



Audit of Community Housing Initiatives

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Purpose of the Audit

- Audit evaluated the effectiveness of the City's housing initiatives, including efforts to increase housing affordability and housing assistance program management.
- The City spent over \$781,000 in CBDG grant funds during 2022 and 2023 to assist families with minor home repairs.



National Housing Affordability Trends

Shortage in Rental Housing

- Growing Rental Demand
- Limited New Construction

Rising Development Costs

- New Apartment Building Construction Costs Increased
- Rental Prices Increased to Cover Costs

Stagnant Incomes

- Low-Income Households Experiencing Falling Incomes
- Middle-Income Households' Income Stagnant

Affordability Challenges

- Renters Struggle to Afford Rent
- Increased Amount of Cost-Burdened Households

Affordable Housing Strategic Toolkit Established; Recent Funding Should Support Goal Completion

Comparison of Denton Housing Strategies to Affordability Trends

Affordability Issue	Denton Housing Strategy	Complete & <i>In Progress</i> Tasks
Rental Housing Shortage	(1) Infill Development	<i>Small Home Communities Program</i>
	(2) Zoning Relief & Variances	Zoning Relief Training
Rising Development Costs	(3) Increase Capacity & Resources	Capacity Building Grants, <i>Developer Affordable Housing Incentives</i>
	(5) Increase Access to Information	Interactive Mapping Tool
Income Stagnation	None	
Affordability Challenges	(4) Preservation of Affordability	Landlord Rental Maintenance Grant Program, <i>Land Banking Program</i>

- The 2023 voter-approved Bond Program allocated \$15 million to affordable housing initiatives to be distributed equally over Fiscal Years 2025, 2026, and 2027; however, current funding sources may not be sustainable in the long term.
- While processes are in place to track Strategic Toolkit initiative implementation, a consistent process for reporting and measuring outcomes has not yet been implemented.



City Housing Program Goals are Being Met; Focused Outreach Efforts May Help Assist More Households

- Program goals are generally being met, including assistance and expenditure rates.
 - Some programs received no applications in 2023; efforts to expand opportunities should address this.
- Marketing occurs, but additional information could improve effectiveness and equity.

Affordable Housing Household Assistance Summary

Program	PY 2021	PY 2022	PY 2023
City Managed			
Minor Repair Program	29	39	43
Rental Repair Program	NA	NA	
Homebuyer Assistance Program	3	1	
Home Improvement Program*	2	7	2
City Funded			
Denton County Habitat for Humanity	1		
Denton Affordable Housing Corp.	8		11
Fairoaks Inc. Rental Housing Project	30	NA	NA
Total Households Assisted:	73	47	56

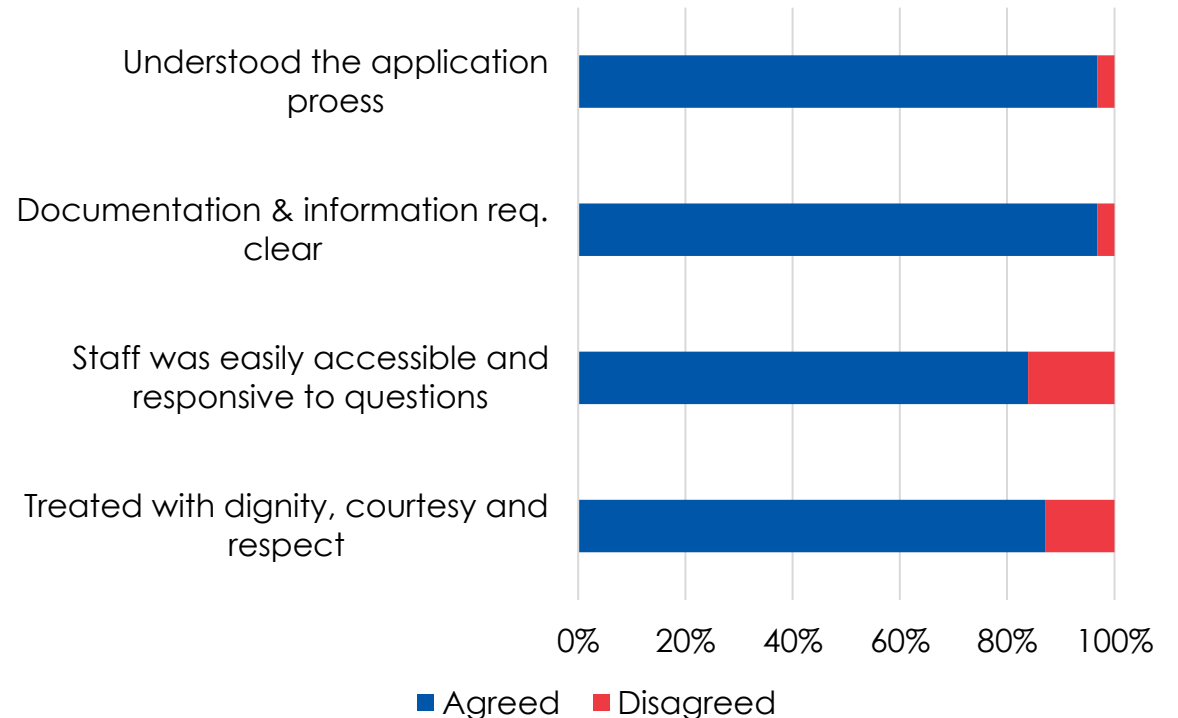
*This program was concluded in Fiscal Year 2024 due to Staff determining resources could be more effectively used through the other programs



Grant Funds Managed Appropriately; Enhanced Procedures Would Ensure App. & Doc. Consistency

- Minor Repair Program application review process appears to be effective and accessible.
 - Consistent use of the application management system would improve documentation retention practices.
- All Minor Repair Program vendors were selected and paid appropriately.
- All expenditure reimbursement requests and annual reports were submitted as required.

Awarded Program Applicant Survey Responses



Management Response Summary

Rec.	Recommendations*	Response	Implementation Actions*
1	Continue coordinating with the CMO to sustainable funding opportunities for the Affordable Housing Strategic Toolkit.	Agree	Will continue to coordinate with the CMO.
2	Establish a process to measure and track Affordable Housing Strategic Toolkit goal outcomes.	Agree	Launched Affordable Housing Strategic Toolkit public dashboard in 2023; Will publish annual report detailing key outcomes starting in FY 2025.
3	Consider establishing a more detailed customer feedback survey process.	Agree	Currently collect & evaluate demographic data; will add question to application process about how they learned about the program.
4	Establish detailed procedures for monitoring Rental Repair Program assistance.	Agree	Will create comprehensive procedures for monitoring Rental Repair Program loans.
5	Establish detailed procedures for monitoring Homebuyer Assistance Program loans.	Agree	Will create comprehensive procedures for monitoring Homebuyer Assistance Program loans.
6	Develop a process to ensure all application and project support documentation is centrally retained in the application management software.	Agree	Initiated this practice in July 2024; will write department Policy & Procedure.
7	Update the current procedures for completing drawdown requests to include reviewing and retaining support documentation.	Agree	Will update existing procedure to include specific guidelines.



*Detailed recommendations and implementation actions can be seen in the full audit report.

Questions?

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