



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: June 28, 2022

SUBJECT

Receive a report, hold a discussion, and give staff direction on pending City Council requests for:

- (1) A Work Session to discuss a neighborhood opt-in responsive speed limit sign program.
- (2) A Work Session to discuss the City creating Public Facility Corporations to partner with developers to develop affordable housing in Denton.

[Estimated Presentation/Discussion Time: 30 minutes]

BACKGROUND

During the annual City Council retreat on Saturday, August 21, 2021, the City Council agreed to amend their current ordinance and the process by which they ensure there is a consensus of the City Council regarding the use of staff time when responding to requests from elected officials that anticipate taking more than two hours to complete or if there is a City Council policy decision to be made. The process developed during the retreat was further discussed and formally adopted at the September 28, 2021 City Council meeting (**Exhibit 2**).

Staff will review one outstanding request for information per elected official during each work session. The weekly work session process will include staff introducing the requested topic followed by the requesting elected official having up to two minutes to describe and justify their request. Remaining elected officials will then have up to one minute to provide feedback and indicate their support for the use of staff time to respond to the request. Staff will respond to all requests where a consensus of at least four elected officials is established. To the extent possible, responses will be provided in the requested format including Informal Staff Reports, Legal Status Reports, City Council work session topics, or ordinances and resolutions to be considered on future City Council agendas. The Agenda Committee will assist in scheduling items receiving consensus based upon priority offered by Council Members, work session availability, and readiness of the item depending upon the total number of staff hours needed to develop, and the departments involved.

As guidelines for Council Members to note and offer their priority while supporting an item, the following general categorization could be used to indicate any Council Member's support in order to assist staff and the Agenda Committee. The following takes into consideration the perceived urgency, impact, and/or importance of the item. It is a general framework only to help offer some prioritization, especially in consideration of other scheduled Council priorities, major goals and projects, and scheduled work.

- **High** – Time sensitivity of the item is significant; the item is critical to the community or organization; and/or the item is of such importance that it should take precedence over other scheduled priorities, projects, or items.

- **Moderate** – The item is somewhat time-sensitive; the item has a valuable impact to the community or organization; and/or the item is important but should be integrated into work plans accordingly.
- **Low** – The item is not time-sensitive; the item has an impact, but it is limited; and/or the item should be scheduled into work plans where possible but should not affect or delay other scheduled work.

The following items will be discussed during this work session:

(1) A Work Session to discuss a neighborhood opt-in responsive speed limit sign program.

- Requestor:** Council Member Davis
- Council Member Request:** “I’d like to have a work session to discuss a neighborhood opt-in responsive speed limit sign program. For example, residents could participate with the City in the initial purchase of the signs, and the City could install, maintain, and replace the signs. Alternatively, we could budget a set number of signs to deploy each year and develop criteria for phased deployment.”
- Staff Information:** If the Council wishes to move forward with this request, staff will develop a Work Session for presentation.
- Date requested:** June 8, 2022
- Format for response:** Work Session

(2) A Work Session to discuss the City creating Public Facility Corporations to partner with developers to develop affordable housing in Denton.

- Requestor:** Council Member Watts
- Council Member Request:** “The meteoric rise of real estate values over the last two years has increased the need for affordable rental housing in our community. The major source of affordable rental housing comes from developments that participate in the various state-level tax credit programs. These programs allow developers to take advantage of tax credit allocations in exchange for affordable housing. Currently, the city council is limited in its ability to influence said developments. Typically, the council is limited to an up or down vote on a resolution of support. The council can provide more specific direction if the developer needs specific zoning entitlements to comply with city development codes.”

As we have seen recently, an affordable housing project proposed for the city secured a partnership with an entity outside of the city to assist in facilitating the development of the project. The developer had approached the Denton Housing Authority to request participation. DHA declined the request. Therefore, the developer partnered with another agency that was not within the city of Denton. Such partnerships whether local or not, provide various development fees and revenues to the partnering organization. It is critical we keep such projects within the city of Denton.

Therefore, I am requesting a work session to discuss the City creating Public Facility Corporations to partner with developers to develop affordable housing in the city of Denton. Such a partnership will provide the following:

1. Additional revenue for programs to assist in development of affordable housing and/or programs that assist those experiencing homelessness.
2. Provides greater input to the project to address the specific needs of the community such as unit mix, rental rates, amenities, and special programs.
3. Greater transparency and accountability.
4. Allows projects to stay in the community when DHA is unable to participate.

The work session will be a comprehensive analysis of the definition, creation, and administration of the Public Facility Corporation.”

- c. **Staff Information:** A Public Facility Corporation (PFC) is a nonprofit corporation created through Texas Secretary of State by a sponsoring governmental entity such as a municipality, county, school district, housing authority, or special district. The Texas Local Government Code Chapter 303 grants broad powers to sponsors over public facilities, including financing, acquisition, construction, rehabilitation, renovation, and repair. A sponsor may create one or more PFCs. Once created, a PFC, has the authority to issue bonds. When the bonds are funded, the money can be used in numerous ways even to loan the proceeds of the bond revenues to other entities for specific purposes.

Specific to affordable housing projects, a PFC participating as a limited partner in a public-private partnership to develop an affordable housing community provides the opportunity to generate revenue for the sponsor and if desired give a sponsor the option to control rent rates and mix of affordable units in a project. If the City Council wishes to move forward with this request, staff would develop a Work Session for presentation.

- d. **Date requested:** June 12, 2022

- e. **Format for response:** Work Session

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance No. 21-1837

Exhibit 3 – Presentation

Respectfully Submitted:

Monica Benavides

Assistant to the City Manager