



Affordable Housing Strategic Toolkit

City of Denton

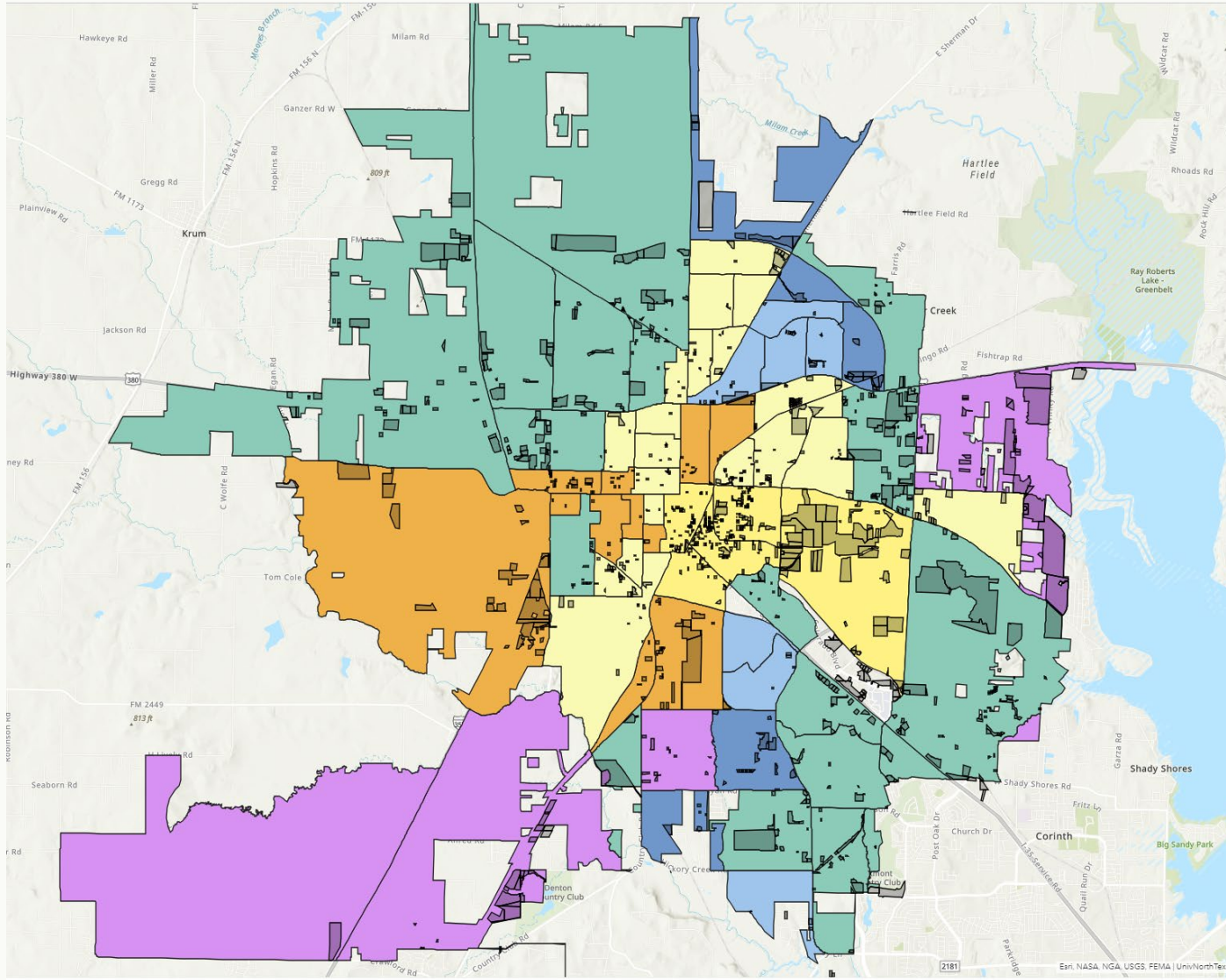


Introduction to the Affordable Housing Toolkit

As our community continues to grow, the City of Denton is committed to fostering an economically diverse community with housing opportunities for everyone.

City Council adopted Denton's Affordable Housing Strategic Toolkit in February of 2022. The toolkit outlines five recommended strategies with eighteen targeted activities to deliver housing interventions.

Market Value Analysis



As part of the Housing Needs Assessment, Reinvestment Fund conducted a Market Value Analysis (MVA), a tool that uses statistical analysis of administrative data to inform housing and development strategies. The MVA classified Denton’s residential markets into **seven categories according to their general characteristics, strengths, and any signs of stress, from the strongest “A” markets to the more distressed “G” markets.**

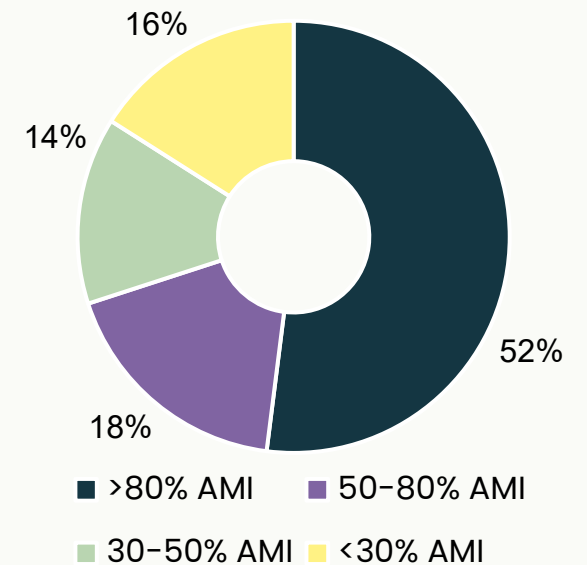
	Median Sales Price (18-19)	Home-owners	Subsidized Renters	Vacancy
A	\$402,684	91%	>1%	>1%
B	\$279,371	75%	4%	1%
C	\$278,238	80%	1%	>1%
D	\$257,951	72%	5%	>1%
E	\$201,447	17%	36%	7%
F	\$195,718	37%	6%	2%
G	\$138,808	10%	1%	3%

Who is Housing **Affordable** for?

Typically, housing is considered 'Affordable' if a household is spending a **30% of their income or less** on housing. From a development perspective, 'affordable housing' is housing designed to meet this affordability threshold for a household at **80% Area Median Income or less**. That means first responders, teachers, librarians, social workers, single parents, seniors, individuals with disabilities, and lots of other people who are essential to the fabric of Denton.

Area Median Income	Income Limit Category	Household Size							
		1	2	3	4*	5	6	7	8
105,600	100%	72,200	82,500	92,800	105,600	111,400	119,600	127,900	136,100
	<u>Low (80%)</u>	57,750	66,000	74,250	82,500	89,100	95,700	102,300	108,900
	<u>60% Limit</u>	44,350	41,360	46,530	63,350	55,840	59,970	64,110	68,240
	<u>Very Low (50%)</u>	36,100	41,250	46,400	51,550	55,700	59,800	63,950	68,050
	<u>Extremely Low 30%</u>	21,700	24,800	27,900	30,950	33,450	35,950	38,400	40,900

Denton Resident Income



Updated: May 16, 2023

*HUD Adjusted



Economic Development

Housing is considered 'Affordable' if a household spends **no more than 30% of their monthly income** on housing costs.

This chart shows what 30% of monthly income is for some common occupations in Denton. For comparison, the average cost of Denton apartments are illustrated alongside.

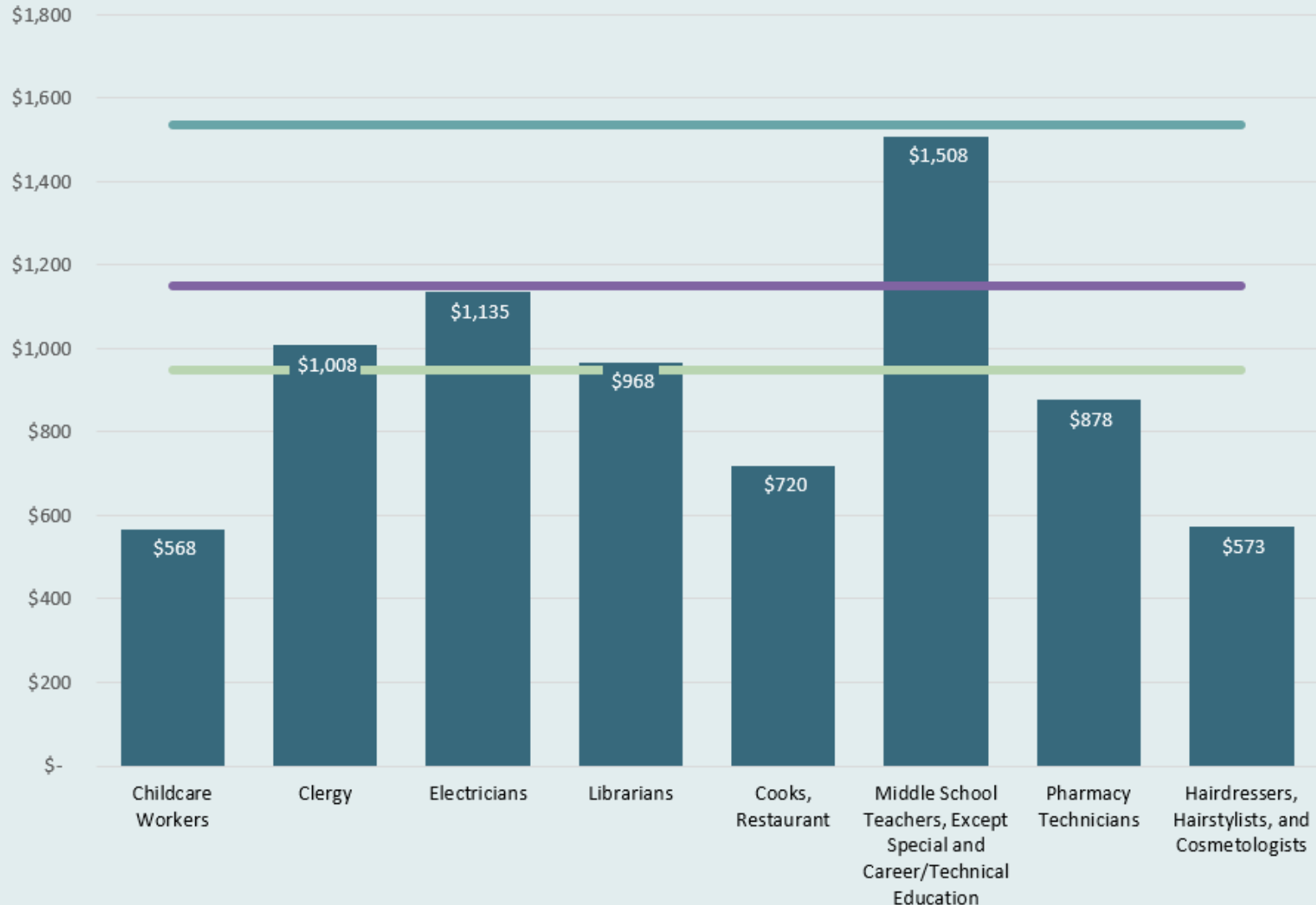
Median Rental Costs in Denton

Studio
\$949

1 Bedroom
\$1,150

2 Bedroom
\$1,534

**30% of Monthly Income for
common occupations at
25th Percentile in Denton**



The 5 Strategies of the Toolkit

1 **Infill Development**

Refers to the construction of new buildings on vacant or underutilized land in developed areas. Currently targets accessory dwelling units and small home community programs.

2 **Zoning Relief and Variances**

Combines adjustments to regulations with targeted incentives to enable the private sector to produce lower-priced units through zoning overlays and development community input.

3 **Increase Capacity and Resources**

Provide incentives, grant assistance, and technical assistance to the existing AH development community and city partners to increase the output of new low-cost units.

4 **Preservation & Expansion**

Activities include a housing trust incentive program, an employee homeownership program, land banking, a rental repair grant, and a down payment assistance program. Two of the five proposed activities have been partially or fully implemented in the City's Homeowner Repair Assistance program and Home Buyer Assistance program.

5 **Increase Access to Information**

Endeavors to promote the existence and expansion of AH and AH development by increasing access to information for renters and landlords. Goals under this strategy include an eviction prevention education campaign, an interactive mapping tool, and a DHA education campaign for voucher usage.

Infill Development

Small Home Community Program

Create guidance and resource materials for a Small Homes Program. Make necessary zoning changes and amend the permitting process outside of Planned Unit Development (PDU) regulations to encourage the use of Small Homes such as **Cottage Courts** for infill development (can be one or more units per lot).



Accessory Dwelling Units (ADUs)

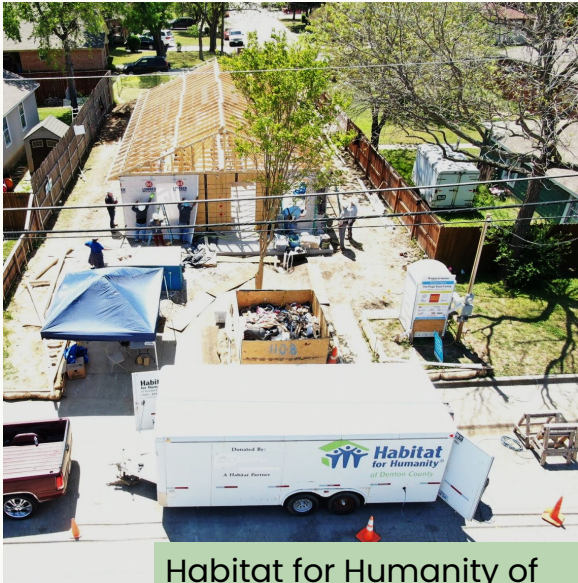
Expand the existing program to incentivize homeowners to add **backyard rental cottages** to their property using prototype housing models, participating lenders, and streamlined permitting.



Increasing Capacity & Resources

Capacity Building Match Grant

Provide match funding to **non-profit developers** to increase their capacity for affordable housing development. May include funding for grant writing, pre-development costs, technical assistance, and/or site control.



Habitat for Humanity of Denton County



Denton Affordable Housing Corporation



Denton Housing Authority

Low Income Homeownership Program

Create a model for homeownership catering to families earning less than 50% of AMI in partnership with the **Housing Authority** using a combination of Housing Choice Vouchers, low-cost construction methods, down payment assistance, and favorable lending terms.



New Affordable Housing Developers!

Increasing Capacity & Resources

Developer Incentive Toolbox

Package financing, land options, technical assistance, and streamlined permitting incentives for target properties and market to developers. Identify priority sites for development.

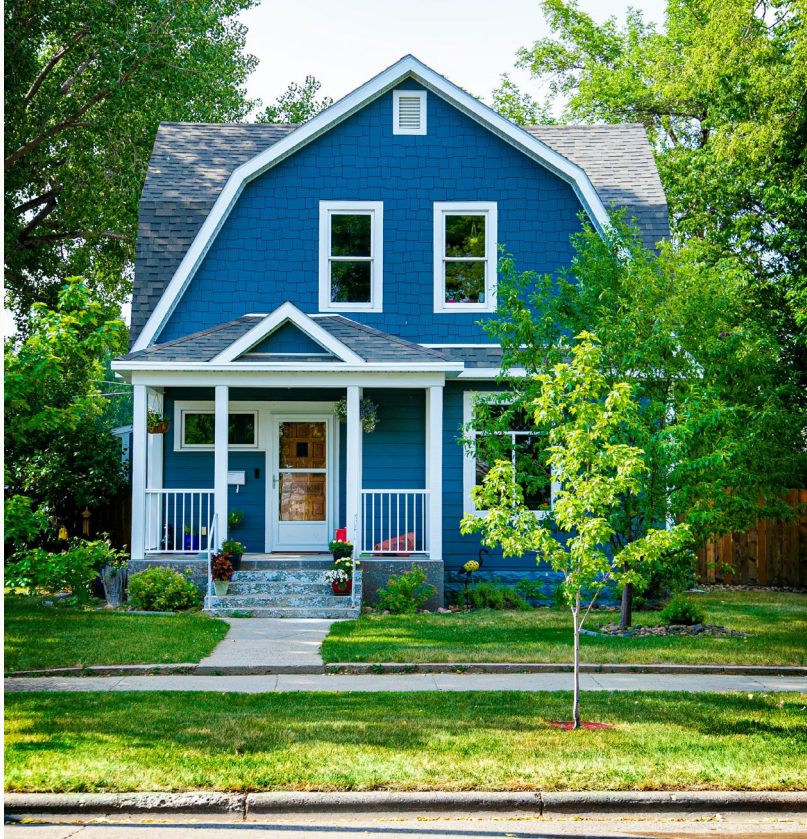
The Developer Incentive Toolbox is actually several different tools to incentivize housing development. It's just our way of gathering together everything we can offer a developer to incentivize them to develop affordable housing here in the City of Denton.

- Affordable Housing Overlay
- Zoning Relief
- Land for Affordable Housing Development
- Favorable Funding Opportunities



Affordable Senior Living developed by El Paso Housing Authority

Preservation & Expansion



Land Acquisition

Land bank vacant/underutilized lots for the purposes of affordable development; AND create a Community Land Trust to preserve homeownership.

Employee Homeownership Program

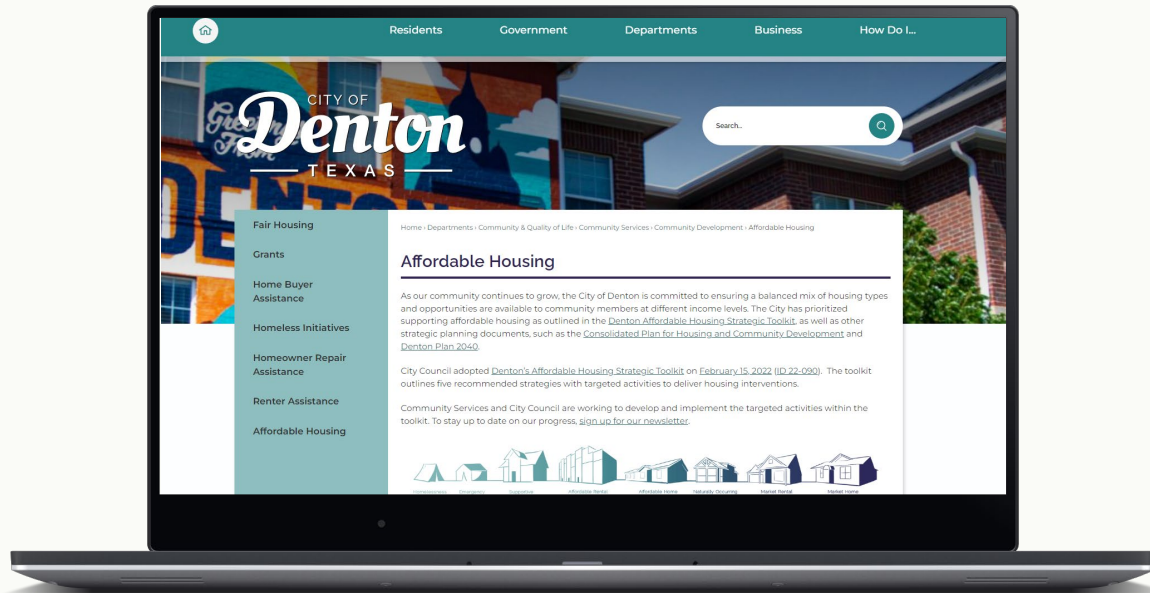
Create a home loan and down payment assistance program for employees of **major employers** (City of Denton, UNT/TWU, Peterbilt), partnering with the employer and a developer for the infill housing program.

Expand Down Payment Assistance

Expand the existing City Down Payment Assistance Program.

Landlord Rental Maintenance Grant

Create a funding pool and program, where landlords receive funding to rehab properties into rental units and agree to a **period of affordability** in exchange for repayment from future rents or loan forgiveness.



Learn More:

www.cityofdenton.com/996/Affordable-Housing

Check out our Discuss Denton Page!

Send Inquiries To:

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