



AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Christine Taylor

DATE: April 7, 2026

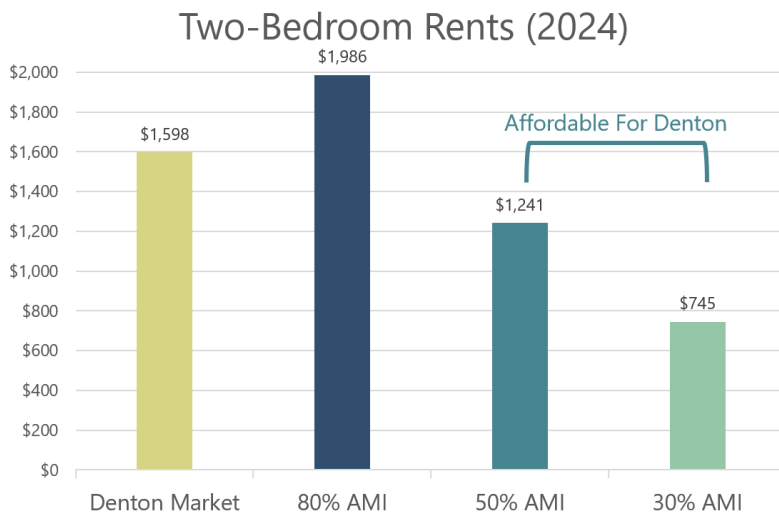
SUBJECT

Receive a report and hold a discussion regarding property tax exemptions and multifamily affordable housing in the City of Denton.

BACKGROUND

Fostering economic opportunity and affordability is a key focus area for the City of Denton. The City affirmed its commitment to housing affordability by approving the 2022 Affordable Housing Strategic Toolkit.

Figure 1 - Two-Bedroom Rents in Denton (2024)



Housing is considered ‘Affordable’ if a Low-Income household **spends 30% of their income or less** on housing. Income-Qualified apartments set rents based on what a household at their target Area Median Income (AMI) threshold can afford based on this 30% rule. AMI thresholds are most commonly set at 80%, 50% or 30% of the Area Median Income. In Denton, the market rate falls **below** the “Affordable” rent for an 80% AMI unit.

The City refers to income-qualified units which actually provide a significant rent reduction in Denton’s market as

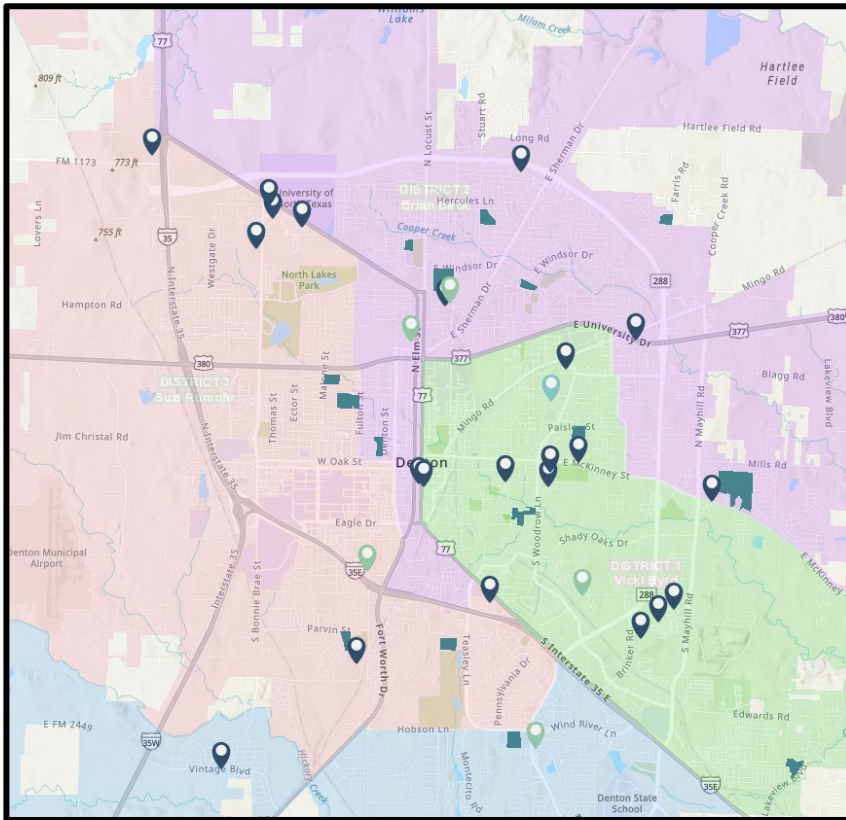
“Affordable for Denton”. For example, 50% and 30% AMI units are Affordable for Denton.

Many Affordable Housing developments utilize tax exemptions as part of the financing structure to increase the affordability of the property.

DISCUSSION

In Denton, there are 22 properties with tax exemptions, with four more under construction and two more in development. An interactive map of these properties may be viewed [here](#).

Figure 2 - Map of Tax Exempt Multifamily Properties and DISD Schools



There are five different types of tax exemptions affordable housing developments might access, which are outlined in the table below (Figure 3).

Figure 3 - Property Tax Exemptions available to Affordable Multifamily Housing in Texas

Applicable Law	Granting Entity Type	Length of Time	Jurisdiction Restrictions	Percent Exemption	Existing Exemptions in Denton	Local Example
Texas Local Gov't. Code 303	Public Facility Corporation (PFC)	30 years	Yes	100%	0 Properties 0 Units 0 Units in Development	Denton City Public Facility Corporation (2024)
Texas Local Gov't. Code 392	Public Housing Authority (PHA)	Indefinite	No	100%	18 Properties 4,598 Units 1,292 Units in Development	Denton Housing Authority (1970)
Texas Local Gov't. Code 394	Housing Finance Corporation (HFC)	Indefinite	Yes	100%	0 Properties 0 Units 0 Units in Development	Denton County Housing Finance Corporation (1980)

Texas Tax Code 11.1825	Community Housing Development Organization (CHDO)	Indefinite	No	50%	3 Properties 226 Units 172 Units in Development	Denton Affordable Housing Corporation (1993)
Texas Tax Code 11.18	Nonprofit serving specific subpopulations	Indefinite	No	100%	1 Property 40 Units 0 Units in Development	Plano Community Homes (operator of Fair Oaks of Denton) (1983)

In total, these 22 properties represented an estimated \$15,219,991 in exempted property taxes across the three different taxing entities. An estimated \$9,238,745 were exempted taxes which would otherwise be due to Denton ISD (Figure 4). Across all 22 properties, 10% of units were affordable for Denton. 54% were income-qualified at 80% AMI and 36% were unrestricted (Figure 5).

Figure 4 - Exempted Property Taxes from Multifamily (2025)

Estimated Exempted Property Taxes from Multifamily (2025)

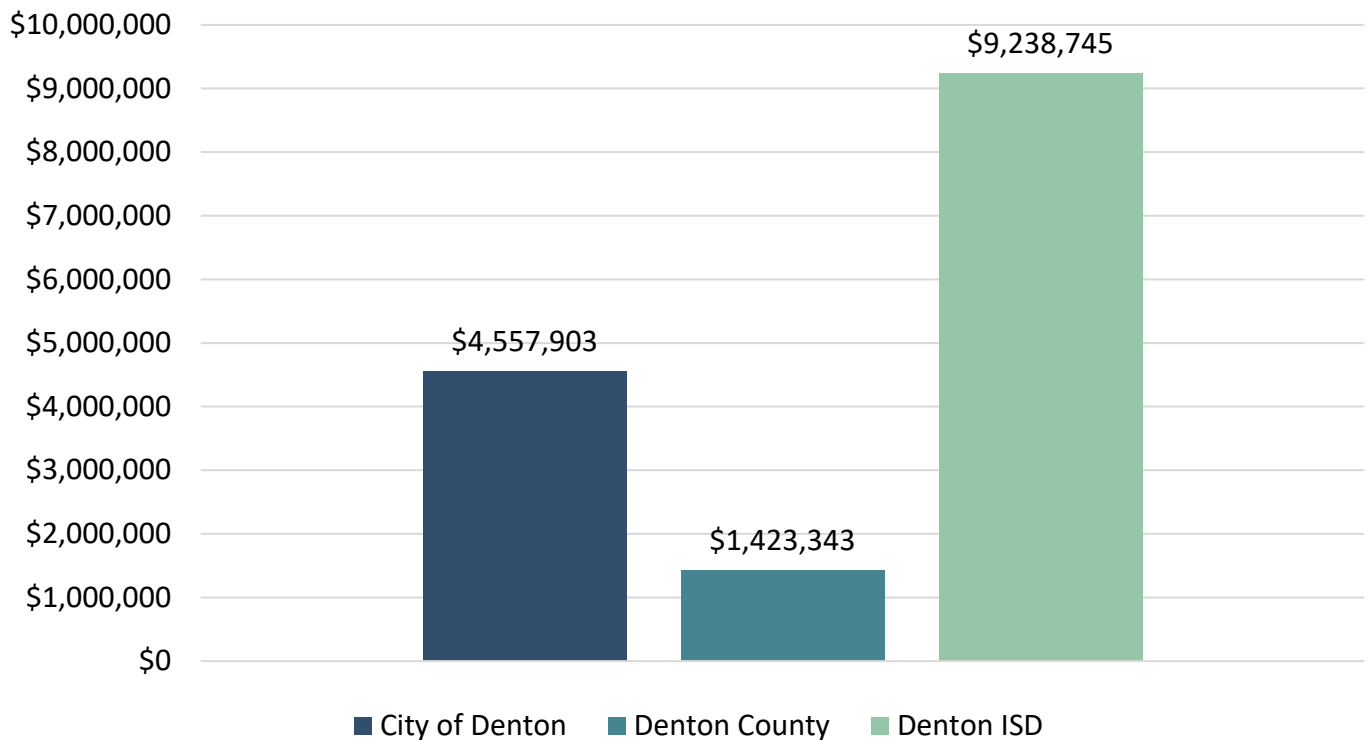


Figure 5 - Income Threshold Breakdown

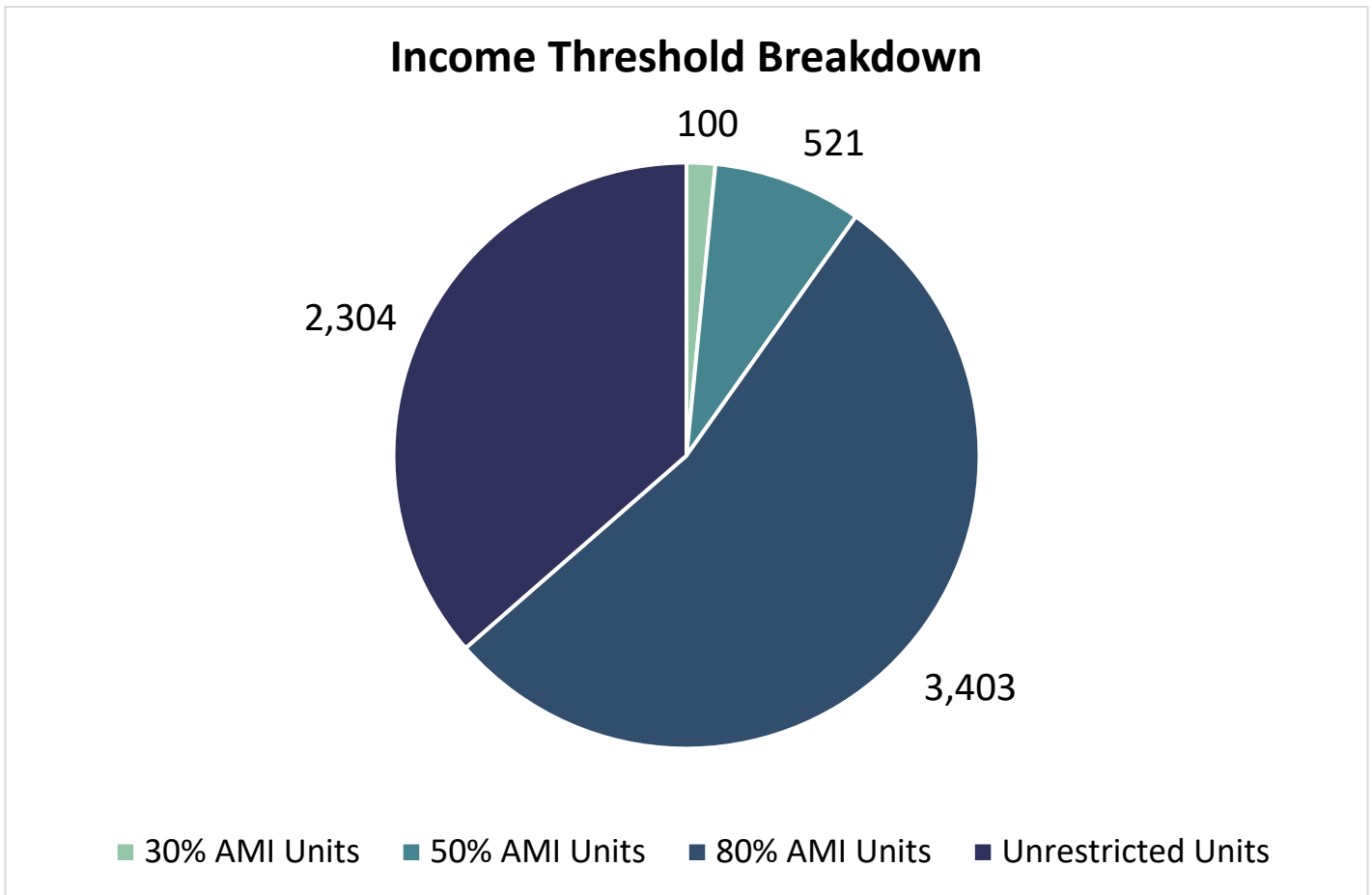


Figure 6 - Tax Exempt Units by Attendance Zone (Elementary)

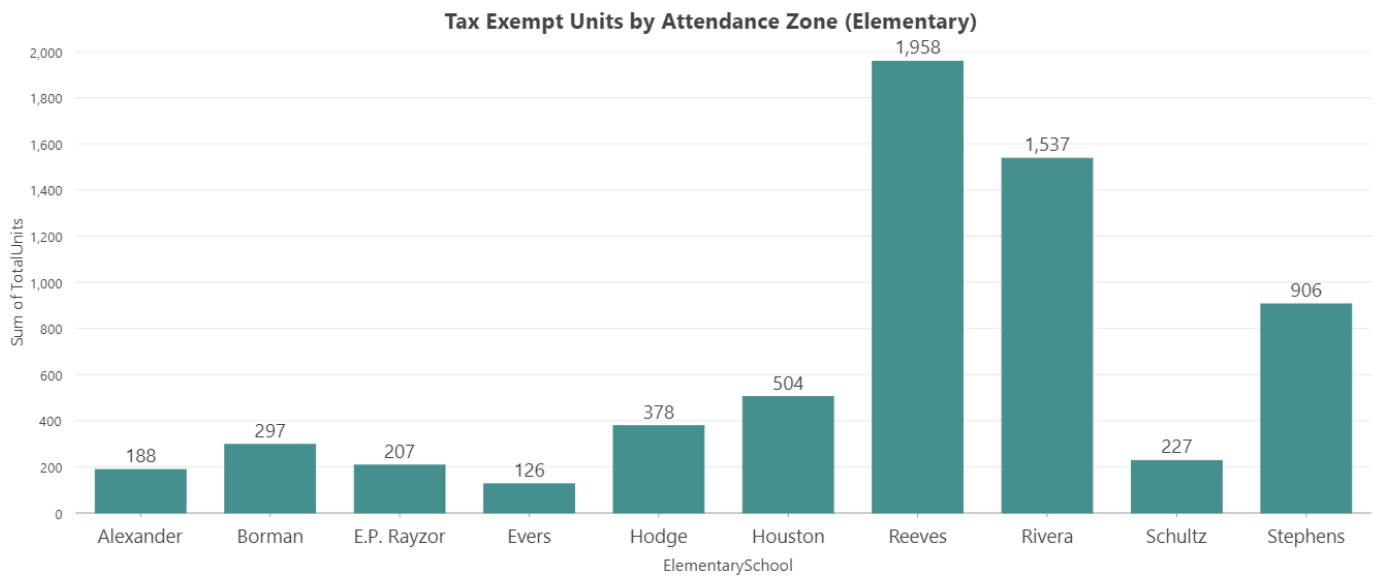


Figure 7 - Tax Exempt Units by Attendance Zone (Middle)

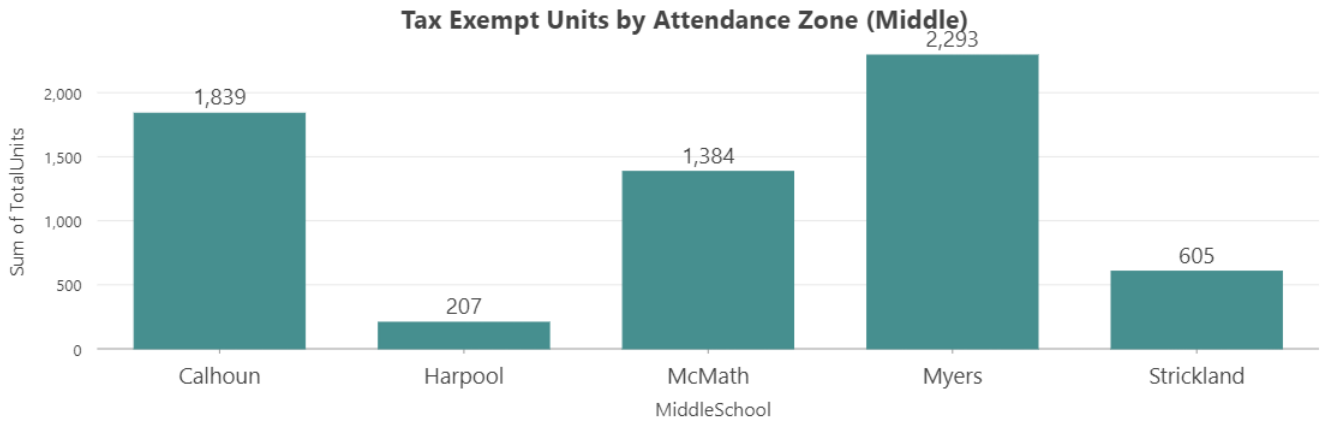
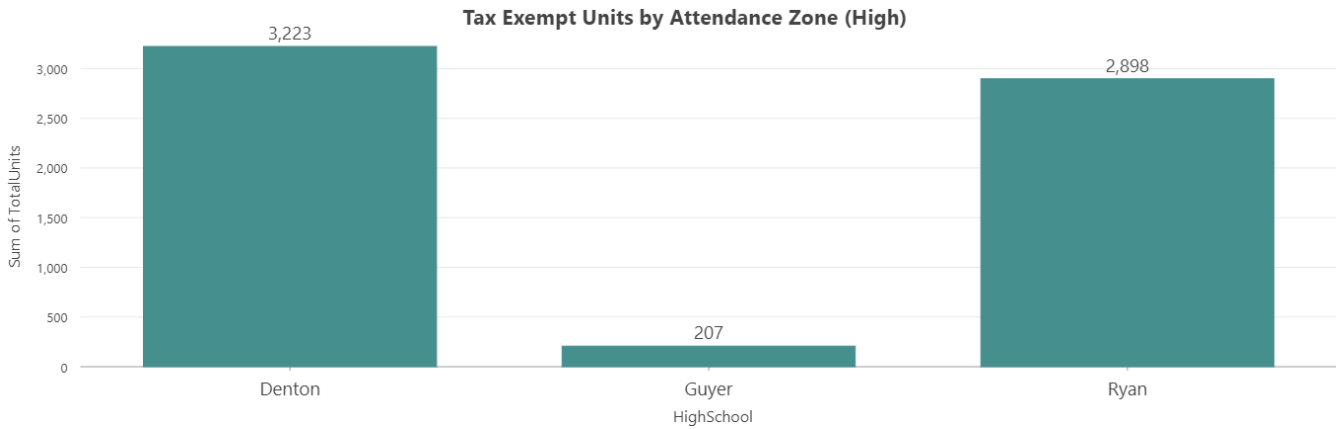


Figure 8 - Tax Exempt Units by Attendance Zone (High)



EXHIBITS

1. Agenda Information Sheet
2. Presentation
3. Table of Tax-Exempt Multifamily Properties

Respectfully submitted:
Jesse Kent
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