



**CITY OF DENTON
HOUSING TAX CREDIT (HTC)
REQUEST FOR SUPPORT POLICY**

Policy Statement: To meet the housing and development objectives of the City of Denton, it shall be the City's policy to evaluate projects requesting support for proposed Housing Tax Credits (HTC) to determine if the projects comply with the City's [Denton 2040 Plan](#) and the [Affordable Housing Strategic Toolkit](#) as well as various other master, strategic, and redevelopment or neighborhood plans adopted by the City of Denton. The goal of this evaluation is to (a) establish if HTC projects merit local support, and (b) prioritize HTC submissions if more than a single proposal is received during an evaluation period. The Department of Community Services serves as point of contact for all HTC programs.

Affordability in Denton: Housing Affordability is a priority for the City of Denton. The City's goal is to foster diverse housing options and opportunities for everyone in our community.

The City of Denton's [Housing Needs Assessment](#) identified five main housing needs for the City of Denton:

1. Rental housing affordable to households earning less than 80% of Area Median Income (AMI), with the greatest need for households earning less than 50% of AMI
2. Homes for sale affordable to households earning less than median income
3. Housing support for seniors (including rental housing, assistance for home repairs, living-in-place retrofits, and integrative services)
4. Permanent supportive housing and transitional housing for persons with disabilities and homeless
5. Housing opportunities for low-income households in areas of opportunity

Additionally, the Affordable Housing Strategic Toolkit set a goal to preserve the existing stock of moderately priced homes through rehabilitation.

Administration of the HTC Program: The HTC program in the State of Texas is administered by the Texas Department of Housing & Community Affairs (TDHCA). The City of Denton has no responsibility for application approval for HTC projects or for the administration of the HTC program.

Development Review: Consideration of the applicant's request for a Resolution of Support or a Resolution of No Objection in no way impacts the City's rights to approve, disapprove, or modify the developers proposed site plans or to modify the zoning for the proposed development.

Evaluation Criteria:

City Staff will evaluate and sort applications into 1 of the 2 following categories:

1. **Considered:** City staff will present these to City Council.
2. **Not Considered:** City staff will not present these to City Council.

To be **Considered**, an applicant must meet all of the following requirements:

- Meet all requirements included in this policy, especially requirements for application and neighborhood engagement
- If receiving a property tax exemption or reduction through partnership with a Community Housing Development Organization, Public Facility Corporation, Housing Finance Corporation, Public Housing Authority or similar entity, that entity's principal address **must** be located in the City of Denton.

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- Score the appropriate threshold amount of points on the scoring matrix below
 - Subject to full property tax according to Section 11.1825 of the Texas Property Tax Code: 10 points
 - Subject to a 50% property tax exemption: 25 points
 - Subject to a 100% property tax exemption: 40 points

Any applications not meeting all criteria will be **Not Considered**. City staff reserves the right to not recommend any application which does not align with written policy, especially the requirements herein, or is determined to have not met neighborhood engagement requirements as set by this policy.

Scoring Matrix

Priorities	Maximum Points
Affordability .5 point for each percent of the overall development dedicated to households 31-50% AMI. 1 point for each percent of the overall development dedicated to households 30% AMI or below.	60
Opportunity The applicant demonstrates that the development is eligible for opportunity index points by virtue of being located entirely within a high opportunity area as defined under TDHCA criteria in the 2025 QAP Section 11.9(c)(5)(A); or an equivalent section in a subsequent year's QAP.	10
Supportive or Senior Housing The entire development is dedicated to Seniors (as defined by TDHCA) or Supportive Housing for people experiencing homelessness, people with mental illness, chronic health conditions, the disabled, and/or survivors of domestic violence.	10
Rehabilitation • 10 Points: Development is renovating an existing non-residential structure into housing; OR is renovating an existing LIHTC development and extending its affordability commitments. • 5 Points: Development is acquiring/renovating existing market-rate housing.	10

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Program Participation • 5 Points: The development commits to reducing income requirements for households utilizing a Housing Choice Voucher to no higher than a monthly household income equal to 250 percent of the individual's or family's share of the total monthly rent payable for a unit. • 5 Points: The development enters a Memorandum of Understanding with Denton County's Local Homeless Coalition by which the project will prioritize at least 10% of units for households referred from the local Housing Priority List.	10
TOTAL MAXIMUM POINTS	100
THRESHOLD FOR CONSIDERATION (100% PROP. TAX EXEMPTION)	40
THRESHOLD FOR CONSIDERATION (50% SUBJECT PROPERTY TAX)	25
THRESHOLD FOR CONSIDERATION (ALL SUBJECT PROPERTY TAX)	10

Note: Developments that attain a property tax exemption after receiving a Resolution of Support or No Objection from the City of Denton **must re-apply** to request a new resolution. Therefore, if an applicant is unsure whether their development will seek a tax exemption, they should operate as though they will attain a full property tax exemption.

Application Requirements:

Pre-Application Meeting: The applicant must schedule a pre-application meeting with Community Services staff. It is the applicant's responsibility to reach out to Community.Development@CityofDenton.com to schedule this meeting.

- For Non-Competitive Applicants, this may be any time prior to their application.
- For Competitive applicants, this must be during the month of **December**. Applicants should bear in mind staff will not be available on [City Holidays](#) and may have additional scheduled vacations, but will be as flexible and accommodating as possible. Meetings should be scheduled by **December 20**, even if the meeting is scheduled for later in the month.

Pre-Application Conference with Development Services: Prior to application, the applicant must submit a request for a Pre-Application Conference with the City of Denton Development Services department. The request form is available on the City's Website at <https://www.cityofdenton.com/256/Land-Development>.

Neighborhood Meeting: Applicants must independently schedule a neighborhood meeting **prior to submission**. For competitive applicants, the meeting should be scheduled for **January 24** or prior. For non-competitive applicants, it must be scheduled for 14 days after application at latest. The applicant must make a concerted effort to market this meeting to the surrounding neighborhood, and **at minimum** must provide written notice to residences within 200 feet via door hangers, post cards, or letters. If there is a nearby neighborhood group registered with the City, or another stakeholder group identified by staff, that

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group must be given advance notice of the Neighborhood Meeting as well.

Application:

Before a project will be evaluated by the staff, each applicant requesting support must submit the City of Denton's Affordability Incentive application with all attachments. The application is available on the City's Website at www.cityofdenton.com/1115/Affordability-Incentives. The applicant should be prepared to submit:

- A Project Pro Forma
- A Preliminary Site Plan
- Lists of Developments Owned by General Partners or Managed by Property Management in last 10 years
- A Vicinity Map showing the project location
- Description of amenities, quality of design, and quality of construction
- Any relevant letters of support
- Date, time, and location of scheduled neighborhood meeting
- Table of Projected Rents by AMI and Number of Bedrooms (available [here](#))
- A relocation plan for any residents displaced by construction (if applicable)
- Anything else requested by the Community Services Department

Submission Deadlines:

- Non-Competitive Resolution of No Objection applications must be submitted at least **60 days prior** to when the resolution must be submitted by the applicant to TDHCA.
- Competitive Resolution of Support applications must be submitted by the **first Tuesday of January**.

Note on Holidays: If the first Tuesday of January falls on a City Holiday such as New Year's Day, submissions shall be due the following business day.

Post Application Meeting: City staff will reach out to the contacts listed on the application to schedule a follow up meeting. This will generally take place the week following submission deadlines and will serve to address any questions from either party and set expectations.

Review of Exhibits: At the earliest opportunity, staff will send the draft exhibits to be presented to City Council in public hearing, including the draft resolution of support/no objection, to the applicant for their review. This is an opportunity to review and request any edits of a technical nature. In general, exhibits are standard for each HTC applicant, and requests for significant changes may be denied or may delay when the application can be considered.

Notice to Nearby Residents and Fees: Staff will send notices to residents within 500 feet of the proposed development site, as well as posting notices of the public hearing in the newspaper and City website. To cover costs associated with this, applicants will be charged a **fee**. Fees are based on the number of residents noticed, and are typically no more than, but not limited to, \$500. If the applicant rescinds their application prior to notices being issued, the applicant will not be charged.

Public Hearing: Staff will host a public hearing during a City Council meeting, at which City Council will consider approval of the resolution. The applicant should be available for questions. For competitive applicants, this will be generally be in the month of February.

Approved: Resolution _____ on _____, 2025

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Other Requirements:

Substantial Changes: Should a project which receives a resolution from the City have a substantial change including, but not limited to, the following before the start of construction, the Developer must notify the City of Denton in writing and request a new resolution of support/no objection:

- Number of units (more than 10% change)
- Portion of Affordable Units (more than 5% of units shifted to a higher AMI level)
- Affordability period
- Target population
- Property Tax Exempt Status

Zoning Verification & Concerted Revitalization Plan letters:

Zoning Verification and Concerted Revitalization Plan letters are a standard application component requested by some applicants, and not a letter of support by themselves. Applicants should indicate in their submission whether they will be seeking any Zoning Verification and/or Concerted Revitalization Plan letters. If so, they will additionally need to complete a Zoning Verification Application (available [here](#)), send to the email address listed on that application, and be prepared to pay fees as listed on the application.

If a Concerted Revitalization Plan letter is needed, the applicant should indicate that on the Zoning Verification application by checking and filling in the "Other" category on the application form and send in the email a brief written explanation of the following:

- Which area plan of the City of Denton the applicant believes applies to their site,
- Which written goal(s) of the area plan the applicant believes their site satisfies, and
- Any policies or goals of the Denton 2040 Comprehensive Plan the applicant believes their site satisfies.

Community Services staff are generally available to assist with this process, but do not have final approval authority, which rests with the City of Denton Planning Department.

TEFRA Approval of Multifamily Housing Revenue Bonds

Federal law requires 4% Housing Tax Credit developments to be at least 50% financed by Multifamily Housing Revenue Bonds, a type of tax-exempt Private Activity Bond controlled in Texas by the Texas Bond Review Board. Depending on the conduit issuer of the bond, the issue of bonds may need approval from the City of Denton under the Tax Equity and Financial Responsibility Act (TEFRA). Applicants who require TEFRA approval for bond issuance should email Community.Development@CityofDenton.com to request this approval at least 60 days in advance. Applicants will need to provide proof of public hearing and notice of public hearing, along with any other information requested by the department. Applications will generally be considered at the next possible City Council meeting on the Individual Consideration portion of the agenda. Staff will post public notice of the consideration at minimum 14 days prior to the decision.

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General Timeline for Competitive Applications:

December

- Qualified Allocation Plan is released by TDHCA.
- Applicant reaches out to Community.Development@CityofDenton.com to schedule a pre-application meeting.
- Applicant submits a request for a Pre-Application Conference with the Development Services Department.
- Applicant begins neighborhood engagement and schedules an initial neighborhood meeting for January 24 or sooner.

January

- Complete applications are submitted to the City using the online form, by the first Tuesday of January.
- The following week, applicants attend post-application meetings with City Staff.
- Initial neighborhood meeting **must** occur.
- Staff schedules public hearing and begins process to notify neighbors. If still an active applicant at the time public notices are sent, the applicant is charged for the service.
 - Resident notices will generally be sent at least 12 days prior to public hearing
 - Online and newspaper notices will generally be sent at least 17 days prior to public hearing

February

- Applications are presented to City Council in Public Hearings. This will generally be the first City Council meeting of February. Applicants are expected to attend and be available for questions.