

CITY OF DENTON CITY COUNCIL MINUTES

December 4, 2017

After determining that a quorum was present, the City Council convened in a Joint Meeting with the Denton Housing Authority on Monday, December 4, 2017 at 11:37 a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Council Member Hudspeth, Council Member Briggs, Council Member Duff, Council Member Ryan, Council Member Gregory, Mayor Pro Tem Bagheri, and Mayor Watts.

ABSENT: None.

Mayor Watts called the Council meeting to order and announced that a quorum of the Council was present.

Dr. Kathryn Stream, Chair of the Denton Housing Authority, called the Board meeting to order and announced that a quorum of the Board was present.

1. Work Session Reports

- A. ID 17-1643 Receive a report and hold a discussion with the Denton Housing Authority regarding the overall policies, procedures, budgets, financial arrangements, and other details for housing projects, programs, and potential partnerships between the City of Denton and the Denton Housing Authority.

Mayor Watts stated that the Council had requested this joint meeting with the Denton Housing Authority to discuss the proposed housing tax credit request application process and to have the opportunity for the two governing bodies discuss the partnership between the City and the Denton Housing Authority regarding potential projects.

Dr. Stream thanked the Council for having this meeting and stated that they had sent some financial information and minutes from their Board meetings that the Council had requested. Dr. Stream introduced Sherry McDade, Executive Director of the Denton Housing Authority; Ramon Guadalajara, consultant for the DHA regarding land development; and Maddie Jones, legal counsel for the Denton Housing Authority. Dr. Stream stated that a requirement of their state charter was that the Board was required to get a resolution of approval from the City Council for any tax exempt development that they planned to build in Denton.

Mayor Watts stated that the Council was trying to formulate a policy regarding these type of developments. City staff had also developed an application for future projects that would aid in the decision-making process. The Mayor said the Council was seeking reassurance that when the city gave up the revenue from the developer fees and property tax revenues, the money was being well spent and not simply making up for cuts in federal funding.

Sherry McDade stated that one perspective of the Housing Authority was that a policy was another layer and they were hoping that it was not an attempt to deter or stop affordable housing. She stated that the Board would like to know the City's policy for affordable housing. The Housing Authority was also looking for Council support of Housing Tax Credit projects that were partnered with the DHA.

Council Member Gregory asked about the mission of the Housing Authority.

McDade stated that part of the mission of the Housing Authority was to provide affordable housing and rental assistance and programs to the Denton community.

Gregory asked if there were any other groups that provided the same service as the Denton Housing Authority.

McDade replied no.

McDade stated that cuts in funding would mean they would have to operate with less staff and eliminate some of the programs.

Mayor Pro Tem Bagheri asked for a list of services that were provided by the Denton Housing Authority and also asked for a list of the services that would not be provided if federal funding was not available.

McDade stated that if the Housing Authority could earn the developer fees from the housing tax credit projects, the programs for that location would be provided by those fees.

Watts stated that he had no problem on entering into an agreement if it helped maximize on the services provided.

Gregory stated that the question on what services were provided was an important question, like how many people were benefitting from affordable housing.

Maddie Jones stated that the Qualified Allocation Plan listed the services and was the document signed by the governor that dictated the scoring criteria and rules for the State's award of tax credits for the 9% program and the 4% program and that is for the low-income housing tax credit program. The developer in making application chooses several points-related services and those services are delivered as a requirement of their receipt of the credits. Then for the City's process, the form and application are the City's documents, not the Housing Authority's. When the developer fees come to the Housing Authority, the Housing Authority would vote and decide how to dispense those funds to the various programs.

Watts stated that they had a common goal and they needed to agree on the partnership to achieve that.

Bagheri stated that her question would be that in terms of a policy statement, she felt that the Council believed that this was a good policy statement but Council did not want to enter into any kind of application process until there was a clear policy statement. She stated that the Council supported housing but had certain metrics that they would like to have met and those are in the application process.

City Manager, Todd Hileman, stated that this was not an attempt to force the Housing Authority to justify every project but a way to provide the Council with adequate information regarding projects when they evaluate an application. It was not intended to be an encumbrance on a project but intended to streamline the process.

Watts asked if the Board had given any direction on the application / application process – rejecting it or providing feedback or providing some other process.

McDade said that the policy and application that was prepared by City staff was never presented to the Board for review or approval.

Watts stated that if the Council could get some feedback on the application form / application process from the Board.

Danielle Shaw, Human Services Coordinator, stated that staff had developed a draft of the housing tax credit application process that all developers would go through and shared it with Sherri McDade to discuss any feedback that the Housing Authority might have on the application process that was proposed.

Commissioner Stream pledged that the Board would meet to discuss the proposed application form / application process.

With no further business, the meeting was adjourned at 1:13 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JANE RICHARDSON
ASSISTANT CITY SECRETARY
CITY OF DENTON, TEXAS