



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: July 15, 2025

SUBJECT

Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a request for a Specific Use Permit to allow for a Multi-family Residential Use on approximately 4.115 acres of land, generally located on the east side of Fallmeadow Street, fifteen feet east of the northern intersection of Gardenview Circle and Fallmeadow Street, in the City of Denton, Denton County, Texas; adopting an amendment to the City's Official Zoning Map; providing for a penalty in the maximum amount of \$2,000.00 for violations thereof; providing for severability; and establishing an effective date. The Planning and Zoning Commission voted [6-0] to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner McDuff. (S25-0002a, Palladium Denton West, Sean Jacobson)

<https://dentontx.new.swagit.com/videos/346760?ts=6814>

BACKGROUND

The applicant, Maxwell Fisher with ZoneDev, representing the property owner, MSW Partners, LLC, and the developer, Palladium Fallmeadow Denton, Ltd., is requesting approval of a Specific Use Permit (SUP) to allow for a Multifamily use on the subject property. The subject property is zoned Residential 7 (R7). In the R7 zoning district, a Multifamily use is only permitted with an approved SUP.

The subject property is an approximately 4.115-acre site located on the east side of Fallmeadow Street, fifteen feet east of the northern intersection of Gardenview Circle and Fallmeadow Street. The subject property is currently undeveloped but is encumbered by an electric easement and contains a large storm sewer pipe. Both of these necessitate the use of a combination of creative solutions, including an Alternative Landscape Plan, to ensure the City's ability to access and maintain its infrastructure, while still meeting the intent of the landscape standards of the Denton Development Code (DDC).

The proposed development consists of one three-story building with a proposed footprint of 49,811 square feet. The Site Plan provided as Exhibit 7 shows the proposed location of the buildings and parking areas, the Landscape Plan attached as Exhibit 8 shows the proposed landscape locations, and the proposed Building Elevations are provided as Exhibit 9.

As part of this proposed development, the developer has pledged that 81 of the proposed 120 units would be affordable housing units and plans to utilize tax credit financing. On February 18, 2025, the City of Denton City Council approved a resolution of support for a housing tax credit application to the Texas Department of Housing and Community Affairs for the proposed development of the Palladium Denton West multifamily project on the subject property. This approved resolution enabled the developer to pursue tax credits as part of the project's financing, but it does not constitute any form of land use approval nor obligate the Planning and Zoning Commission or City Council to approve the requested SUP.

In order to further support the development of affordable housing within the city, the Denton Development Code (DDC) was recently amended to establish Section 2.12 Affordable Housing Development Incentive Program. This program allows developers who enter into Affordability Incentives Agreements with the City to take advantage of certain affordability incentives (as provided for in DDC Section 2.12) in the design of their site and building based on the number of affordable housing units built within the site.

Therefore, pursuant to Subchapter 2.12, because this project is proposed to include 81 affordable housing units, the developer of the subject property will execute with the City an Affordability Incentives Agreement for this project in order to ensure the units remain affordable (per the requirements in the DDC) in exchange for the development incentives. As part of this agreement, the developer is enabled to take advantage of three affordability incentives in the design of their site. Below are the three Affordability Incentives used and the actual design which that incentive enables, as shown in further detail in the attached Proposed Site Plan (Exhibit 7), Proposed Landscape Plan (Exhibit 8), and Proposed Building Elevations (Exhibit 9):

1. Affordability Incentive 1: 20% increase in maximum building height in the applicable zoning district in Section 3.2– 3.5, provided the development is still in compliance with Section 7.10.6
 - a. Actual Design: 19.3% increase in building height above the maximum permitted height in the R7 zoning district, from a maximum height of 40 feet to a maximum height of 47 feet, nine inches.
2. Affordability Incentive 2: A 10-point reduction in the Landscaping Area Point System.
 - a. Actual Design: A 5-point reduction in the Landscaping Area Point System.
3. Affordability Incentive 3: A reduction in parking requirements to not less than 1 parking space per affordable dwelling unit, irrespective of the number of habitable rooms.
 - a. Actual Design: A reduction in required parking to 1 vehicle space per unit for the 81 affordable housing units. Vehicle parking for the remaining 39 units shall be in accordance with standard minimum vehicle parking requirements for the Multifamily Residential Use in DDC Table 7.9-I.

A full Staff Analysis of the request is provided as Exhibit 2.

PLANNING AND ZONING COMMISSION

On June 25, 2025, the Planning & Zoning Commission held a public hearing and recommended approval of the Specific Use Permit [6-0]. The property owner and applicant were available to answer questions, and one member of the public spoke in opposition to the request. A summary of the Commission's questions and discussion is provided below.

- The Commission discussed and commented on the following topics:
 - Confirmed that the City would not be held liable for any damages to approved encroachments (improvements) within certain public easements, should the City have to perform work within said easements.
 - Inquired whether there was any neighborhood opposition to the request.
 - Inquired about the number and affordability of proposed affordable housing units.
 - Confirmed the City had processes for preventing offsite drainage impacts from new developments, and that the applicant had a process for receiving drainage-related citizen concerns during and following new construction.
 - Requested clarification regarding various proposed onsite amenities, including education classes being offered for future residents of the development.
 - Confirmed that the project was tax credit-financed, but privately owned and subject to full property taxes.

OPTIONS

1. Approve as submitted
2. Approve subject to conditions
3. Deny
4. Postpone consideration

RECOMMENDATION

Staff recommends **approval** of the SUP request with the following conditions:

Note, exhibit references within these conditions refer to ordinance exhibits, not exhibits to this report – Ordinance Exhibits C, D, and E align with report Exhibits 7, 8, and 9, respectively.

1. The attached Site Plan, Landscape Plan, and Building Elevations reflect an intent to comply with the 2019 Denton Development Code (DDC), as amended.
2. The attached Site Plan and Landscape Plan are incorporated as requirements of the SUP. City Staff shall have the ability to approve a reduction in the building footprint, an increase in the landscape area, and a decrease in the number of dwelling units with associated parking, of up to 5% of any of the amounts specified in requirements “a” through “c” below, as well as a reduction in provided vehicle parking of no more than 10 spaces, provided all applicable requirements of the DDC are met:
 - a. No more than 120 one- and two- and three-bedroom units with a total building footprint not to exceed 49,811 square feet.
 - b. A minimum total landscape area of 38,724 square feet. At minimum, on-site amenities shall include a dog park, and an outdoor open space containing a grill area, pool, and playground, as depicted in Exhibit C.
 - c. One hundred and sixty-nine (169) vehicle parking spaces required, after approved reductions, and ten (10) bicycle parking spaces required, as depicted in Exhibit C.
 - d. Two full points of access onto Fallmeadow Street shall be provided.
3. Minor alterations to the depicted locations of buildings, pedestrian pathways, and parking may be approved by City Staff, provided that the final plan complies with the attached Site Plan in terms of access and internal pedestrian connectivity.
4. Minor alterations to the depicted locations and species of individual plantings may be approved by City Staff, provided that the final landscaping, as planted, complies with the attached Landscape Plan in terms of required landscape elements, open space, and overall tree canopy, as well as all elements of the DDC.
5. Building architecture shall be consistent in style and detailing to the attached conceptual Building Elevations (Exhibit E). Minor alterations to the Building Elevations may be approved by City Staff, provided that the final project complies with DDC Section 7.10 Site and Building Design.
6. Encroachment into City of Denton drainage easements, as depicted in Exhibits C and D, are permitted only on the condition that the following language, or similar language to the same effect as approved by City Staff, is included in a note on the final plat for the Property:

“As a condition of allowing encroachments in existing and proposed drainage easements on this lot, Owner acknowledges that the City of Denton has the rights of constructing public drainage improvements, drainage maintenance, inspection, or other related public

drainage work within the drainage easements. Owner acknowledges the city's right to remove the fence and any other private improvements encroaching within the easements. City of Denton is not liable for any reimbursement, replacement, or damages incurred by the encroachment of private improvements, including paving, landscaping, or structures.”

Should the above language, or similar language to the same effect as approved by City Staff, not be included in a note on the Final Plat, the Site Plan and Landscape Plan shall be changed to remove all encroachments from all existing and proposed drainage easements on the Property, while maintaining compliance with all other standards of the Denton Development Code. The aforementioned changes may require a Specific Use Permit amendment in accordance with the Denton Development Code, subject to determination by City Staff.

7. The Multifamily Residential project on the Property is proposed to include a percentage of affordable housing units targeted at specific income levels which is sufficient, in accordance with Denton Development Code Table 2.12-B Affordability Incentive Procedure - Definitions, to allow the project to request 3 or fewer Affordability Incentives from the list in DDC Subsection 2.12.1F.2 Affordability Incentives. The attached Site Plan and Landscape Plan (Exhibits C and D) include designs which take advantage of three incentives from DDC Subsection 2.12.1F.2. Below are the three Affordability Incentives used and the actual designs which those incentives enable:
 - a. Affordability Incentive 1: 20% increase in the maximum permitted building height for the R7 zoning district as provided in DDC Subsection 3.2.7 R-7 Residential, provided the development is still in compliance with Subsection 7.10.6 Building Height in Transition Areas.
 - i. Actual Design: 19.3% increase in building height above the maximum permitted building height in the R7 zoning district, for a total height of 47 feet, 9 inches.
 - b. Affordability Incentive 2: A 10-point reduction in the required number of points from Table 7.E Landscaping Area Point System.
 - i. Actual Design: A 5-point reduction in the required number of points from Section B: Parking Lot Landscape Elements of Table 7.E Landscaping Area Point System, as depicted in Exhibit D.
 - c. Affordability Incentive 3: A reduction in parking requirements to not less than 1 parking space per affordable dwelling unit irrespective of the number of habitable rooms.
 - i. Actual Design: A reduction in required parking to 1 vehicle space per affordable housing unit for the 81 units of proposed affordable housing. Vehicle parking for the remaining 39 units shall be in accordance with the parking study submitted to and approved by staff in accordance with DDC 7.9.5G Modification of Minimum Parking Requirement by Director.

In accordance with DDC Subsection 2.12.1D.2.b Affordability Incentives Agreement, prior to issuance of any building permit for this project, the applicant must execute an Affordability Incentives Agreement, including all elements required by DDC Subsection 2.12.1D.2.b, in a form approved by the City Attorney. Should the applicant not execute an approved Affordability Incentives Agreement as required by DDC Subsection 2.12.1D.2.b, then the Site Plan (Exhibit C), (Exhibit D), and Building Elevations (Exhibit E) for this SUP shall be required to be redesigned to remove all deviations from DDC

standards which were enabled by Affordability Incentives. Approval of the redesigned SUP plans shall require an SUP amendment in accordance with the DDC.

8. Notwithstanding the limited administrative approvals authorized in conditions 2, 3, 4, and 5, the City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached Site Plan, the attached Landscape Plan, and the attached Building Elevations.
9. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Date	Council, Board, Commission	Request	Action
October 1, 2019	City Council	City Initiated Zoning Transition to R7	Approved
June 25, 2025	Planning & Zoning Commission	Specific Use Permit	Recommend Approval

PUBLIC OUTREACH:

To comply with the public hearing notice requirements, the following were completed:

- Prior to submitting an application, the applicant held two neighborhood meetings:
 - **January 15, 2025** - Eight attendees. Staff was not informed prior to the meeting and does not have independent notes. The applicant reports that feedback was generally positive, with attendees expressing appreciation for the new development in the area and the opportunity for new housing. See Exhibit 11 for further documentation.
 - **February 24, 2025** - Eight attendees. Attendees seemed supportive overall and raised no objections. They did ask a number of questions, including about development and construction costs and timing for the project, the number of affordable units and level of affordability, size of units, whether the developer would manage the building, if rents were expected to rise, if Denton's development standards made the project more difficult or costly or limited the number of units, about the duration and renewability of affordable housing tax credits, and if they had done a Traffic Impact Analysis. Certain attendees expressed a preference for sustainable and native landscaping. See Exhibit 11 for further documentation.
- By June 5, 2025 - 38 notices were sent to property owners within 200 feet of the subject property. As of the writing of this report, staff has received one letter of objection from one owner on behalf of nine properties (see Exhibit 12).
- By June 5, 2025 - 216 courtesy notices were sent to physical addresses within 500 feet of the subject property.
- A notice was published on the City's website on June 5, 2025, and again on June 25, 2025.
- A notice was published in the Denton Record Chronicle on June 7, 2025, and again on June 28, 2025.
- One sign was posted on the property on June 12, 2025.

DEVELOPER ENGAGEMENT DISCLOSURES

No developer contact and/or meeting disclosures have been provided to staff as of the issuance of this report.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Staff Analysis
Exhibit 3 - Site Location Map
Exhibit 4 - Future Land Use Map
Exhibit 5 - Current Zoning Map
Exhibit 6 - Applicant Project Narrative
Exhibit 7 - Proposed Site Plan
Exhibit 8 - Proposed Landscape Plan
Exhibit 9 - Proposed Building Elevations
Exhibit 10 - Fiscal Impact Summary
Exhibit 11 - Notification Packet
Exhibit 12 - Draft Ordinance
Exhibit 13 - LLC Members List
Exhibit 14 - Letters to Adjacent Property Owner
Exhibit 15 - Staff Presentation

Respectfully submitted:
Tina Firgens, AICP
Deputy Director of Development Services/
Planning Director

Prepared by:
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Associate Planner