



# City of Denton

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

**DEPARTMENT:** City Manager's Office

**CM/ DCM/ ACM:** Todd Hileman

**DATE:** December 4, 2017

### **SUBJECT**

Receive a report and hold a discussion with the Denton Housing Authority regarding the overall policies, procedures, budgets, financial arrangements, and other details applicable to housing projects, programs, and potential partnerships between the City of Denton and the Denton Housing Authority.

### **BACKGROUND**

In May 2017, City Council requested staff to research how other municipalities consider requests of support for housing tax credit projects and if a review process could be implemented to provide for a thorough review of proposed projects requesting support and set clear deadlines and expectations. Staff presented a draft application and policy at a Council work session on June 27, 2017. After receiving Council feedback, staff revised the application and policy, gathered feedback and input from the DHA and potential developers, and presented to City Council on October 10, 2017 (see **Exhibit 2**).

During the October 10 work session, City Council requested a joint workshop with the Denton Housing Authority (DHA) to discuss the proposed housing tax credit request application process and to more broadly have the opportunity for the two governing bodies to discuss the partnership between the City of Denton and the Denton Housing Authority and the sharing of key financial and policy information regarding any potential projects.

### **DISCUSSION**

#### **Partnership between the City of Denton and Denton Housing Authority**

The relationship of the City of Denton to DHA is controlled by Chapter 392 of the Local Government Code. A municipal housing authority, like DHA, is created by a resolution adopted by the municipal governing body. The City Council passed such a Resolution in 1970 creating the municipal housing authority. It was determined that a housing authority was needed at the time because there were few dwelling accommodations for elderly, and low-income citizens in Denton.

The municipal housing authority is a separate unit of government operating under its own rules and regulations and those of the Department of Housing and Urban Development (HUD). The only formal relationship between the City of Denton and DHA is through the Mayor. The Mayor appoints Commissioners to the DHA Board made up of 5 citizens. The Mayor also has sole authority to remove commissioners of the DHA for inefficiency, neglect of duty, or misconduct in office.

Background documents, including recent DHA Board minutes and financial information, were requested by Mayor Watts. The information is attached to this agenda item as **Exhibit 3**.

## **Recent City Council Consideration of DHA Items**

In early 2017, the City Council considered requests for resolutions of support for Housing Tax Credit (HTC) projects and a request from the Denton Housing Authority for City Council to only support HTC projects that were partnered with the DHA. Below is a brief outline of the requests and dates:

- **January 10, 2017** – A summary of the Texas Department of Housing and Community Affairs (TDHCA) Tax Credit Program was presented to the City Council. The purpose of the item was to seek direction on how to proceed with current and future requests for resolutions from developers applying for state tax credit.
- **February 7, 2017** – The DHA presented their mission and shared information on existing housing programs and partnerships, and asked the City Council to consider adopting a policy to only support resolutions for projects that partnered with the DHA. Four (4) requests were also presented to City Council – Palladium Denton (9%), The Reserve at Sherman (9%), The Standard at MedPark Station (4%), and The Hudson at MedPark Station (4%).
- **February 21, 2017** – Two (2) resolutions of support for Palladium Denton (9%) and The Reserve at Sherman (9%) were presented to City Council and approved.
- **May 2, 2017** – DHA, in partnership with a private developer Ojala Holdings, requested two (2) resolutions of support for The Standard at MedPark Station (4%) and The Hudson at MedPark Station (4%). City Council requested more information, including the business plans and financial information.
- **May 9, 2017** – City Council approved a resolution of support for the Hudson at MedPark Station (senior housing), but did not approve a resolution for the Standard at MedPark (multi-family).

Through the review of these projects and the tight timeframes from the requestors, City Council requested staff to research how other municipalities consider requests of support for HTC projects and if a review process could be implemented to provide for a thorough review of proposed projects requesting support and set clear deadlines and expectations.

## **Housing Tax Credit Application and Policy**

In September 2017, City staff met with representatives from the DHA to review the goals of implementing an application for HTC requests, which included establishing expectations with applicants, increasing transparency, and streamlining the review process of projects for Council. Staff provided the draft application and policy and the DHA provided some general feedback at the meeting, as well as followed up with a letter the following week (included in Exhibit 3h). More information on the revised draft application and policy and presentation to Council on October 10, 2017 is attached as **Exhibit 2**.

The purpose of this joint work session with the City Council and DHA is to allow for discussion between the two governing bodies. Depending upon the discussion and City Council direction, City staff can bring back any items for consideration for a future Council meeting. Please note that the City may receive requests for resolutions of support for 9% housing tax credit projects beginning in January 2018 as the deadline to submit 9% applications to the TDHCA is in March 2018.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

A general outline of recent activity is shown above, in addition to City Council work sessions on June 27, 2017 and October 10, 2017 to review a draft application and policy to review requests of support for HTC projects.

## **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence;

Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area: Safe, Liveable & Family-Friendly Community**

**Related Goal: 4.5 Provide support to citizens in need through social service agencies and programs**

**EXHIBITS**

1. Agenda Information Sheet
2. AIS from October 10, 2017 with Draft Application and Policy
3. Background Documents
  - a. DHA Cover Letter
  - b. DHA Board Members
  - c. DHA Properties
  - d. DHA Board Meeting Minutes (Sept. 2016 – present)
  - e. DHA Monthly Financial Statements (Jan. 2016 – Aug. 2017)
  - f. DHA Approved Budgets (FY 2013 – present)
  - g. DHA Audits (FY 2014-2016)
  - h. DHA Correspondence/Info to City Staff

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