



Legislation Text

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AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Jon Fortune

DATE: February 21, 2017

SUBJECT

Receive a report, hold a discussion on the housing programs and other activities carried out by the Denton Housing Authority (DHA) and give staff direction regarding requests for resolutions from developers applying for state tax credit.

BACKGROUND

On January 10, 2017, a summary of the Texas Department of Housing & Community Affairs 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. The Council received project details proposed by two developers, Palladium USA and Ojala Holdings upon which they requested a discussion with DHA in order to understand how partnering with tax credit projects can help further DHA's mission of providing workforce and affordable housing.

On February 7, 2017, DHA presented their mission and shared information on existing housing programs and partnerships. DHA also presented additional information on the state tax credit program and details on the projects that are applying for state tax credit. DHA is currently negotiating partnerships with four projects, two projects are applying for a 4 percent tax credit and two projects are applying for a 9 percent tax credit. During this meeting, the Council requested some additional information which is summarized in the attached memorandum.

The two projects that are applying for a 9 percent tax credit are Palladium Denton and The Reserve at Sherman. The developers of these projects are requesting resolutions from Council during this meeting because their applications are due on March 1. Both projects are zoned Community Mixed Use General (CM-G). Multi-family is a permitted use in this zoning district with limitations L(4) and L(6). Both developers have informed the Planning Division that they will be applying for a zoning change and potentially a Specific Use Permit.

L(4) = Multi-family is permitted only:

1. With a Specific Use Permit; or
2. As part of a Mixed-Use Development; or
3. As part of a Master Plan Development, Existing; or
4. If the development received zoning approval allowing multi-family use within one year prior to

- the effective date of Ordinance No. _2005-224; or
5. If allowed by a City Council approved neighborhood (small area) plan.

L(6) = Permitted only on 2nd story and above, when an office, retail, or other permitted commercial use is on the ground floor along any avenue, collector, or arterial street, otherwise office or retail uses are not required.

In the event City Council decides to approve resolutions for the 9 percent tax credit projects, draft resolutions for each project has been placed on the same agenda. Details of the projects that are applying for the 9 percent tax credit are provided below:

Palladium Denton:

- Applying for a 9% Tax Credit
- Developer: Palladium USA
- Management: Palladium USA
- Southeast corner of Loop 288 and Sherman Drive
- Zoned Commercial Mixed Use General (CM-G)
- 10 acres
- Three-stories
- 180 units
- One, two, and three bedrooms
- Surface parking lot

The Reserve at Sherman:

- Applying for a 9% Tax Credit
- Developer: Miller Valentine Group - MV Residential, LLC
- Management: Miller Valentine Residential Property Management
- Northeast corner of Loop 288 and Sherman Drive
- Zoned Commercial Mixed Use General (CM-G)
- 10 acres
- Three-stories
- 120 units
- One, two, and three bedrooms
- Surface parking lot

Before making a decision on the requests for resolutions, Council requested additional information from DHA regarding the following:

- DHA's Memorandum of Understandings with the developers
- Input from the county and Denton ISD
- A breakdown of property taxes
- Funding that DHA is expected to receive
- How DHA plans to use the funding
- DHA financials

OPTIONS

The City Council has two options in responding to the 9 percent tax credit projects:

- Approve a Resolution of Support
- No Action

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

January 10, 2017 - City Council Work Session

February 7, 2017 - City Council Work Session

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: **Economic Development**

Related Goal: **3.1 Develop targeted policies and incentives to achieve desired economic growth**

EXHIBITS

Exhibit 1 - Denton Housing Authority Tax Credit Funding Memo

Prepared and respectfully submitted by:

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