



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Community Services

**CM/ DCM/ ACM:** Christine Taylor, Assistant City Manager

**DATE:** June 2, 2026

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, authorizing the City Manager to execute a funding agreement between the City of Denton and the Denton Affordable Housing Corporation for operating expenses; authorizing the expenditure of HOME Investment Partnership funds not to exceed \$46,711.59 and providing an effective date.

### **STRATEGIC ALIGNMENT**

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

### **DISCUSSION**

On May 2, 2025, the Community Services Advisory Committee (CSAC) finalized their recommendations to City Council for the 2025 Action Plan. All projects and programs to be approved by The Department of Housing and Urban Development (HUD) under the 2025 Action Plan are funded through Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and program income from the use of these funds. In addition to federal funds, the City Council allocates General Fund dollars to provide grants for social service agencies. The following narrative describes the recommendations from the CSAC for estimated federal and general fund dollars available for the 2025-26 program year. (**Exhibit 2**)

The Denton Affordable Housing Corporation (DAHC) is a locally certified Community Housing Development Organization (CHDO). The HOME Investment Partnership Program (HOME) requirements state that fifteen percent (15%) of a participating jurisdiction's funding must be allocated to CHDO-administered programs. On an annual basis, the City of Denton allocates a minimum of fifteen percent (15%) of the City's HOME allocation to DAHC for various affordable housing programs.

A portion of this year's HOME allocation will provide DAHC with \$46,711.59 of funding for operating expenses. 2024 and 2025 HOME funds will be reimbursed to DAHC as costs are documented, reviewed, and approved by Community Development staff.

### **HOME Project Funding**

Funding for HOME projects is included in the 2025 Action Plan for Housing and Community Development for program year October 1, 2025, through September 30, 2026. City Council approved the 2025 Action Plan for Housing and Community Development with Ordinance No. 25-193, on July 22, 2025. The U.S. Department of Housing and Urban Development (HUD) approved the Action Plan in September 2025, and funds will become available in October 2025.

## **Service Agreement**

This Service Agreement establishes the agreement between the City and the agency regarding the total allocation of funding along with responsibilities, eligible activities, performance measures, and duration of the agreement. (**Exhibit 3**).

## **Agreement Timing**

The Community Services Department has implemented a “Shovel Ready” policy for housing projects, meaning funds are only awarded to projects which are ready to be constructed. As part of this new policy, funding agreements are not brought forward to City Council or executed until the project has significantly advanced through the development process and is near to pulling construction permits. This is the reason the agreements for DAHC’s homebuyer construction and concurrent operating assistance have been brought before Council later than the other agreements recommended by CSAC for the 2025 Action Plan.

## **OPTIONS**

- Approve the funding agreement
- Do not approve the funding agreement

## **RECOMMENDATION**

- Approve the funding agreement.

## **FISCAL INFORMATION**

Projects is funded with HOME funds.

## **EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – 2025-26 CSAC Funding Recommendations

Exhibit 3 – Ordinance and Agreement

Respectfully submitted:

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