



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Christine Taylor

DATE: August 19, 2025

SUBJECT

Consider approval of a resolution of the City of Denton stating no objection to 2100 Spencer Road (TX) Owner LP's 4% housing tax credit application to the Texas Department of Housing and Community Affairs for the proposed rehabilitation of the Waterford at Spencer Oaks Apartments to provide affordable rental housing; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

BACKGROUND

The Texas Department of Housing and Community Affairs (TDHCA) offers a Housing Tax Credit program as one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households.

A Housing Tax Credit is an indirect federal subsidy. It does not equate to a local property tax reduction but is rather a credit that is sold to a bank as a dollar-for-dollar reduction of federal income tax liability. There are two types of Housing Tax Credit (HTC) programs available: a 4% (non-competitive) and a 9% (competitive) program. The Waterford at Spencer Oaks is submitting a non-competitive application, meaning that a threshold document for their application is a resolution of no objection from the municipality in which the project is located. A 4% tax credit will generate about 30% of a development's equity, or a maximum of \$20 million dollars.

To meet the City of Denton housing and development objectives, it is the City's [policy](#) to review projects requesting support for proposed Housing Tax Credits (HTC). Such analysis will determine if the project(s) comply with the principles and policies found in the City's Denton Plan 2040, the Consolidated Plan for Housing and Community Development, as well as various other master, strategic, and redevelopment or neighborhood plans, adopted by the City of Denton.

DISCUSSION

The City has received an application seeking a Resolution of No Objection (RONO) for a 4% Housing Tax Credit application to TDHCA for new construction (Exhibit 3). Staff has evaluated this request, finds it aligned with the HTC Policy, and is therefore presenting the application to City Council. The application request for the RONO be presented for City Council consideration at the July 15, 2025 meeting where public comment may also be made on the proposed application in accordance with Texas Government Code, §2306.67071(b).

The Waterford at Spencer Oaks is an existing apartment development in the City of Denton. Its construction was funded by Housing Tax Credits in 1996. Their affordability commitments last 30 years, and would otherwise expire next year in 2026, with the apartments converting to market rate. By undergoing a rehabilitation with Housing Tax Credit funding, the development would recommit to affordability for another 30 years.

PROJECT – WATERFORD AT SPENCER OAKS

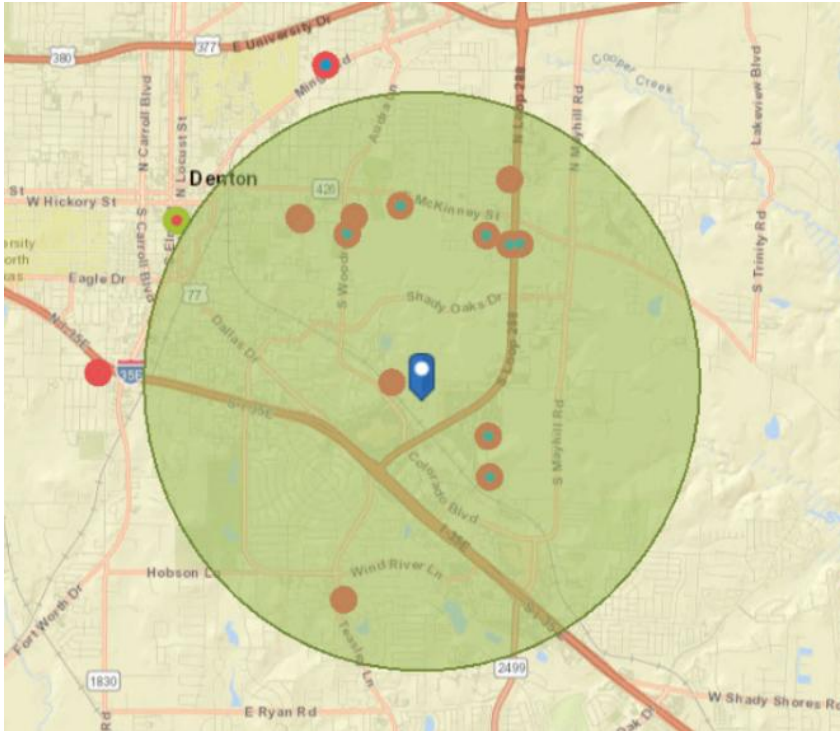


Figure 1 – Location map

- **Applicant:** April Housing
- **Location:** 2100 Spencer Rd, Denton, TX 76205
- **Project Type:** General
- **Property Type:** Rehabilitation
- **City Council District:** 1
- **Taxable Status of the Development:** Development will be eligible for a 50% property tax exemption due to a partnership with The Development Corporation of Tarrant County
- **Proposed Tenant Population:** Proposed housing will provide affordable housing to individuals and families.

	# of Total Units	# of Units							SF Range of Units	Rent Range of Units
		30%	40%	50%	60%	70%	80%	MR		
0 (Efficiency)	0									
1 BR	0									
2 BR	104			47	57				978	\$1,177 - \$1,436
3 BR	104				103			1	1100	\$1,651
4 BR	0									
Total Units	208	0	0	47	160	0	0	1		
% of Total		0%	0%	23%	77%	0%	0%	0%		

Figure 2– Unit Mix

- **Proposed Total Units:** 208 affordable units.
- **Proposed Unit Income Breakdown:** The proposed development currently includes income bands of 50% AMI and 60% AMI.
- **Proposed Unit Sizes:** Two and three-bedroom units between 978–1100 square feet.
- **Projected Rents:** \$1,177-\$1,651 per month

OPTIONS

1. Approve a Resolution of No Objection as presented
2. Do Not Approve the Resolution of No Objection
3. Postpone to a date certain to allow for further deliberation

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Presentation

Exhibit 3 – Application for a Resolution of No Objection

Exhibit 4 – Resolution of No Objection

Exhibit 5 – 8-5-2025 Presentation

Respectfully submitted:
Jesse Kent
Director of Community Services

Prepared By:
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Housing Programs Coordinator