentation is provided. If the application is complete and meets all project requirements, including scoring a minimum of 40 points on the Scoring Matrix in Appendix B, the Assistant Secretary will schedule a meeting of the DCPFC. Only complete applications will be reviewed by the Board of Directors. Applicants will be advised of what elements are missing from an application, and what is needed to be considered for review by the Board of Directors.

## Project Requirements.

As a baseline to be considered, all applicants **must** meet the following requirements.

1. The development is within City of Denton limits
2. The development shall not discriminate on the basis of race, color, national origin, age, religion, disability, familial status, sex, sexual orientation, or gender identity in the lease, use, or occupancy of the Development.
3. The Development shall not deny admission to any person exclusively on the basis of such person receiving rental assistance payments under a local, state, federal or other housing assistance program, including, but not limited to, Section 8 of the United States Housing Act of 1937 as amended.
  - a. Additionally, rental housing developments may not set income qualification standards which would otherwise disqualify a person receiving assistance through a program as stated above. Persons receiving assistance through such a program shall be subject to waived or modified income qualifications, which are no higher than a monthly household income equal to 250 percent of the individual's or family's share of the total monthly rent payable for a unit.
4. The development shall include on its website an explanation of its affordability commitments, including an up-to-date chart of the most recent income limits (a link to the City's chart is acceptable)
5. Meets all requirements of Texas Local Government Code [Chapter 9.C.303](#), which includes but is not limited to:
  - a. 10% of units reserved for occupancy by households whose income is 60% of the area median income or below.

- b. An additional 40% of the units reserved for occupancy by households whose income is 80% of the area median income or below.
- 6. Additionally, all developments must score at a minimum of a 40 on the Scoring Matrix in Appendix B.
- 7. Has completed a [pre-application conference](#) with City of Denton Development Services Staff,
- 8. Is "Shovel ready", meaning the developer has site control and preliminary engineering plans.

## **Board of Directors Review.**

The Board of Directors will review and evaluate applications based on criteria enumerated in each specific program, including the scoring matrix. The project scoring matrix is only one part of the evaluation process. A high score is not a guarantee of funding. The Assistant Secretary will provide any necessary analysis, information, or other support to aid the Board in their evaluation. In addition to reviewing the application, the Board will have the discretion of inviting applicants for additional oral presentations.

After receiving advice and recommendations from the General Manager, the Board of Directors will provide direction to the General Manager regarding:

- A. Which applications shall receive partnership or award, and
- B. The terms of the partnership or award to be included in the written agreement.

## **Recommendation and Term Sheet.**

Based on the direction of the Board of Directors, the General Manager will send a term sheet to the recommended applicant with the offer any financing or partnership deal. The term sheet's offer will be consistent with the recommendations of the Board of Directors.

The recommended applicant will be able to accept or reject the term sheet.

## **Agreement.**

If the term sheet is accepted, the General Manager will negotiate a written agreement with the chosen developer or agency. The developer or agency shall be required to comply with the provisions set forth in the application and the subsequent written agreement. In addition to any of the terms and conditions included in the application, the Board of Directors may require other terms and conditions be included in the agreement

as deemed necessary. The Board of Directors must approve the final form of the agreement by resolution.

### **Data and Reporting Requirements.**

Awardees will be required to complete:

- Land Use Restriction Agreement (at time of written agreement or land acquisition)
- Construction Status Reports (quarterly throughout development process)
- Inspections (at time of project completion)
- Rent Approval Sheets (quarterly throughout affordability period)
- All reporting required by Texas Local Government Code [Chapter 9.C.303](#)

### **Program-Level Metrics and Reporting.**

The Assistant Secretary will collect program-level data regarding the success of the program. This data will be publicly available on the City's website and formally reported to DCPFC Boards of Directors on an annual basis. Metrics reported will be as follows:

- Number of Affordable Homes constructed
- Number of bedrooms included in units
- Number of extremely low-income (ELIH) and very low-income (VLIH) households served
- Private funding leveraged per dollar invested

## GLOSSARY

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**Affordable Housing** - Housing is considered affordable if it costs no more than 30% of a household's annual income, for households earning up to 80% of the Area Median Income (AMI) for the Dallas Metro Area, as defined by the U.S. Department of Housing and Urban Development (HUD)

**Land Use Restriction Agreement (LURA)** - A legal document in which the property owner gives up some of their rights of the land use in exchange for a development incentive. Includes tenant income restrictions, unit set asides to be rented to lower income tenants and other affordability restrictions. May also include a deed restriction and/or a lien on the property.

**Low-Income Household** - Households earning 80% or less of the Denton County AMI, as determined by HUD.

**Non-Profit Corporation** - A corporation no part of the income of which is distributable to members, directors, or officers.

**Private Funds** – Funds which do not originate from the City of Denton, or any public instrumentality of the City of Denton.

**Public Funds** – Funds which originate from the City of Denton, or a public instrumentality of the City of Denton.

**Public Facility Corporation** - A public, nonprofit corporation organized under [Chapter 303](#) of the Texas Local Government Code.

**Public Instrumentality** - An instrumentality is an organization created by or pursuant to state statute and operated for public purposes. Generally, an instrumentality performs governmental functions but does not have the full powers of a government.

## Appendix A – Definition of Affordability

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For the purposes of the Denton City Housing Finance Corporation and Denton City Public Facility Corporation, terms regarding affordability will be defined as such:

“Affordable Housing”: Housing is considered affordable if it costs no more than 30% of a household's annual income, for households earning up to 80% of the Area Median Income (AMI) for the Dallas Metro Area, as defined by the U.S. Department of Housing and Urban Development (HUD)

“Low-Income Household”: Households earning 80% or less of the Denton County AMI, as determined by HUD.

- **Extremely Low-Income Households (ELIH):** Earning no more than 30% of the AMI, or individuals experiencing homelessness.
- **Very Low-Income Households (VLIH):** Earning no more than 50% of the AMI.
- **Low-Income Households:** Earning no more than 80% of the AMI.

The most Recent Income Limits set by HUD for Denton County, along with the associated rent and sales price limits, can be found on the City of Denton website, linked below.

<https://www.cityofdenton.com/1115/Affordability-Incentives>



## Appendix B – Scoring Matrix

### Scoring Matrix for DCPFC Partnerships

Priorities	Maximum Points
<b>Affordability</b>  .5 point for each percent of the overall development dedicated to households 31-50% AMI.  1 point for each percent of the overall development dedicated to households 30% AMI or below.	60
<b>Opportunity</b>  The applicant demonstrates that the development is eligible for opportunity index points by virtue of being located entirely within a high opportunity area as defined under TDHCA criteria in the 2025 QAP Section 11.9(c)(5)(A); or an equivalent section in a subsequent year's QAP.	10
<b>Supportive or Senior Housing</b>  The entire development is dedicated to Seniors (as defined by TDHCA) or Supportive Housing for people experiencing homelessness, people with mental illness, chronic health conditions, the disabled, and/or survivors of domestic violence.	10
<b>Rehabilitation</b> <ul style="list-style-type: none"> <li>10 Points: Development is renovating an existing non-residential structure into housing; OR is renovating an existing LIHTC development and extending its affordability commitments.</li> <li>5 Points: Development is acquiring/renovating existing housing.</li> </ul>	10
<b>Program Participation</b> <ul style="list-style-type: none"> <li>10 Points: The development enters a Memorandum of Understanding with Denton County's Local Homeless Coalition by which the project will prioritize at least <b>20%</b> of units for households referred from the local Housing Priority List.</li> <li>5 Points: The development enters a Memorandum of Understanding with Denton County's Local Homeless Coalition by which the project will prioritize at least <b>10%</b> of units for households referred from the local Housing Priority List.</li> </ul>	10
<b>TOTAL MAXIMUM POINTS</b>	100
<b>THRESHOLD FOR CONSIDERATION</b>	40

# Public Facility Corporation Policies & Procedures Manual

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DCPFC 25-005

Presenter: Jesse Kent

Director of Community Services

December 16, 2025

# DCPFC policies & procedures

A Policies and Procedures manual offers a PFC standard policies and procedures regarding how it accepts applications and makes decisions regarding potential partnerships. It also offers direction to the General Manager on the board's priorities for the PFC and how the board would like the PFC to operate.

Provided today is a draft DCPFC Policy & Procedures Manual for the board to consider and provide direction on. The Manual includes the following:

- Application Process
- Application Scoring Matrix
- Standards for Decision Making
- Reporting and Monitoring Requirements for Partners

# Priorities

- **Affordability:** Prioritize developments providing homes for Very Low-Income and Extremely Low-Income Households.
- **Areas of Opportunity:** Prioritize developments located in High Opportunity Areas as determined annually by the Texas Department of Housing and Community Affairs.
- **Supportive and Senior Housing:** Prioritize developments providing housing for seniors or supportive housing for people with disabilities, fleeing domestic violence, or exiting homelessness.
- **Rehabilitation:** Prioritize developments renovating existing structures.
- **Program Participation:** Prioritize developments that dedicate units for households exiting homelessness in Denton by partnering with the Local Homeless Coalition.

# Requirements

All developments must meet the following requirements:

- Within City of Denton Limits
- Shall not discriminate on any basis protected by the Fair Housing Act or the Non-Discrimination Ordinance
- Shall not discriminate based on source of income, such as assistance programs like Housing Choice Vouchers
- Shall advertise its affordability commitments on its website along with an explanation of qualifications for its affordable homes.
- Scores a minimum of 40 on the Scoring Matrix\*
- Has Completed a Pre-Application Conference with Development Services\*

*\* Suggested DCPFC-Specific Requirements*

# Application

The screenshot shows the 'Affordability Incentive Application' form from the City of Denton. The form is divided into two main sections: 'General Information' and 'Development Specifics'. The 'General Information' section includes fields for Development Name, Developer, Incentives, Authorized Officer (with Title, Email, and Phone), and Secondary Officer (with Email and Phone). The 'Development Specifics' section includes fields for Development Address, Zip, Occupancy Type, Building Type, Construction Type, Target Population, Council District, Approximate Site Acreage, Is your property currently platted?, and Current Zoning of Property. The form also includes a 'Note' section with instructions and a 'Please view the complete Housing Tax Credit Request for Support Policy' link.

- All applicants will apply through the comprehensive Request for Affordability Incentives application form.
- Within five business days, the Assistant Secretary will reach out to the email of the Authorized Officer listed on the application to outline next steps.
- Assistant Secretary will review applications for completeness and alignment with DCPFC goals
  - Including review of threshold scoring matrix
- If the project passes threshold score, Assistant Secretary will schedule a meeting of the DCPFC in response, scheduled the morning prior to the earliest available City Council meeting.

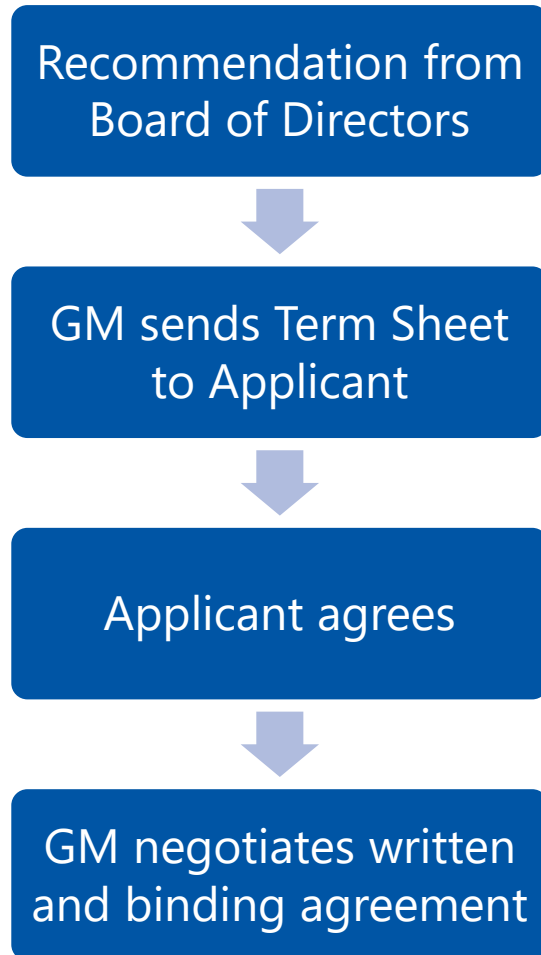
# Board review

Scoring Matrix for DCPFC Partnerships

Priorities	Maximum Points
<b>Affordability</b> .5 point for each percent of the overall development dedicated to households 31-50% AMI.  1 point for each percent of the overall development dedicated to households 30% AMI or below.	60
<b>Opportunity</b> The applicant demonstrates that the development is eligible for opportunity index points by virtue of being located entirely within a high opportunity area as defined under TDHCA criteria in the 2025 QAP Section 11.9(c)(5)(A); or an equivalent section in a subsequent year's QAP.	10
<b>Supportive or Senior Housing</b> The entire development is dedicated to Seniors (as defined by TDHCA) or Supportive Housing for people experiencing homelessness, people with mental illness, chronic health conditions, the disabled, and/or survivors of domestic violence.	10
<b>Rehabilitation</b> <ul style="list-style-type: none"> <li>10 Points: Development is renovating an existing non-residential structure into housing; OR is renovating <u>an existing</u> LIHTC development and extending its affordability commitments.</li> <li>5 Points: Development is acquiring/renovating existing housing.</li> </ul>	10
<b>Program Participation</b> <ul style="list-style-type: none"> <li>10 Points: The development enters a Memorandum of Understanding with Denton County's Local Homeless Coalition by which the project will prioritize at least 20% of units for households referred from the local Housing Priority List.</li> <li>5 Points: The development enters a Memorandum of Understanding with Denton County's Local Homeless Coalition by which the project will prioritize at least 10% of units for households referred from the local Housing Priority List.</li> </ul>	10
<b>TOTAL MAXIMUM POINTS</b>	100
<b>THRESHOLD FOR CONSIDERATION</b>	40

- Assistant Secretary will provide any necessary analysis, information, or other support to aid the Board in their evaluation.
- Part of this analysis will include a scoring matrix, used to quantitatively evaluate a proposal. However, the scoring matrix is only one part of the evaluation process and a high score is not a guarantee of funding.
- The board will have the discretion of inviting applicants for additional oral presentations.
- If the board is interested in proceeding, the General Manager will then procure underwriting and legal services, charged to the applicant.

# Term sheet and agreement



- Based on the ultimate recommendation of the Board of Directors, the General Manager will send a term sheet to the recommended applicant with the offer any partnership deal.
- The recommended applicant will be able to accept or reject for the term sheet.
- If the term sheet is accepted, the General Manager & legal counsel will negotiate a written agreement with the chosen developer or agency.



# Monitoring

Awardees will be required to complete:

- **Land Use Restriction Agreement:** At time of written agreement or land acquisition,
- **Construction Status Reports:** Quarterly throughout development process,
- **Inspections:** At time of project completion,
- **Rent Approval Sheets:** Quarterly throughout affordability period,
- **Financial Reporting:** Throughout the affordability period,
- All reporting required by Texas Local Government Code [Chapter 9.C.303.](#),
- Other items as recommended by contracted counsel.

# Reporting

The Community Services department will collect program-level data regarding the success of the program. This data will be publicly available on the City's website, and formally reported on an annual basis. Metrics reported will be as follows:

- Number of Affordable Housing units constructed
- Number of bedrooms included in units
- Number of Extremely Low-Income (ELIH) and Very Low-Income (VLIH) households served
- Private funding leveraged

# **DENTON CITY PUBLIC FACILITY CORPORATION**

Principal Office: 215 E McKinney St,  
Denton TX 76201

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## **AGENDA INFORMATION SHEET**

**DATE: December 16, 2025**

### **SUBJECT**

Consider approval of a resolution of the Board of Directors of the Denton City Public Facility Corporation, amending the bylaws of the Corporation pursuant to chapter 303 of the Texas Local Government Code; and providing an effective date.

### **BACKGROUND**

[May 7, 2024](#): City Council approved Denton City Public Facility Corporation, a public facility corporation, pursuant to Chapter 303 of the Texas Local Government Code; approving the articles of incorporation and the initial bylaws for the corporation ([ID 24-992](#)).

January 7, 2025: Denton City Public Facility Corporation amended and approved initial bylaws of the corporation (DCPFC 24-001).

[August 19, 2025](#): Bylaw amendment approved by Denton City Council ([ID-25-1215](#)).

### **DISCUSSION**

City of Denton staff is requesting an amendment to the bylaws of Denton Public Facility Corporation (DCPFC) primarily focused on accurately reflecting the role of City Staff in DCPFC. Proposed amendments also include allowing for revenue to be used as fee-in-lieu of waived taxes (for City of Denton or other taxing entities such as Denton Independent School District).

### **EXHIBITS**

1. Exhibit 1 – Agenda Information Sheet
2. Exhibit 2 – Existing DCPFC Bylaws
3. Exhibit 3 – Proposed Bylaws Redline
4. Exhibit 4 – Proposed Bylaws

Respectfully submitted:  
Jesse Kent  
Director of Community Services  
City of Denton

Prepared by:  
Leia Atkinson  
Housing Programs Coordinator  
City of Denton

**RESOLUTION NO. 25-1215**

A RESOLUTION OF THE CITY OF DENTON, TEXAS, RATIFYING THE INITIAL BYLAWS FOR THE DENTON CITY PUBLIC FACILITY CORPORATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 7, 2024, the City Council of the City of Denton ("City Council") approved the creation of the Denton City Public Facility Corporation for the City of Denton (the "City"), approved the Certificate of Incorporation, and approved Bylaws by passing Resolution 24-668; and

WHEREAS, on January 7, 2025, the initial board of Denton City Public Facility Corporation held an organizational meeting where the board made certain amendments to the Bylaws and approved the Bylaws as amended; and

WHEREAS, pursuant to Chapter 303 of the Texas Local Government Code ("Act"), the governing body of the sponsor of a Public Facility Corporation must approve the Bylaws; and

WHEREAS, the City is the sponsor of the Denton City Public Facility Corporation ("DCPFC"), and the City Council must therefore ratify any changes to the Bylaws of DCPFC for the adoption of said changed Bylaws to be effective; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. That the findings and recitations contained in the preamble of this Resolution are found to be true and incorporated herein by reference.

SECTION 2. That the amended form of the Bylaws, adopted by the board of DCPFC on January 7, 2025, and attached hereto as Exhibit "A", are ratified as the Bylaws of DCPFC.

SECTION 3. This Resolution shall be effective as of its date of approval and passage by City Council.

The motion to approve this Resolution was made by Brian Beck and seconded by Joe Holland, the Resolution was passed and approved by the following vote [ 7 - 0 ]:

	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Mayor Gerard Hudspeth:	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
Vicki Byrd, District 1:	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
Brian Beck, District 2:	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
Suzi Rumohr, District 3:	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>

Joe Holland, District 4:	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>
Brandon Chase McGee, At Large Place 5:	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>
Jill Jester, At Large Place 6:	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>

PASSED AND APPROVED this the 19th day of August, 2025.

  
\_\_\_\_\_  
GERARD HUDSPETH, MAYOR

ATTEST:  
LAUREN THODEN, CITY SECRETARY

BY: Lauren Thoden

APPROVED AS TO LEGAL FORM:  
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray Scott Bray  
Deputy City Attorney

## EXHIBIT A

# BYLAWS OF DENTON CITY PUBLIC FACILITY CORPORATION *a Texas Public Facility Corporation and Instrumentality of The City of Denton*

## ARTICLE I PURPOSE AND POWERS

- 1.1. **Purpose.** Denton City Public Facility Corporation, a Texas public facility corporation and public nonprofit corporation ("Corporation") is incorporated for the purposes set forth in its Articles of Incorporation, in accordance with the Public Facility Corporation Act, as amended, Chapter 303, Texas Local Government code ("Act"), and other applicable laws.
- 1.2. **Powers.** In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.
- 1.3. **Nonprofit Corporation.** The Corporation shall be a public, nonprofit corporation and no part of its set earnings remaining after payment of its bonds and expenses shall inure to the benefit of any person other than the City of Denton (the "City").

## ARTICLE II BOARD OF DIRECTORS

- 2.1. **Powers.** The property and affairs of the Corporation shall be managed by a board of directors (the "Board") which shall consist of members of the City Council of the City of Denton ("Governing Body"). The powers of the Board shall be subject to the limitations imposed by law and described in these Bylaws and the Articles of Incorporation.
- 2.2. **Initial Board of Directors.** The directors constituting the initial Board shall be those directors named in the Articles of Incorporation.
- 2.3. **Number of Directors.** The number of directors may be changed by amendment to these Bylaws, but such number must be at least equivalent to the total number of seated City Council Members.
- 2.4. **Term.** Each director shall hold office for the term which aligns with the board member's term on the Governing Body, and shall be considered removed or resigned from the Board upon their removal from the Governing Body.
- 2.5. **Vacancies.** Vacancies on the Board may be caused by the death, resignation, or removal of any director, when the size of the Board is increased pursuant to these Bylaws, or upon expiration of the term of the director if no new director has been appointed. Any vacancy on the Board shall be filled by appointment by written resolution of the Governing Body. A director

appointed to fill a vacancy arising other than as a result of the completion of the term of a director shall be appointed for the unexpired term of his or her predecessor in office.

2.6. **Committees of the Board.** The Board may designate two (2) or more directors to constitute an official committee of the Board but any committee shall be limited in size so as not to constitute a quorum of the directors. Any such committee shall act in the manner provided in such resolution to exercise such authority, as approved by resolution of the Board. It is provided, however, that only the Board may exercise all final, official actions of the Corporation. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation and any such meetings must be conducted in accordance with the provisions of the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code, if applicable.

2.7. **Compensation of Directors.** Directors of the Board shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors of the Corporation which are authorized by a majority vote of the Board present at a properly-called meeting of the Board at which a quorum is present.

2.8. **Additional Powers.** In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all lawful acts and things as are not by statute, other law, or by these Bylaws prohibited. Without prejudice to such general powers and other powers conferred by statute, other law, and by these Bylaws, and except as specifically prohibited by these Bylaws, it is hereby expressly declared that the Board shall have the powers necessary for the Corporation to exercise the powers set forth in Section 303.041 of the Act, as amended.

2.9. **Qualifications.** Directors of the Board shall be of the age of majority in the State of Texas. A person is only eligible to serve as a director of the Board if he or she is a member of the Governing Body.

2.10. **Additional Board and Meeting Requirements.** Except where in conflict with the provisions of these Bylaws or the Corporation's Articles of Incorporation, the Board and individual members of the Board shall be subject to the provisions of the City of Denton Code of Ordinances, Article III - Boards, Commissions, and Committees.

### ARTICLE III OFFICERS, GENERAL MANAGER, AND ADMINISTRATORS

3.1. **Titles of Officers.** The officers of the Corporation shall be a President, a Vice President, and a Secretary, and such other officers as the Board may from time to time elect or appoint. All officers of the Corporation shall be members of the Board.

3.2. **Terms of Office.** Officers shall serve for one-year terms. Upon the expiration of the terms, each officer shall have the right to be re-appointed or re-elected. Notwithstanding the foregoing, the Mayor and the Mayor Pro-Tem of the City of Denton shall be automatically appointed or re-

appointed to the offices of President and Vice President, respectively, upon their assumption of their respective office on the Governing Body or the expiration of their term as Officer hereunder.

3.3. **Removal of an Officer.** All officers shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the Board.

3.4. **Vacancies.** A vacancy in an officer position shall be filled by a vote of a majority of the Board.

3.5. **President.** The president shall be the Mayor of the City of Denton. The president shall be the chief operating executive officer of the Corporation, and subject to the direction of the City and the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, leases, notes and other instruments in the name of the Corporation; provided, however, that the president may not execute any instrument on behalf of the Corporation without the prior written approval of the Board. The president shall preside over the meetings of the Corporation.

3.6. **Vice President.** The vice president shall be the Mayor Pro-Tem of the City of Denton. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that president's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

3.7. **Secretary.** The secretary shall be a Board Member, elected by the Board. The secretary may appoint an Assistant Secretary, which may, but need not be, a director.

- a. The secretary or Assistant Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours; and shall in general perform all duties incident to the office of secretary subject to the control of the Board shall cause the giving and serving of all notices.
- b. The secretary, and only the secretary, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation.
- c. The Assistant Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board, other than the execution of documents.

3.8. **General Manager.** The general manager shall exercise such powers and perform such duties as are set forth herein and as determined from time to time by the Board. The general manager of the Corporation shall be the City Manager of the City or their designee. The City Manager may provide other staff support as deemed necessary by the City Manager. The powers and duties of the general manager shall include the following:



- a. In cooperation with the Corporation's legal counsel, to ensure that all actions of the Board are in compliance with all applicable laws, ordinances, orders, and resolutions that are in effect;
- b. Except as otherwise herein provided, to hire and remove all subordinates, employees, agents, or contractors of the Corporation;
- c. To manage the day to day operations of the Corporation, subject to the Act, the Articles of Incorporation, these Bylaws, and any policies and procedures adopted by the Board;
- d. To review all contracts of the Corporation to ensure each contract is in accordance with the directives of the Board and execute such contracts when directed by the Board;
- e. To attend and participate in all meetings and deliberations of the Board to the extent allowed by TOMA, but shall not possess the power to vote;
- f. To recommend to the Board for adoption such measures as he or she may deem necessary or expedient to further the goals and priorities of the Governing Body;
- g. In collaboration with the treasurer, keep the Board at all times fully advised of the financial condition of the Corporation including providing monthly financial statements or reports;
- h. To spend Corporation funds up to \$25,000.00 without prior approval from the Board when the general manager deems it necessary to pay a refundable option fee or earnest money in connection with any contract for the sale, purchase, or lease of real property or real property interests, provided that the general manager shall first execute an enforceable written agreement which makes all funds paid fully refundable at the Board's discretion. Any such agreement or pledge of funds shall be approved by the Board prior to execution or acceptance of an agreement that would render the funds non-refundable; and
- i. To act as budget supervisor with the treasurer and as such prepare and submit to the Board the annual budget.
- j. The general manager shall execute all necessary documents in performance of the duties specified in this section.
- k. The general manager may appoint an assistant general manager who shall perform such duties of the general manager as may be assigned by the general manager and shall exercise the powers of the general manager during the general manager's absence or inability to act. The assistant general manager shall be removable, with

or without cause, at any time by the general manager. The assistant general manager shall not be an officer of the Board.

- I. The general manager shall make recommendations to the Board regarding the engagement and retainment of contractors for professional services, as needed by Corporation.

3.9. **Legal Advisor.** The City Attorney's Office (or any outside attorney retained by the City Attorney's Office) may provide general counsel services for the Board, including advice regarding TOMA, parliamentary procedure, and matters relating to governance, as well as any other necessary legal matters.

3.10. **Compensation.** Officers who are members of the board of directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as officers. Officers who are employees of the City shall receive no compensation from the Corporation for the performance of their duties.

#### ARTICLE IV MEETINGS OF DIRECTORS

4.1. **Meetings of Directors.** The Board may hold their meetings at any place authorized by the Act as the Board may from time to time determine; provided that, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation.

4.2. **Regular Meetings.** Regular Meetings of the Board shall be held at such times and places as shall be designated, from time to time, by the Board.

4.3. **Special Meetings.** Special Meetings of the Board shall be held whenever called: (i) by the President or Secretary of the Board; (ii) by simple majority of the directors; (iii) or upon advice of or request by the Governing Body.

4.4. **Open Meetings Act.** Meetings of the Board are subject to the Texas Open Meetings Act, Texas Government Code, Chapter 551 as amended ("TOMA"), and the Corporation is subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

4.5. **Public Notice of Meetings; Open Meetings.** Written notice of the date, hour, place, and subject of each meeting of the Board shall be posted before each meeting at such times and in such places as prescribed by TOMA. Every meeting of the Board shall be open to the public, except as otherwise permitted by TOMA.

4.6. **Quorum.** The greater of a simple majority of every position on the Board, including any vacant positions, is a quorum, unless law requires the act of a greater number.

4.7. **Conduct of Business.**

- a. At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.
- b. At all meetings of the Board, the president shall preside. In the absence of the president, the vice president shall preside. In the absence of both the president and vice president, a member of the Board selected by the members present shall preside.
- c. The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting. The treasurer, secretary and any assistant secretary may, at the option of the Board, be employees of the City, and each member of the Board with the exception of the president, vice president, treasurer, or secretary, may be appointed as an assistant secretary.

ARTICLE V  
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

5.1. **Books, Records, and Audits.**

- a. The Corporation shall keep and properly maintain in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- b. At the direction of the City, the accountants, staff and personnel of the City may maintain the books, records, accounts, and financial statements of the Corporation for the Corporation.
- c. The Corporation, or the City if the option of subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City. Such an audit shall be at the expense of the Corporation and shall be delivered to the City within 150 days of the end of the fiscal year of the Corporation.
- d. All books and records of the Corporation may be inspected by any director or his or her agent or attorney for any purpose at any reasonable time and at all times the City shall have access to the books, records, and financial statements of the Corporation.
- e. The Corporation is a governmental body pursuant to Section 552.03, therefore the Corporation's documents, books, records, accounts, and financial statements are subject to the Texas Public Information Act, Texas Government Code Chapter 552,

5.2. **Deposit and Investment of Corporation Funds.**

- a. All proceeds from loans or from the issuance of bonds, notes, or other debt instruments (“Obligations”) issued by the Corporation in accordance with the provisions of the Act shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.
- b. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other money of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board designates. The CFO of the City or designee of the CFO shall perform the accounts, reconciliation, and investment of such funds and accounts.
- c. Funds of the Corporation, the proceeds from the sale of property, revenues generated by and payable to the Corporation pursuant to the Act or any other source of revenues, and the proceeds derived from the sale of Obligations may be expended by the Corporation for any of the purposes authorized by the Act. Expenditures that are permitted to be made from a fund created with the proceeds of Obligations and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the City under the terms of the Act.

5.3. **Issuance of Obligations.** No Obligations, including refunding obligations, shall be authorized or sold and delivered by the Corporation unless the City approves such Obligations by action taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

## ARTICLE VI PROVISIONS REGARDING ARTICLES OF INCORPORATION AND BYLAWS

6.1. **Effective Date.** These Bylaws shall become effective upon the occurrence of the following events:

- a. the approval of these Bylaws by the City, which approval may be granted prior to the creation of the Corporation; and
- b. the adoption of the Bylaws by the Board.

6.2. **Amendments to Bylaws.** These Bylaws may be amended as set forth in the Articles of Incorporation.

6.3. **Interpretation of Bylaws.** These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

## ARTICLE VII GENERAL PROVISIONS

7.1. **Principal Office.** The principal office and the registered office of the Corporation shall be 215 E McKinney St, Denton, TX 76201.

7.2. **Fiscal Year.** The fiscal year of the Corporation shall be the same as the fiscal year of the City.

7.3. **Seal.** No seal of the Corporation shall be required.

7.4. **Notice and Waiver of Notice.** Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, such notice shall be deemed to be sufficient if sent by U.S. Mail, with proper postage, certified mail return receipt requested or by a nationally recognized overnight delivery service addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given three business days following such mailing. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice of such meeting, unless required by the Board or by the provisions of these Bylaws. A waiver of notice in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Notwithstanding the foregoing, nothing in this section shall be construed to restrict or modify the public notice provisions of TOMA.

7.5. **Resignations.** Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the president or secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

7.6. **Services of City Staff and Officers.** To the extent possible, the Corporation shall utilize the services and the staff employees of the City. All requests for staff time or inquiries of staff will be requested through the secretary or the general manager. City staff may also hire contractors for professional services and/or outside legal counsel to provide such services. The Corporation shall pay reasonable compensation for such services, and the performance of such services shall not materially interfere with the other duties of such personnel of the City.

7.7. **Action Without a Meeting of Directors or Committees.** Any action which may be taken at a meeting of the Board or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be, subject to TOMA. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Texas Secretary of State, or any other person.

7.8. **Approval or Advice and Consent of the Governing Body.** To the extent these Bylaws or the Articles of Incorporation refer to any approval by the City or refer to advice and consent by the City, such approval or advice and consent shall be evidenced by a certified copy of a resolution or motion duly adopted by the Governing Body.

7.9. **Termination.** Upon the termination of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City.

7.10. **Governmental Unit.** The Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

## ARTICLE VIII PUBLIC FACILITY CORPORATION POWERS AND LIMITATIONS

8.1. **Purpose and Powers.** The Corporation is organized exclusively for the purpose of assisting the City in financing, refinancing or providing "public facilities," as defined in the Act and as approved by the Governing Body pursuant to the provisions of these Bylaws and the Articles of Incorporation. The Corporation shall have and possess all powers to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the Governing Body and pursuant to the Act. The Corporation is authorized to issue bonds, as defined and permitted by the Act; provided, however, no bonds, notes, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Governing Body.

8.2. **Governing Body Oversight.** The Governing Body, in its sole discretion, may alter the Corporation's structure, name, organization, programs, and activities, including dissolution of the Corporation, consistent with the Act and subject to any limitations provided by law relating to the impairment of contracts entered into by the Corporation. Before the consummation of the sale and delivery of any bonds or the application of any available tax exemption to a Public Facility or the user of a Public Facility, as permitted by the Act, the Corporation shall obtain approval by the Governing Body by written resolution. In the exercise of its powers, the Corporation may enter into loan, lease, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements, and any specific uses and methods of withdrawals and expenditure of bond proceeds, are subject to the prior approval of the Governing Body by written resolution.



ARTICLE IX  
MULTIFAMILY RESIDENTIAL DEVELOPMENT

9.1. **Net Revenue of the Corporation.** Any net revenue generated by any Public Facility related to multifamily residential development by this Corporation shall be used solely in furtherance of the City of Denton housing programs, policies, and initiatives.

9.2. **Limits on Participation.** The Corporation shall not participate in any Public Facility related to multifamily residential development unless approved by the Governing Body by resolution stating that (i) the development of the Public Facility could not be feasible but for the Corporation's participation and (ii) the development of the Public Facility is in furtherance of the City's housing programs, policies, and initiatives and is carried out pursuant to the provisions of these bylaws and the Act.

9.3. **Solicitation of Development Proposals and Third-Party Services.** The Corporation shall solicit multifamily residential proposals and third-party services through an open application process. Any Public Facility, including multifamily residential developments, developed on City or other publicly-owned land shall be solicited through a request for proposals or similar method in accordance with all laws, ordinances, orders, resolutions, criteria, and policies that are applicable to the City.

9.4. **Fair Housing.** Any Public Facility related to multifamily residential development must adhere to Chapter 14, ARTICLE III of the City of Denton Code of Ordinances, as amended.

ARTICLE X  
CODE OF ETHICS

10.1. **Conflicts of Interest.** Directors and Officers are subject to the ethics provisions of ARTICLE XI. - ETHICS of the City of Denton Code of Ordinances, as amended. It is the policy of the Corporation that Directors and Officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that no Officer, employee, or member of the Board should have an interest, financial or otherwise, direct or indirect, or engage in any business, transaction, or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties and are not to use their position for personal gain.

ARTICLE XI  
INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

11.1. **Indemnification of Directors.** A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such Director's capacity as a Director, except that this Article does not authorize the elimination or limitation of the liability of a Director to the extent the Director is found liable for: (i) a breach of a Director's duty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the Director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which a Director received an improper

benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; or (iv) an act or omission for which the liability of a Director is expressly provided for by an applicable statute. The foregoing elimination of liability shall not be deemed exclusive of any other rights, limitations of liability, or indemnity to which a Director may be entitled under any other provision of the Articles of Incorporation or these Bylaws, any contract or agreement, vote of Directors, principle of law, or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, a Director shall not be liable to the full extent permitted by any amendment to the Texas Business Organizations Code or the Act hereafter enacted that further eliminates or authorizes the elimination of the liability of a Director.

11.2. **Indemnification of Officers and Employees.** The Corporation shall indemnify each of its officers and its employees and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation; provided, however, that the Corporation may not provide indemnity in any manner if the officer, employee, or agent is guilty of negligence or misconduct in relation to the matter. The legal counsel for the Corporation is authorized to provide a defense for members of the board of directors, officers, and employees of the Corporation in relation to acts or omissions arising out of the sanctions and activities of the Corporation to the extent that such representation does not conflict with representation of the Corporation and is not adverse to the interests of the Corporation.

11.3. **Directors and Officers Insurance.** The Corporation shall indemnify Directors, Officers, employees, and agents of the Corporation to the fullest extent permitted by law, subject in each case to the restrictions, if any, of this Article. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by law.

## ARTICLE XII ADOPTION OF BYLAWS

12.1. **Adoption and Ratification.** These bylaws were adopted by resolution of the Initial Directors of the Corporation at the Corporation's Organizational Meeting on January 7, 2025, and were ratified by the City Council of the City of Denton on August 19, 2025, by Resolution No. 25-1215.



## EXHIBIT A

# BYLAWS OF DENTON CITY PUBLIC FACILITY CORPORATION *a Texas Public Facility Corporation and Instrumentality of The City of Denton*

## ARTICLE I PURPOSE AND POWERS

- 1.1. **Purpose.** Denton City Public Facility Corporation, a Texas public facility corporation and public nonprofit corporation ("Corporation") is incorporated for the purposes set forth in its Articles of Incorporation, in accordance with the Public Facility Corporation Act, as amended, Chapter 303, Texas Local Government code ("Act"), and other applicable laws.
- 1.2. **Powers.** In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.
- 1.3. **Nonprofit Corporation.** The Corporation shall be a public, nonprofit corporation and no part of its set earnings remaining after payment of its bonds and expenses shall inure to the benefit of any person other than the City of Denton (the "City").

## ARTICLE II BOARD OF DIRECTORS

- 2.1. **Powers.** The property and affairs of the Corporation shall be managed by a board of directors (the "Board") which shall consist of members of the City Council of the City of Denton ("Governing Body"). The powers of the Board shall be subject to the limitations imposed by law and described in these Bylaws and the Articles of Incorporation.
- 2.2. **Initial Board of Directors.** The directors constituting the initial Board shall be those directors named in the Articles of Incorporation.
- 2.3. **Number of Directors.** The number of directors may be changed by amendment to these Bylaws, but such number must be at least equivalent to the total number of seated City Council Members.
- 2.4. **Term.** Each director shall hold office for the term which aligns with the board member's term on the Governing Body, and shall be considered removed or resigned from the Board upon their removal from the Governing Body.
- 2.5. **Vacancies.** Vacancies on the Board may be caused by the death, resignation, or removal of any director, when the size of the Board is increased pursuant to these Bylaws, or upon expiration of the term of the director if no new director has been appointed. Any vacancy on the Board shall be filled by appointment by written resolution of the Governing Body. A director

appointed to fill a vacancy arising other than as a result of the completion of the term of a director shall be appointed for the unexpired term of his or her predecessor in office.

2.6. **Committees of the Board.** The Board may designate two (2) or more directors to constitute an official committee of the Board but any committee shall be limited in size so as not to constitute a quorum of the directors. Any such committee shall act in the manner provided in such resolution to exercise such authority, as approved by resolution of the Board. It is provided, however, that only the Board may exercise all final, official actions of the Corporation. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation and any such meetings must be conducted in accordance with the provisions of the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code, if applicable.

2.7. **Compensation of Directors.** Directors of the Board shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors of the Corporation which are authorized by a majority vote of the Board present at a properly-called meeting of the Board at which a quorum is present.

2.8. **Additional Powers.** In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all lawful acts and things as are not by statute, other law, or by these Bylaws prohibited. Without prejudice to such general powers and other powers conferred by statute, other law, and by these Bylaws, and except as specifically prohibited by these Bylaws, it is hereby expressly declared that the Board shall have the powers necessary for the Corporation to exercise the powers set forth in Section 303.041 of the Act, as amended.

2.9. **Qualifications.** Directors of the Board shall be of the age of majority in the State of Texas. A person is only eligible to serve as a director of the Board if he or she is a member of the Governing Body.

2.10. **Additional Board and Meeting Requirements.** Except where in conflict with the provisions of these Bylaws or the Corporation's Articles of Incorporation, the Board and individual members of the Board shall be subject to the provisions of the City of Denton Code of Ordinances, Article III - Boards, Commissions, and Committees.

### ARTICLE III OFFICERS, GENERAL MANAGER, AND ADMINISTRATORS

3.1. **Titles of Officers.** The officers of the Corporation shall be a President, a Vice President, and a Secretary, and such other officers as the Board may from time to time elect or appoint. All officers of the Corporation shall be members of the Board.

3.2. **Terms of Office.** Officers shall serve for one-year terms. Upon the expiration of the terms, each officer shall have the right to be re-appointed or re-elected. Notwithstanding the foregoing, the Mayor and the Mayor Pro-Tem of the City of Denton shall be automatically appointed or re-

appointed to the offices of President and Vice President, respectively, upon their assumption of their respective office on the Governing Body or the expiration of their term as Officer hereunder.

3.3. **Removal of an Officer.** All officers shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the Board.

3.4. **Vacancies.** A vacancy in an officer position shall be filled by a vote of a majority of the Board.

3.5. **President.** The president shall be the Mayor of the City of Denton. The president shall be the chief operating executive officer of the Corporation, and subject to the direction of the City and the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, leases, notes and other instruments in the name of the Corporation; provided, however, that the president may not execute any instrument on behalf of the Corporation without the prior written approval of the Board. The president shall preside over the meetings of the Corporation.

3.6. **Vice President.** The vice president shall be the Mayor Pro-Tem of the City of Denton. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that president's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

3.7. **Secretary.** The secretary shall be a Board Member, elected by the Board. The secretary may appoint an Assistant Secretary, which may, but need not be, a director.

- a. The secretary or Assistant Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours; and shall in general perform all duties incident to the office of secretary subject to the control of the Board shall cause the giving and serving of all notices.
- b. The secretary, and only the secretary, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation.
- c. The Assistant Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board, other than the execution of documents.

3.8. **General Manager.** The general manager shall exercise such powers and perform such duties as are set forth herein and as determined from time to time by the Board. The general manager of the Corporation shall be the ~~City Manager of the City or their designee~~ City of Denton Director of Community Services or such other person employed by the Corporation or selected by the Corporation through competitive bidding and appointed as General Manager by the Board,

~~which appointment shall be subject to approval by the Governing Body. The City Manager may provide other staff support as deemed necessary by the City Manager.~~ The powers and duties of the general manager shall include the following:

- a. In cooperation with the Corporation's legal counsel, to ensure that all actions of the Board are in compliance with all applicable laws, ordinances, orders, and resolutions that are in effect;
- b. Except as otherwise herein provided, to hire and remove all subordinates, employees, agents, or contractors of the Corporation;
- c. To manage the day to day operations of the Corporation, subject to the Act, the Articles of Incorporation, these Bylaws, and any policies and procedures adopted by the Board;
- d. To review all contracts of the Corporation to ensure each contract is in accordance with the directives of the Board ~~and execute such contracts when directed by the Board;~~
- e. To attend and participate in all meetings and deliberations of the Board to the extent allowed by TOMA, but shall not possess the power to vote;
- f. To recommend to the Board for adoption such measures as he or she may deem necessary or expedient to further the goals and priorities of the Governing Body;
- g. In collaboration with the treasurer, keep the Board at all times fully advised of the financial condition of the Corporation including providing monthly financial statements or reports;
- h. To spend Corporation funds up to \$25,000.00 without prior approval from the Board when the general manager deems it necessary to pay a refundable option fee or earnest money in connection with any contract for the sale, purchase, or lease of real property or real property interests, provided that the general manager shall first execute an enforceable written agreement which makes all funds paid fully refundable at the Board's discretion. Any such agreement or pledge of funds shall be approved by the Board prior to execution or acceptance of an agreement that would render the funds non-refundable; and
- i. To act as budget supervisor with the treasurer and as such prepare and submit to the Board the annual budget.
- ~~j. The general manager shall execute all necessary documents in performance of the duties specified in this section.~~

~~l.j.~~ The general manager may appoint an assistant general manager who shall perform such duties of the general manager as may be assigned by the general manager and shall exercise the powers of the general manager during the general manager's absence or inability to act. The assistant general manager shall be removable, with or without cause, at any time by the general manager. The assistant general manager shall not be an officer of the Board.

~~l.k.~~ The general manager shall make recommendations to the Board regarding the engagement and retainment of contractors for professional services, as needed by Corporation.

3.9. **Legal Advisor.** The City Attorney's Office (or any outside attorney retained by the City Attorney's Office) may provide general counsel services for the Board, including advice regarding TOMA, parliamentary procedure, and matters relating to governance, as well as any other necessary legal matters.

3.10. **Compensation.** Officers who are members of the board of directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as officers. Officers who are employees of the City shall receive no compensation from the Corporation for the performance of their duties.

#### ARTICLE IV MEETINGS OF DIRECTORS

4.1. **Meetings of Directors.** The Board may hold their meetings at any place authorized by the Act as the Board may from time to time determine; provided that, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation.

4.2. **Regular Meetings.** Regular Meetings of the Board shall be held at such times and places as shall be designated, from time to time, by the Board.

4.3. **Special Meetings.** Special Meetings of the Board shall be held whenever called: (i) by the President or Secretary of the Board; (ii) by simple majority of the directors; (iii) or upon advice of or request by the Governing Body.

4.4. **Open Meetings Act.** Meetings of the Board are subject to the Texas Open Meetings Act, Texas Government Code, Chapter 551 as amended ("TOMA"), and the Corporation is subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

4.5. **Public Notice of Meetings; Open Meetings.** Written notice of the date, hour, place, and subject of each meeting of the Board shall be posted before each meeting at such times and in such places as prescribed by TOMA. Every meeting of the Board shall be open to the public, except as otherwise permitted by TOMA.

4.6. **Quorum.** The greater of a simple majority of every position on the Board, including any vacant positions, is a quorum, unless law requires the act of a greater number.

4.7. **Conduct of Business.**

- a. At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.
- b. At all meetings of the Board, the president shall preside. In the absence of the president, the vice president shall preside. In the absence of both the president and vice president, a member of the Board selected by the members present shall preside.
- c. The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting. The treasurer, secretary and any assistant secretary may, at the option of the Board, be employees of the City, and each member of the Board with the exception of the president, vice president, treasurer, or secretary, may be appointed as an assistant secretary.

ARTICLE V  
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

5.1. **Books, Records, and Audits.**

- a. The Corporation shall keep and properly maintain in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- ~~b. At the direction of the City, the accountants, staff and personnel of the City may maintain the books, records, accounts, and financial statements of the Corporation for the Corporation.~~
- ~~e.b.~~ Beginning with the fiscal year following the first fiscal year during which the Corporation has taken any action to partner with or finance a public facility, tThe Corporation, ~~or the City if the option of subsection (b) is selected,~~ shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City. Such an audit shall be at the expense of the Corporation and shall be delivered to the City within 150 days of the end of the fiscal year of the Corporation.
- ~~d.c.~~ All books and records of the Corporation may be inspected by any director or his or her agent or attorney for any purpose at any reasonable time and at all times the City shall have access to the books, records, and financial statements of the Corporation.

e.d. The Corporation is a governmental body pursuant to Section 552.03, therefore the Corporation's documents, books, records, accounts, and financial statements are subject to the Texas Public Information Act, Texas Government Code Chapter 552,

5.2. **Deposit and Investment of Corporation Funds.**

- a. All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation in accordance with the provisions of the Act shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.
- b. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other money of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its ~~treasurer-president~~ and such other persons as the Board designates. ~~The CFO of the City or designee of the CFO shall perform the accounts, reconciliation, and investment of such funds and accounts.~~
- c. Funds of the Corporation, the proceeds from the sale of property, revenues generated by and payable to the Corporation pursuant to the Act or any other source of revenues, and the proceeds derived from the sale of Obligations may be expended by the Corporation for any of the purposes authorized by the Act. Expenditures that are permitted to be made from a fund created with the proceeds of Obligations and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities ~~of the City~~ under the terms of the Act.

5.3. **Issuance of Obligations.** No Obligations, including refunding obligations, shall be authorized or sold and delivered by the Corporation unless the City approves such Obligations by action taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

ARTICLE VI

PROVISIONS REGARDING ARTICLES OF INCORPORATION AND BYLAWS

6.1. **Effective Date.** These Bylaws shall become effective upon the occurrence of the following events:

- a. the approval of these Bylaws by the City, which approval may be granted prior to the creation of the Corporation; and
- b. the adoption of the Bylaws by the Board.

6.2. **Amendments to Bylaws.** These Bylaws may be amended as set forth in the Articles of Incorporation.

6.3. **Interpretation of Bylaws.** These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

## ARTICLE VII GENERAL PROVISIONS

7.1. **Principal Office.** The principal office and the registered office of the Corporation shall be 215 E McKinney St, Denton, TX 76201.

7.2. **Fiscal Year.** The fiscal year of the Corporation shall be the same as the fiscal year of the City.

7.3. **Seal.** No seal of the Corporation shall be required.

7.4. **Notice and Waiver of Notice.** Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, such notice shall be deemed to be sufficient if sent by U.S. Mail, with proper postage, certified mail return receipt requested or by a nationally recognized overnight delivery service addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given three business days following such mailing. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice of such meeting, unless required by the Board or by the provisions of these Bylaws. A waiver of notice in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Notwithstanding the foregoing, nothing in this section shall be construed to restrict or modify the public notice provisions of TOMA.

7.5. **Resignations.** Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the president or secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.



~~7.6. **Services of City Staff and Officers.** To the extent possible, the Corporation shall utilize the services and the staff employees of the City. All requests for staff time or inquiries of staff will be requested through the secretary or the general manager. City staff may also hire contractors for professional services and/or outside legal counsel to provide such services. The Corporation shall pay reasonable compensation for such services, and the performance of such services shall not materially interfere with the other duties of such personnel of the City.~~

7.7.7.6. **Action Without a Meeting of Directors or Committees.** Any action which may be taken at a meeting of the Board or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be, subject to TOMA. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Texas Secretary of State, or any other person.

7.8.7.7. **Approval or Advice and Consent of the Governing Body.** To the extent these Bylaws or the Articles of Incorporation refer to any approval by the City or refer to advice and consent by the City, such approval or advice and consent shall be evidenced by a certified copy of a resolution or motion duly adopted by the Governing Body.

7.9.7.8. **Termination.** Upon the termination of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City.

7.10.7.9. **Governmental Unit.** The Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

## ARTICLE VIII

### PUBLIC FACILITY CORPORATION POWERS AND LIMITATIONS

8.1. **Purpose and Powers.** The Corporation is organized exclusively for the purpose of assisting the City in financing, refinancing or providing "public facilities," as defined in the Act and as approved by the Governing Body pursuant to the provisions of these Bylaws and the Articles of Incorporation. The Corporation shall have and possess all powers to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the Governing Body and pursuant to the Act. The Corporation is authorized to issue bonds, as defined and permitted by the Act; provided, however, no bonds, notes, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Governing Body.

8.2. **Governing Body Oversight.** The Governing Body, in its sole discretion, may alter the Corporation's structure, name, organization, programs, and activities, including dissolution of the Corporation, consistent with the Act and subject to any limitations provided by law relating to the impairment of contracts entered into by the Corporation. Before the consummation of the sale and delivery of any bonds or the application of any available tax exemption to a Public Facility or the user of a Public Facility, as permitted by the Act, the Corporation shall obtain approval by

the Governing Body by written resolution. In the exercise of its powers, the Corporation may enter into loan, lease, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements, and any specific uses and methods of withdrawals and expenditure of bond proceeds, are subject to the prior approval of the Governing Body by written resolution.

## ARTICLE IX MULTIFAMILY RESIDENTIAL DEVELOPMENT

9.1. **Net Revenue of the Corporation.** Any net revenue generated by any Public Facility related to multifamily residential development by this Corporation shall be used solely in furtherance of the City of Denton housing programs, policies, and initiatives, or provided as fee in lieu of exempted property taxes to taxing entities which would otherwise assess property tax to the owners or users of the Public Facility.

9.2. **Limits on Participation.** The Corporation shall not participate in any Public Facility related to multifamily residential development unless approved by the Governing Body by resolution stating that (i) the development of the Public Facility could not be feasible but for the Corporation's participation and (ii) the development of the Public Facility is in furtherance of the City's housing programs, policies, and initiatives and is carried out pursuant to the provisions of these bylaws and the Act.

9.3. **Solicitation of Development Proposals and Third-Party Services.** The Corporation shall solicit multifamily residential proposals and third-party services through an open application process. Any Public Facility, including multifamily residential developments, developed on City or other publicly-owned land shall be solicited through a request for proposals or similar method in accordance with all laws, ordinances, orders, resolutions, criteria, and policies that are applicable to the City.

9.4. **Fair Housing.** Any Public Facility related to multifamily residential development must adhere to Chapter 14, ARTICLE III of the City of Denton Code of Ordinances, as amended.

## ARTICLE X CODE OF ETHICS

10.1. **Conflicts of Interest.** Directors and Officers are subject to the ethics provisions of ARTICLE XI. - ETHICS of the City of Denton Code of Ordinances, as amended. It is the policy of the Corporation that Directors and Officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that no Officer, employee, or member of the Board should have an interest, financial or otherwise, direct or indirect, or engage in any business, transaction, or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties and are not to use their position for personal gain.

ARTICLE XI  
INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

11.1. **Indemnification of Directors.** A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such Director's capacity as a Director, except that this Article does not authorize the elimination or limitation of the liability of a Director to the extent the Director is found liable for: (i) a breach of a Director's duty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the Director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; or (iv) an act or omission for which the liability of a Director is expressly provided for by an applicable statute. The foregoing elimination of liability shall not be deemed exclusive of any other rights, limitations of liability, or indemnity to which a Director may be entitled under any other provision of the Articles of Incorporation or these Bylaws, any contract or agreement, vote of Directors, principle of law, or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, a Director shall not be liable to the full extent permitted by any amendment to the Texas Business Organizations Code or the Act hereafter enacted that further eliminates or authorizes the elimination of the liability of a Director.

11.2. **Indemnification of Officers and Employees.** The Corporation shall indemnify each of its officers and its employees and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation; provided, however, that the Corporation may not provide indemnity in any manner if the officer, employee, or agent is guilty of negligence or misconduct in relation to the matter. The legal counsel for the Corporation is authorized to provide a defense for members of the board of directors, officers, and employees of the Corporation in relation to acts or omissions arising out of the sanctions and activities of the Corporation to the extent that such representation does not conflict with representation of the Corporation and is not adverse to the interests of the Corporation.

11.3. **Directors and Officers Insurance.** The Corporation shall indemnify Directors, Officers, employees, and agents of the Corporation to the fullest extent permitted by law, subject in each case to the restrictions, if any, of this Article. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by law.

## ADOPTION OF BYLAWS

We, the undersigned, are all of the Directors of the Corporation, and we consent to, and hereby adopt, the foregoing Bylaws, consisting of eleven (11) pages, as the Bylaws of this Corporation.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Gerard Hudspeth, Director

By: \_\_\_\_\_

Vicki Byrd, Director

By: \_\_\_\_\_

Brian Beck, Director

By: \_\_\_\_\_

Suzi Rumohr, Director

By: \_\_\_\_\_

Joe Holland, Director

By: \_\_\_\_\_

Brandon Chase McGee, Director

By: \_\_\_\_\_

Jill Jester, Director

RESOLUTION NO. PFC-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON CITY PUBLIC FACILITY CORPORATION, APPROVING THE BYLAWS OF THE CORPORATION PURSUANT TO CHAPTER 303 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas (the “City”) has created the Denton City Public Facility Corporation (“DCPFC”) as a public facility corporation pursuant to Chapter 303 of the Texas Local Government Code, as amended (“Act”); and

WHEREAS, the initial bylaws of DCPFC were adopted by the initial board of DCPFC January 7, 2025 and approved by City of Denton City Council August 19, 2025; and

WHEREAS, the board of DCPFC sees fit to approve amended bylaws, attached hereto as Exhibit “A”; NOW, THEREFORE,

THE DENTON CITY PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS HEREBY RESOLVES:

SECTION 1. That the Directors of the Corporation approve the Bylaws of Denton City Public Facility Corporation, a Texas Public Facility Corporation, and instrumentality of The City of Denton, attached hereto as Exhibit “A”.

SECTION 2. This Resolution shall be effective upon its approval and passage by Directors of the Corporation. The Directors will signify their consent and adoption of the Bylaws, consisting of eleven (11) pages, as the official Bylaws of this Corporation by signing the Adoption of Bylaws provision in Exhibit “A”.

The motion to approve this Resolution was made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the Resolution was passed and approved by the following vote [\_\_\_ - \_\_\_]:

\_\_\_\_\_  
President

## EXHIBIT A

# BYLAWS OF DENTON CITY PUBLIC FACILITY CORPORATION *a Texas Public Facility Corporation and Instrumentality of The City of Denton*

## ARTICLE I PURPOSE AND POWERS

- 1.1. **Purpose.** Denton City Public Facility Corporation, a Texas public facility corporation and public nonprofit corporation ("Corporation") is incorporated for the purposes set forth in its Articles of Incorporation, in accordance with the Public Facility Corporation Act, as amended, Chapter 303, Texas Local Government code ("Act"), and other applicable laws.
- 1.2. **Powers.** In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.
- 1.3. **Nonprofit Corporation.** The Corporation shall be a public, nonprofit corporation and no part of its set earnings remaining after payment of its bonds and expenses shall inure to the benefit of any person other than the City of Denton (the "City").

## ARTICLE II BOARD OF DIRECTORS

- 2.1. **Powers.** The property and affairs of the Corporation shall be managed by a board of directors (the "Board") which shall consist of members of the City Council of the City of Denton ("Governing Body"). The powers of the Board shall be subject to the limitations imposed by law and described in these Bylaws and the Articles of Incorporation.
- 2.2. **Initial Board of Directors.** The directors constituting the initial Board shall be those directors named in the Articles of Incorporation.
- 2.3. **Number of Directors.** The number of directors may be changed by amendment to these Bylaws, but such number must be at least equivalent to the total number of seated City Council Members.
- 2.4. **Term.** Each director shall hold office for the term which aligns with the board member's term on the Governing Body, and shall be considered removed or resigned from the Board upon their removal from the Governing Body.
- 2.5. **Vacancies.** Vacancies on the Board may be caused by the death, resignation, or removal of any director, when the size of the Board is increased pursuant to these Bylaws, or upon expiration of the term of the director if no new director has been appointed. Any vacancy on the Board shall be filled by appointment by written resolution of the Governing Body. A director

appointed to fill a vacancy arising other than as a result of the completion of the term of a director shall be appointed for the unexpired term of his or her predecessor in office.

2.6. **Committees of the Board.** The Board may designate two (2) or more directors to constitute an official committee of the Board but any committee shall be limited in size so as not to constitute a quorum of the directors. Any such committee shall act in the manner provided in such resolution to exercise such authority, as approved by resolution of the Board. It is provided, however, that only the Board may exercise all final, official actions of the Corporation. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation and any such meetings must be conducted in accordance with the provisions of the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code, if applicable.

2.7. **Compensation of Directors.** Directors of the Board shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors of the Corporation which are authorized by a majority vote of the Board present at a properly-called meeting of the Board at which a quorum is present.

2.8. **Additional Powers.** In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all lawful acts and things as are not by statute, other law, or by these Bylaws prohibited. Without prejudice to such general powers and other powers conferred by statute, other law, and by these Bylaws, and except as specifically prohibited by these Bylaws, it is hereby expressly declared that the Board shall have the powers necessary for the Corporation to exercise the powers set forth in Section 303.041 of the Act, as amended.

2.9. **Qualifications.** Directors of the Board shall be of the age of majority in the State of Texas. A person is only eligible to serve as a director of the Board if he or she is a member of the Governing Body.

2.10. **Additional Board and Meeting Requirements.** Except where in conflict with the provisions of these Bylaws or the Corporation's Articles of Incorporation, the Board and individual members of the Board shall be subject to the provisions of the City of Denton Code of Ordinances, Article III - Boards, Commissions, and Committees.

### ARTICLE III OFFICERS, GENERAL MANAGER, AND ADMINISTRATORS

3.1. **Titles of Officers.** The officers of the Corporation shall be a President, a Vice President, and a Secretary, and such other officers as the Board may from time to time elect or appoint. All officers of the Corporation shall be members of the Board.

3.2. **Terms of Office.** Officers shall serve for one-year terms. Upon the expiration of the terms, each officer shall have the right to be re-appointed or re-elected. Notwithstanding the foregoing, the Mayor and the Mayor Pro-Tem of the City of Denton shall be automatically appointed or re-

appointed to the offices of President and Vice President, respectively, upon their assumption of their respective office on the Governing Body or the expiration of their term as Officer hereunder.

3.3. **Removal of an Officer.** All officers shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the Board.

3.4. **Vacancies.** A vacancy in an officer position shall be filled by a vote of a majority of the Board.

3.5. **President.** The president shall be the Mayor of the City of Denton. The president shall be the chief operating executive officer of the Corporation, and subject to the direction of the City and the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, leases, notes and other instruments in the name of the Corporation; provided, however, that the president may not execute any instrument on behalf of the Corporation without the prior written approval of the Board. The president shall preside over the meetings of the Corporation.

3.6. **Vice President.** The vice president shall be the Mayor Pro-Tem of the City of Denton. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that president's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

3.7. **Secretary.** The secretary shall be a Board Member, elected by the Board. The secretary may appoint an Assistant Secretary, which may, but need not be, a director.

- a. The secretary or Assistant Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours; and shall in general perform all duties incident to the office of secretary subject to the control of the Board shall cause the giving and serving of all notices.
- b. The secretary, and only the secretary, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation.
- c. The Assistant Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board, other than the execution of documents.

3.8. **General Manager.** The general manager shall exercise such powers and perform such duties as are set forth herein and as determined from time to time by the Board. The general manager of the Corporation shall be the City of Denton Director of Community Services or such other person employed by the Corporation or selected by the Corporation through competitive bidding and appointed as General Manager by the Board, which appointment shall be subject to



approval by the Governing Body. The powers and duties of the general manager shall include the following:

- a. In cooperation with the Corporation's legal counsel, to ensure that all actions of the Board are in compliance with all applicable laws, ordinances, orders, and resolutions that are in effect;
- b. Except as otherwise herein provided, to hire and remove all subordinates, employees, agents, or contractors of the Corporation;
- c. To manage the day to day operations of the Corporation, subject to the Act, the Articles of Incorporation, these Bylaws, and any policies and procedures adopted by the Board;
- d. To review all contracts of the Corporation to ensure each contract is in accordance with the directives of the Board;
- e. To attend and participate in all meetings and deliberations of the Board to the extent allowed by TOMA, but shall not possess the power to vote;
- f. To recommend to the Board for adoption such measures as he or she may deem necessary or expedient to further the goals and priorities of the Governing Body;
- g. In collaboration with the treasurer, keep the Board at all times fully advised of the financial condition of the Corporation including providing monthly financial statements or reports;
- h. To spend Corporation funds up to \$25,000.00 without prior approval from the Board when the general manager deems it necessary to pay a refundable option fee or earnest money in connection with any contract for the sale, purchase, or lease of real property or real property interests, provided that the general manager shall first execute an enforceable written agreement which makes all funds paid fully refundable at the Board's discretion. Any such agreement or pledge of funds shall be approved by the Board prior to execution or acceptance of an agreement that would render the funds non-refundable; and
- i. To act as budget supervisor with the treasurer and as such prepare and submit to the Board the annual budget.
- j. The general manager may appoint an assistant general manager who shall perform such duties of the general manager as may be assigned by the general manager and shall exercise the powers of the general manager during the general manager's absence or inability to act. The assistant general manager shall be removable, with or without cause, at any time by the general manager. The assistant general manager shall not be an officer of the Board.

- k. The general manager shall make recommendations to the Board regarding the engagement and retainment of contractors for professional services, as needed by Corporation.

3.9. **Legal Advisor.** The City Attorney's Office (or any outside attorney retained by the City Attorney's Office) may provide general counsel services for the Board, including advice regarding TOMA, parliamentary procedure, and matters relating to governance, as well as any other necessary legal matters.

3.10. **Compensation.** Officers who are members of the board of directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as officers. Officers who are employees of the City shall receive no compensation from the Corporation for the performance of their duties.

#### ARTICLE IV MEETINGS OF DIRECTORS

4.1. **Meetings of Directors.** The Board may hold their meetings at any place authorized by the Act as the Board may from time to time determine; provided that, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation.

4.2. **Regular Meetings.** Regular Meetings of the Board shall be held at such times and places as shall be designated, from time to time, by the Board.

4.3. **Special Meetings.** Special Meetings of the Board shall be held whenever called: (i) by the President or Secretary of the Board; (ii) by simple majority of the directors; (iii) or upon advice of or request by the Governing Body.

4.4. **Open Meetings Act.** Meetings of the Board are subject to the Texas Open Meetings Act, Texas Government Code, Chapter 551 as amended ("TOMA"), and the Corporation is subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

4.5. **Public Notice of Meetings; Open Meetings.** Written notice of the date, hour, place, and subject of each meeting of the Board shall be posted before each meeting at such times and in such places as prescribed by TOMA. Every meeting of the Board shall be open to the public, except as otherwise permitted by TOMA.

4.6. **Quorum.** The greater of a simple majority of every position on the Board, including any vacant positions, is a quorum, unless law requires the act of a greater number.

4.7. **Conduct of Business.**

- a. At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.

- b. At all meetings of the Board, the president shall preside. In the absence of the president, the vice president shall preside. In the absence of both the president and vice president, a member of the Board selected by the members present shall preside.
- c. The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting. The treasurer, secretary and any assistant secretary may, at the option of the Board, be employees of the City, and each member of the Board with the exception of the president, vice president, treasurer, or secretary, may be appointed as an assistant secretary.

ARTICLE V  
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

5.1. **Books, Records, and Audits.**

- a. The Corporation shall keep and properly maintain in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- b. Beginning with the fiscal year following the first fiscal year during which the Corporation has taken any action to partner with or finance a public facility, the Corporation, shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City. Such an audit shall be at the expense of the Corporation and shall be delivered to the City within 150 days of the end of the fiscal year of the Corporation.
- c. All books and records of the Corporation may be inspected by any director or his or her agent or attorney for any purpose at any reasonable time and at all times the City shall have access to the books, records, and financial statements of the Corporation.
- d. The Corporation is a governmental body pursuant to Section 552.03, therefore the Corporation's documents, books, records, accounts, and financial statements are subject to the Texas Public Information Act, Texas Government Code Chapter 552,

5.2. **Deposit and Investment of Corporation Funds.**

- a. All proceeds from loans or from the issuance of bonds, notes, or other debt instruments (“Obligations”) issued by the Corporation in accordance with the provisions of the Act shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.

- b. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other money of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its president and such other persons as the Board designates.
- c. Funds of the Corporation, the proceeds from the sale of property, revenues generated by and payable to the Corporation pursuant to the Act or any other source of revenues, and the proceeds derived from the sale of Obligations may be expended by the Corporation for any of the purposes authorized by the Act. Expenditures that are permitted to be made from a fund created with the proceeds of Obligations and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities under the terms of the Act.

5.3. **Issuance of Obligations.** No Obligations, including refunding obligations, shall be authorized or sold and delivered by the Corporation unless the City approves such Obligations by action taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

## ARTICLE VI PROVISIONS REGARDING ARTICLES OF INCORPORATION AND BYLAWS

6.1. **Effective Date.** These Bylaws shall become effective upon the occurrence of the following events:

- a. the approval of these Bylaws by the City, which approval may be granted prior to the creation of the Corporation; and
- b. the adoption of the Bylaws by the Board.

6.2. **Amendments to Bylaws.** These Bylaws may be amended as set forth in the Articles of Incorporation.

6.3. **Interpretation of Bylaws.** These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE VII  
GENERAL PROVISIONS

7.1. **Principal Office.** The principal office and the registered office of the Corporation shall be 215 E McKinney St, Denton, TX 76201.

7.2. **Fiscal Year.** The fiscal year of the Corporation shall be the same as the fiscal year of the City.

7.3. **Seal.** No seal of the Corporation shall be required.

7.4. **Notice and Waiver of Notice.** Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, such notice shall be deemed to be sufficient if sent by U.S. Mail, with proper postage, certified mail return receipt requested or by a nationally recognized overnight delivery service addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given three business days following such mailing. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice of such meeting, unless required by the Board or by the provisions of these Bylaws. A waiver of notice in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Notwithstanding the foregoing, nothing in this section shall be construed to restrict or modify the public notice provisions of TOMA.

7.5. **Resignations.** Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the president or secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

7.6. **Action Without a Meeting of Directors or Committees.** Any action which may be taken at a meeting of the Board or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be, subject to TOMA. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Texas Secretary of State, or any other person.

7.7. **Approval or Advice and Consent of the Governing Body.** To the extent these Bylaws or the Articles of Incorporation refer to any approval by the City or refer to advice and consent by the City, such approval or advice and consent shall be evidenced by a certified copy of a resolution or motion duly adopted by the Governing Body.

7.8. **Termination.** Upon the termination of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City.

7.9. **Governmental Unit.** The Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

## ARTICLE VIII PUBLIC FACILITY CORPORATION POWERS AND LIMITATIONS

8.1. **Purpose and Powers.** The Corporation is organized exclusively for the purpose of assisting the City in financing, refinancing or providing "public facilities," as defined in the Act and as approved by the Governing Body pursuant to the provisions of these Bylaws and the Articles of Incorporation. The Corporation shall have and possess all powers to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the Governing Body and pursuant to the Act. The Corporation is authorized to issue bonds, as defined and permitted by the Act; provided, however, no bonds, notes, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Governing Body.

8.2. **Governing Body Oversight.** The Governing Body, in its sole discretion, may alter the Corporation's structure, name, organization, programs, and activities, including dissolution of the Corporation, consistent with the Act and subject to any limitations provided by law relating to the impairment of contracts entered into by the Corporation. Before the consummation of the sale and delivery of any bonds or the application of any available tax exemption to a Public Facility or the user of a Public Facility, as permitted by the Act, the Corporation shall obtain approval by the Governing Body by written resolution. In the exercise of its powers, the Corporation may enter into loan, lease, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements, and any specific uses and methods of withdrawals and expenditure of bond proceeds, are subject to the prior approval of the Governing Body by written resolution.

## ARTICLE IX MULTIFAMILY RESIDENTIAL DEVELOPMENT

9.1. **Net Revenue of the Corporation.** Any net revenue generated by any Public Facility related to multifamily residential development by this Corporation shall be used solely in furtherance of the City of Denton housing programs, policies, and initiatives, or provided as fee in lieu of exempted property taxes to taxing entities which would otherwise assess property tax to the owners or users of the Public Facility.

9.2. **Limits on Participation.** The Corporation shall not participate in any Public Facility related to multifamily residential development unless approved by the Governing Body by resolution stating that (i) the development of the Public Facility could not be feasible but for the Corporation's participation and (ii) the development of the Public Facility is in furtherance of the City's housing programs, policies, and initiatives and is carried out pursuant to the provisions of these bylaws and the Act.

9.3. **Solicitation of Development Proposals and Third-Party Services.** The Corporation shall solicit multifamily residential proposals and third-party services through an open application process. Any Public Facility, including multifamily residential developments, developed on City or other publicly-owned land shall be solicited through a request for proposals or similar method in accordance with all laws, ordinances, orders, resolutions, criteria, and policies that are applicable to the City.

9.4. **Fair Housing.** Any Public Facility related to multifamily residential development must adhere to Chapter 14, ARTICLE III of the City of Denton Code of Ordinances, as amended.

## ARTICLE X CODE OF ETHICS

10.1. **Conflicts of Interest.** Directors and Officers are subject to the ethics provisions of ARTICLE XI. - ETHICS of the City of Denton Code of Ordinances, as amended. It is the policy of the Corporation that Directors and Officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that no Officer, employee, or member of the Board should have an interest, financial or otherwise, direct or indirect, or engage in any business, transaction, or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties and are not to use their position for personal gain.

## ARTICLE XI INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

11.1. **Indemnification of Directors.** A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such Director's capacity as a Director, except that this Article does not authorize the elimination or limitation of the liability of a Director to the extent the Director is found liable for: (i) a breach of a Director's duty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the Director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; or (iv) an act or omission for which the liability of a Director is expressly provided for by an applicable statute. The foregoing elimination of liability shall not be deemed exclusive of any other rights, limitations of liability, or indemnity to which a Director may be entitled under any other provision of the Articles of Incorporation or these Bylaws, any contract or agreement, vote of Directors, principle of law, or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, a Director shall not be liable to the full extent permitted by any amendment to the Texas Business Organizations Code or the Act hereafter enacted that further eliminates or authorizes the elimination of the liability of a Director.

11.2. **Indemnification of Officers and Employees.** The Corporation shall indemnify each of its officers and its employees and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation; provided, however, that the Corporation may not provide indemnity in any manner if the officer, employee, or agent is guilty of negligence or misconduct in relation to the matter. The legal counsel for the Corporation is authorized to provide a defense for members of the board of directors, officers, and employees of the Corporation in relation to acts or omissions arising out of the sanctions and activities of the Corporation to the extent that such representation does not conflict with representation of the Corporation and is not adverse to the interests of the Corporation.

11.3. **Directors and Officers Insurance.** The Corporation shall indemnify Directors, Officers, employees, and agents of the Corporation to the fullest extent permitted by law, subject in each case to the restrictions, if any, of this Article. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by law.



## ADOPTION OF BYLAWS

We, the undersigned, are all of the Directors of the Corporation, and we consent to, and hereby adopt, the foregoing Bylaws, consisting of eleven (11) pages, as the Bylaws of this Corporation.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Gerard Hudspeth, Director

By: \_\_\_\_\_

Vicki Byrd, Director

By: \_\_\_\_\_

Brian Beck, Director

By: \_\_\_\_\_

Suzi Rumohr, Director

By: \_\_\_\_\_

Joe Holland, Director

By: \_\_\_\_\_

Brandon Chase McGee, Director

By: \_\_\_\_\_

Jill Jester, Director

## **DENTON CITY PUBLIC FACILITY CORPORATION**

Principal Office: 215 E McKinney St,  
Denton TX 76201

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### **AGENDA INFORMATION SHEET**

**DATE: December 16, 2025**

### **SUBJECT**

Receive a report regarding the history to date of Denton City Public Facility Corporation, the legal powers of a Public Facility Corporation, and administrative items remaining for Denton City Public Facility Corporation to complete.

### **BACKGROUND**

- May 2, 2023: Council considered creation of a Public Facility Corporation, but did not approve at that time. ([ID 23-865](#)).
- June 18, 2023: The 88th Legislative Session passed changes to [Chapter 303](#) of the Texas Local Government Code, which authorizes Public Facility Corporations. The changes increased affordability and transparency requirements, as well as protections for jurisdictions and tenants. The Bill became effective as of January 1, 2024 ([TX HB 2071](#)).
- April 16, 2024: Council approved the creation of a Public Facility Corporation ([ID 24-668](#)).
- July 22, 2024: Denton City Public Facility Corporation is certified as a Domestic Nonprofit Corporation by the Texas Secretary of State.
- January 7, 2025: Initial Meeting of Denton City Public Facility Corporation is held. Bylaw amendments are proposed and approved.
- August 19, 2025: Bylaw Amendments approved by Denton City Council ([ID 25-1215](#)).

### **DISCUSSION**

A Public Facility Corporation (PFC) is a corporation created by a local government entity to hold title to and provide funding for any real, personal, or mixed property, or an interest in property devoted to public use.

- It is authorized by Chapter 303 of the Texas Local Government Code – the Public Facility Corporation Act (Act)
- It is a **nonprofit** corporation created through Texas Secretary of State

A sponsor (municipality, county, school district or housing authority) may create one or more of the nonprofit public facility corporations to acquire, construct, rehabilitate, renovate, repair, equip, furnish, or place in service public facilities such as affordable housing developments.

### **A PFC can:**

- Issue bonds
- Finance public facilities (such as multifamily affordable housing)

## **DENTON CITY PUBLIC FACILITY CORPORATION**

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- Provide a tax exemption to a multifamily affordable housing development through partnership
  - Receive revenue from such a partnership deal

### **Analysis of H.B. No. 2071**

June 2023, in the 88<sup>th</sup> Legislative Session, the Texas Legislature approved H.B. No 2071. Overall, H.B. No. 2071 aims to regulate and provide a framework for the operation and taxation of multifamily residential developments, especially those aimed at providing affordable housing, while also ensuring compliance and oversight through audits and studies.

- **Affordability**
  - Requires 10% of units to be affordable for renters at 60% of area median income (AMI) in addition to 40% of units affordable at 80% AMI.
    - A PFC's development may still receive a 100% tax exemption while only 50% of the units are affordable.
    - PFC's are still not required to reserve any units for renters earning 50% AMI or below.
  - Acquisition deals (versus new construction) must dedicate at least 15% of the cost of the property for rehab. Acquisitions may avoid the rehab requirement by increasing the share of units affordable at 60% AMI to 25%, only with approval by the elected body over the PFC.
  - Income-restricted units must make up a proportionate share of each unit size.
- **Transparency**
  - For new construction deals, the PFC user must show that the development would not be feasible without the use of the PFC structure.
  - For acquisition deals only, a "meaningful benefit test" is required that shows that 60% of tax benefit is going toward reducing rents in income-restricted units. Not required for new construction deals.
  - For PFCs operating under Chapter 303 of the Texas Local Government Code and established by a Public Housing Authority (PHA) that do not have a majority of the members of the governing body who are elected officials, the PFC must obtain approval the elected body of the municipality (Denton City Council) over the PHA.
    - Recent tax exempt multifamily deals by Denton Housing Authority have been established under Chapter 394 of the Texas Local Government Code.
  - A PFC must post information about each development it owns on its website.
  - For all deals, a 30-day notice must be given to all impacted taxing entities.
  - An annual compliance audit must be conducted by auditors hired by property owners and reviewed by TDHCA.

## **DENTON CITY PUBLIC FACILITY CORPORATION**

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### ▪ **Jurisdiction**

- PFC deals may only occur within the jurisdictional boundaries of the PFC sponsor.
- Tax-Exemptions Expire (unless extended with approval from same entities of initial approval):
  - Acquisition: Expires after 30 years
  - New Construction: Expires after 60 years

### ▪ **Tenant Protections**

- Requires that PFC developments must accept Housing Choice Vouchers (HCV) and cannot require HCV holders to have monthly income in excess of 250% of the household's monthly payment.
- The PFC user must affirmatively market to voucher holders.
- Provides a baseline of tenant protections, including preventing retaliation regarding the right to organize and just cause eviction protection.

### **Administration of a PFC**

Developers seeking funding or partnerships must complete a formal application, which undergoes a multi-step review process:

- **Initial Staff Review:** Applications are reviewed for completeness and alignment with program goals, as set by DCPFC Policies and Procedures.
- **Board Review:** The DCPFC board evaluates applications which pass staff review using a detailed scoring matrix and makes recommendations for partnership or funding.
- **Agreement:** If selected, applicants negotiate a term sheet and enter into a formal agreement with the PFC.

### **Third Party Services**

DCPFC requires certain services City Staff are unable to provide and must be procured through a 3<sup>rd</sup> party vendor. Specifically, these services are **underwriting** and **legal counsel** within the context of a potential deal.

Because the PFC is an independent entity, it does not need to follow the same procurement process as the City. PFC's can procure these services at will when a deal is being considered and charge the applicant for the costs associated.

### **Remaining Items to Address**

There are a few actions remaining before DCPFC board may begin accepting deals.

The first is to review a staff initiated bylaws amendment, primarily focused on accurately reflecting the role of City Staff in DCPFC. Proposed amendments also include allowing for revenue to be used as fee

## **DENTON CITY PUBLIC FACILITY CORPORATION**

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in-lieu of waived taxes (for City of Denton or other taxing entities such as Denton Independent School District.

Next, DCPFC will need to adopt Policies and Procedures outlining how to accept applications and priorities for partnership. From there, DCPFC can begin accepting applications for partnership.

### Remaining Steps:

- Consider amending bylaws (staff-initiated)
  - Amending role of City Staff in bylaws to accurately reflect capacity
  - Include option to use revenue as fee-in-lieu of waived taxes
- Adopt Policies and Procedures
- Begin Accepting Applications

### **EXHIBITS**

1. Agenda Information Sheet
2. Presentation

Respectfully submitted:  
Jesse Kent  
Director of Community Services  
City of Denton

Prepared by:  
Leia Atkinson  
Housing Programs Coordinator  
City of Denton

# Public Facility Corporations

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DCPFC 25-003

Presenter: Jesse Kent

Director of Community Services

December 16, 2025

# Background

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# Legal status and public benefit

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- It is a **nonprofit** corporation created through Texas Secretary of State



# Legal status and public benefit

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## **A PFC can:**

- Issue bonds
- Finance public facilities (such as multifamily affordable housing)
- Provide a tax exemption to a multifamily affordable housing development through partnership
  - Receive revenue from such a partnership deal

# Administration of the PFC

Developers seeking funding or partnerships must complete a formal application, which undergoes a multi-step review process:

- **Initial Staff Review:** Applications are reviewed for completeness and alignment with program goals, as set by DCPFC Policies and Procedures.
- **Board Review:** The DCPFC board evaluates applications which pass staff review using a detailed scoring matrix and makes recommendations for partnership or funding.
- **Agreement:** If selected, applicants negotiate a term sheet and enter into a formal agreement with the PFC.

# Administration of the PFC

DCPFC requires certain services City Staff are unable to provide and must be procured through a 3<sup>rd</sup> party vendor. Specifically, these services are **underwriting** and **legal counsel** within the context of a potential deal.

Because the PFC is an independent entity, it does not need to follow the same procurement process as the City. PFC's can procure these services at will when a deal is being considered and charge the applicant for the costs associated.

# Remaining items

- Consider amending bylaws (staff-initiated)
  - Amending role of City Staff in bylaws to accurately reflect capacity
  - Include option to use revenue as fee-in-lieu of waived taxes
- Adopt Policies and Procedures
- Begin Accepting Applications

# **DENTON CITY PUBLIC FACILITY CORPORATION**

Principal Office: 215 E McKinney St,  
Denton TX 76201

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## **AGENDA INFORMATION SHEET**

**DATE: December 16, 2025**

### **SUBJECT**

Receive nominations and elect a President, Vice President and Secretary.

### **DISCUSSION**

The Denton City Public Facility Corporation (DCPFC) Board of Directors (Board) will hold a discussion, make nominations, and elect a President, Vice President, and Secretary of the board based on the rules and procedures outlined by Denton City Council and the Denton City Secretary's Office ([Handbook for Boards, Commissions, and Council Committees, April 2021](#)).

According to the bylaws of DCPFC, the President and Vice President must be the Mayor and Mayor Pro-Tem of the City of Denton, respectively. The secretary may be any Board Member. However, all three positions must still be nominated and elected in order to comply with [Texas Local Government Code Chapter 303](#).

**President:** Must be Gerard Hudspeth according to DCPFC Bylaws.

***Bylaws Section 3.5** The president shall be the Mayor of the City of Denton. The president shall be the chief operating executive officer of the Corporation, and subject to the direction of the City and the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, leases, notes and other instruments in the name of the Corporation; provided, however, that the president may not execute any instrument on behalf of the Corporation without the prior written approval of the Board. The president shall preside over the meetings of the Corporation.*

**Vice President:** Must be Suzi Rumohr according to DCPFC Bylaws.

***Bylaws Section 3.6** The vice president shall be the Mayor Pro-Tern of the City of Denton. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that president's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.*

**Secretary:** May be any Board Member. The Secretary may appoint an Assistant Secretary from City of Denton staff. The Director of Community Services and Housing Programs Coordinator are both available to fulfill this role as requested.

***Bylaws Section 3.7** The secretary shall be a Board Member, elected by the Board. The secretary may appoint an Assistant Secretary, which may, but need not be, a director.*

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*a. The secretary or Assistant Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours; and shall in general perform all duties incident to the office of secretary subject to the control of the Board shall cause the giving and serving of all notices.*

*b. The secretary, and only the secretary, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation.*

*c. The Assistant Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board, other than the execution of documents.*

### **Current Board Members:**

- Gerard Hudspeth (Mayor of the City of Denton)
- Vicki Byrd
- Brian Beck
- Suzi Rumohr (Mayor Pro-Tem of the City of Denton)
- Joe Holland
- Brandon Chase McGee
- Jill Jester

### **EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:  
Jesse Kent  
Director of Community Services  
City of Denton

Prepared by:  
Leia Atkinson  
Housing Programs Coordinator  
City of Denton