

Staff Analysis

DCA26-0001a/ Affordability Incentive Procedures Amendment

REQUEST:

This is a City-initiated Code amendment to the Denton Development Code (DDC), amending Section 2.12: *Affordable Housing Incentive Procedures* for the purpose of increasing access to the program.

CONSIDERATIONS:

Subsection 2.7.4D of the DDC states that an application for a DDC text amendment may be approved upon consideration of the following criteria as to whether and to what extent the proposed amendment:

1. *Is consistent with the Comprehensive Plan, other adopted plans, and other city policies;*

The proposed Code amendment is consistent with the following Comprehensive Plan policies and actions, and the City's Affordable Housing Strategic Toolkit:

Denton 2040 Comprehensive Plan

Policy 3.1 Use the Future Land Use Map (FLUM), the 2020 Economic Development Strategic Plan, and the 2021 Affordable Housing Needs Market Value Analysis to ensure adequate development areas exist to support a self-sustaining economy with a diversity of live/work/play development opportunities.

Action 3.1.2 Partner and collaborate with developers to provide sufficient workforce housing to meet market demands and diversify housing choices.

Action 3.1.4 Evaluate the need for additional development code standards that encourage infill and redevelopment, and remove growth impediments in the area of Denton that is incorporated.

Policy 3.12 Encourage more dense development to increase market feasibility and create vibrancy.

Action 3.12.1 Reference the Comprehensive Plan fiscal impact analysis and the 2021 Affordable Housing Need & Market Value Analysis to define and direct a residential development pattern that is at least fiscally neutral.

Action 3.12.2 Work with developers to increase the stock of owner-occupied smaller residential units.

Policy 7.1 Promote development of higher density housing as part of mixed-use development in Denton's urban core, including Downtown, the Neighborhood/University Compatibility Areas, and in designated centers and corridors outside the urban core.

Action 7.1.3 Create regulatory incentives to expand housing in and adjacent to Downtown through adaptive re-use, utilization of upper stories, and infill development.

Policy 7.2 Expand the availability of affordable housing choices for community members most in need of housing, including those with low incomes and special needs.

Action 7.2.1 Support expansion of the availability of affordable housing for low-moderate income residents through policies for mixed income neighborhoods and housing development.

Economic Development Strategic Plan

Strategy 3.2 Housing Affordability Address the needs of low- and moderate-income residents to ensure that Denton's growth is equitable and inclusive.

Action 3.2.5. Improve the development review process to decrease costs for those committed to building workforce and affordable housing

Affordable Housing Strategic Toolkit

Strategy 2: Zoning Relief and Variances

Zoning relief and variances combines adjustments to regulations with targeted incentives to enable the private sector to produce lower priced units.

Strategy 3: Increase Capacity and Resources for Affordable Housing Development

The goal of increasing capacity and resources is to provide incentives, grant assistance, and technical assistance to the existing affordable housing development community and city partners to increase the output of new low-cost units.

Activity 3.B: Developer Affordable Housing Incentive Package

Create a package of incentives that developers may select from to promote affordable housing while serving the City's specific needs regarding housing inventory, current environment, community investment, and budget.

2. *Does not conflict with other provisions of this DDC or other provisions in the Municipal Code of Ordinances;*

The proposed Code amendments do not conflict with any other provisions of the DDC. The proposed amendments will promote the development of affordable housing, which is a City Council priority. This is consistent with the goals and polices of the Denton 2040 Comprehensive Plan, and the Affordable Housing Strategic Toolkit.

3. *Is necessary to address a demonstrated community need;*

This proposed city-initiated Code amendment to the Denton Development Code is needed for the following reasons:

- To increase ease of access to the affordability incentive program, which serves to:
 - Increase the amount of affordable housing available to Low Income and Moderate Income Households, and
 - Increase the viability of infill development, creating small-scale affordable housing for economically balanced neighborhoods.

4. *Is necessary to respond to a substantial change in conditions and/or policy; and*

Since the Affordability Incentive Program was created in 2024, staff have identified four opportunities for improvement that would make the program more accessible, more enticing for developers, and align the program with the City's priorities on Affordable for Denton housing.

5. *Is consistent with the general purpose and intent of this DDC.*

The proposed Code amendments are consistent with the general purpose and intent of the DDC.