



2025 Housing Tax Credit Application: Palladium Denton West

ID 25-104

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Assistant City Manager

February 18, 2025

A vibrant mural on a wall, featuring a large blue bird with white and yellow accents, surrounded by large yellow and pink flowers. The mural is set against a background of green foliage. A diagonal band of blue, white, and red stripes runs across the top left of the mural.

COMMUNITY SERVICES

BACKGROUND

The Housing Tax Credit program is one of the biggest funders of affordable rental homes. Housing Tax Credits are funded federally and administered by states. In Texas, the program is administered by the Texas Department of Housing and Community Affairs (TDHCA).

The City Adopted an HTC Policy in 2018

There are two types of Housing Tax Credits (HTC):

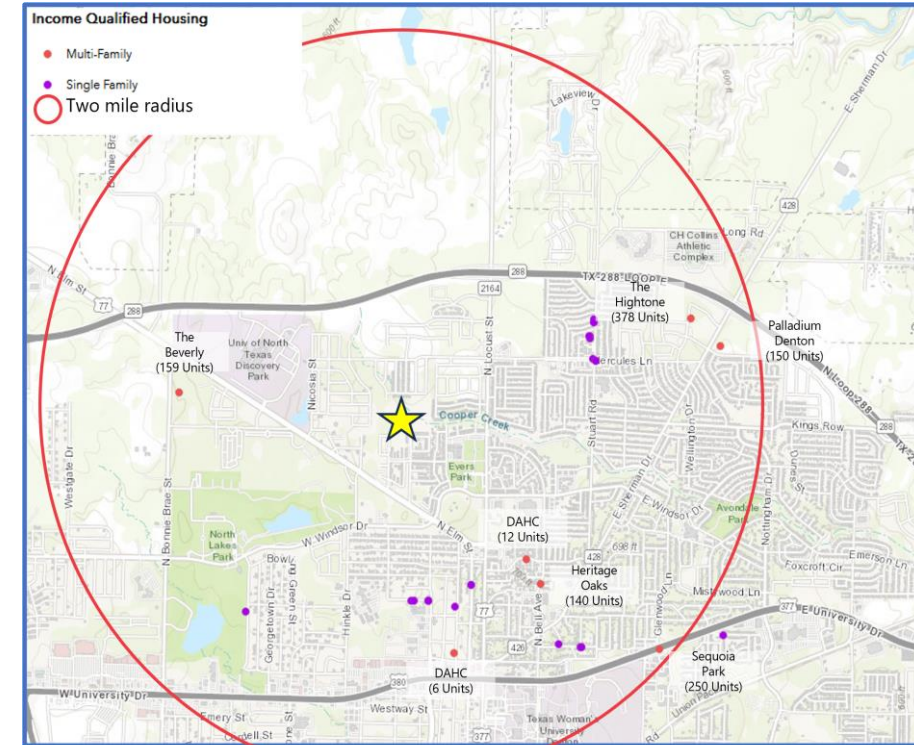
4% HTC	• Non-Competitive • Allows the developer to reduce federal tax burden by a proportion of eligible construction costs, up to 30% of the development costs. • Requires resolution of no objection from municipality
9% HTC	• Competitive, awarded annually • Allows the developer to reduce federal tax burden by a proportion of eligible construction costs, up to 70% of the development costs. • Requires resolution of support from municipality

TIMELINE

- **December 1, 2024,** TDHCA releases the program plan and scoring criteria
- **January 7, 2025,** Developer's request for resolution of support
- **January 15, 2025,** Public meeting at North Branch Library
- **February 4, 2025,** City Council Work Session
- **February 18, 2025,** Public Hearing for resolution of support
- **February 28, 2025,** Application is due to the state
- **July 2025** Awards announced by the state and projects can begin the City's Development Review Process

PALLADIUM DENTON WEST

- Near Fallmeadow Street and Gardenview Street, Denton, TX 76207
- 9% HTC application
- Seeking a Resolution of Support
- Development by Palladium Fallmeadow Ltd.
- 81housing units for individuals and families between >30-80% AMI, 39 units at market rate
- Preliminarily ranked 29 in region by TDHCA
- Hosted neighborhood meeting January 15 at North Branch Library
- Current zoning allows multi-family
- Estimated \$201,000 in property taxes



	# of Units by Bedrooms	30% AMI		50% AMI		60% AMI		70% AMI		80% AMI		Market Rate	
		# of Units	Rental Limits	# of Units	Rental Limits	# of Units	Rental Limits	# of Units	Rental Limits	# of Units	Rental Limits	# of Units	Rental Limits
0 (Efficiency)													
1 Bedroom	36	5	\$621	20	\$1,035	3	\$1,241	1	\$1,448		\$1,655	7	
2 Bedroom	60	3	\$745	12	\$1,241	25	\$1,490	1	\$1,738	1	\$1,986	18	
3 Bedroom	24	1	\$871	1	\$1,434	3	\$1,721	3	\$2,008	2	\$2,294	14	
4 Bedroom	0		\$1,049		\$1,600		\$1,920		\$2,240		\$2,560		
Total Units	120	9		33		31		5		3		39	
Proportion of Units	100%	8%		28%		26%		4%		3%		33%	

STAFF RECOMMENDATION

Staff recommends approval of a Resolution of Support because of:

- The property remaining on the tax roll
- The property is mixed income, including market rate units