



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Sara Hensley, Interim City Manager

DATE: February 1, 2022

SUBJECT

Consider approval of a resolution of the City of Denton adopting an Affordable Housing Strategic Toolkit; and providing an effective date.

BACKGROUND

The preservation and creation of affordable housing has been a priority as outlined in the City's HUD Consolidated Plan for Housing and Community Development, Denton Plan 2030, and other strategic planning documents. City Council has also made an Affordable Housing Assessment and the development of toolkit a key City Council priority.

As such, the City invested in completing an affordable housing analysis as a foundational step to better understand the current and projected housing needs to facilitate goal setting, policy making, enhance collaborative cross-sector partnerships, and develop tools to support affordable housing and improve housing affordability in context of the City of Denton's unique community profile.

The City approved a contract for The Reinvestment Fund and partner Atria Planning to conduct the analysis. On [February 2, 2021](#), representatives from The Reinvestment Fund and Atria Planning presented the Affordable Housing Needs & Market Value Analysis Report. The report is attached as Exhibit 2.

The February 2, 2021 presentation to City Council focused on:

- Project Overview;
- Key Findings;
- Affordable Housing Needs;
- Market Value Analysis; and
- Looking Forward: Affordable Housing Tools

The report examines and outlines the housing needs and challenges current residents experience based on their income and household demographics. The report also examines housing needs for the current workforce, comparing local wages with available housing stock and prices for rental units and homeownership. The report includes a summary of housing needs for the city's most vulnerable residents, including older adults with mobility challenges, persons with disabilities, and households at risk of homelessness. There is an estimate of housing demand based on anticipated population changes over the next ten years, categorized by tenure (rent vs. own), income, and number of bedrooms.

City staff concluded the [February 2, 2021 \(ID 20-1844\)](#) presentation with a discussion on next steps and options. City Council provided direction to staff to proceed with the next phase to develop a comprehensive strategy & toolbox.

Phase 2

Staff worked with the consultant team to develop a Draft Strategic Toolkit with proposed actions required to invest in the toolkit strategies and implement the activities. A presentation to City Council was provided on [September 28, 2021 \(ID 21-1419\)](#). It delivered a brief overview of recommended activities and proposed phasing along with a high-level overview of funding source options.

The [September 28, 2021](#) presentation to City Council focused on:

- **Housing demand estimates** for 4,304 affordable units focusing on those below 80% of AMI.
- **An approach** to facilitate increased production using existing resources and powers to create a foundation for the private market and non-profit developer partners to address the need.
 - Lower construction costs using cost-effective building models (pre-fabricated housing, non-profit builders, small home models)
 - Empower local builders (capacity building, advocacy) and partner with housing authority (voucher program)
 - Find ways to use our existing land and unused buildings (zoning, infill, marketing)
 - For larger developments, have a seat at the table (incentives and negotiating powers)
 - Preserve the moderately priced homes we currently have (rehabilitation, long-term affordability agreements)
- The **five recommended strategies** with the activities targeted to deliver housing interventions that reflect our local housing market conditions as well as leverage the mix of resource options available from private and non-profit developers, the City, and other housing stakeholders.
- **Prioritization** of activities depending on how dependent one activity is on another where some activities build upon others.
- Target strategies where each activity could have the largest positive impact in the type of market identified by **integrating the Market Value Analysis (MVA)**

The draft Toolkit was presented to City Council was provided on [December 14, 2021 \(ID 21-2406\)](#). The presentation reviewed Denton's Affordable Housing Strategic Toolkit.

City Council provided direction regarding the proposed phasing, priorities, and funding implementation.

- Resolution to accept the City of Denton's Affordable Housing Strategic Toolkit will be presented in January
- Start the process for Year 1 Action Items early 2022
- Budget Amendment (FY21-22) to procure consultant for Affordable Overlay District(s) and software for GIS Mapping Tool (alternate In-House Plan is an option)
- Build Landlord Maintenance Grant Program out and pilot program
- Funding requests for future years will be considered as supplemental budget requests through the budget process, requests for CDBG/HOME through Community Services Advisory Committee process, and seeking other funding tools where applicable
- Other Direction from City Council such as Tiny Home projects

DISCUSSION

Per City Council direction on December 14, 2021, the resolution to accept the City of Denton's Affordable Housing Strategic Toolkit is being presented for approval.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

- [February 11, 2020](#) – City Council Approval of Contract with Reinvestment Fund, Inc. (ID 20-308)
- [February 2, 2021](#) – City Council Work Session Presentation (ID 20-1844)
- March 2021 – Procurement Begin Draft Amendment to Contract
- May 2021 – Contract Approval by Purchasing
- June 2021– Kickoff Phase
- Month of June and July – RF/Atria Interviews with target stakeholders, Survey
- August 2021 – RF/Atria Research Policy, Funding, Programs, and Advocacy solutions to develop Strategic Toolkit Draft
- September 07, 2021 – RF/Atria Draft Toolkit to City for final review
- [September 28, 2021](#) – City Council Work Session Presentation ([ID 21-1419](#)).
- [December 14, 2021](#)– City Council Work Session Presentation ([ID 21-2406](#)).

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Affordable Housing Needs and Market Value Analysis Report

Exhibit 3 – Denton Affordable Housing Strategic Toolkit

Exhibit 4 – Draft Resolution

Respectfully submitted:

Dani Shaw

Director of Community Services