



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/DCM/ACM: Christine Taylor

DATE: October 15, 2024

SUBJECT

Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas amending the Denton Development Code Subchapter 2. Administration and Procedures and Creating Section 2.12 Affordable Housing Development Incentive Program; waiving, modifying, and establishing requirements; providing a severability clause and an effective date. The Planning and Zoning Commission voted [4-0] to recommend approval of the amendment. Motion for approval by Vice-Chair Pruett and second by Commissioner Cole. (DCA24-0010, Affordability Incentives, Leia Atkinson). <https://dentontx.new.swagit.com/videos/313704>

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

BACKGROUND

The ordinance updates the Denton Development Code (DDC) to include nine development incentives for residential projects that commit to providing affordable housing. These incentives offer flexibility in exchange for including affordable units in the development.

Strategic Alignment

The Affordable Housing Development Incentive Program presented is in alignment with several planning documents the City of Denton has adopted. Strategic Alignment is thoroughly outlined in the Staff Analysis provided in Exhibit 2. As an overview, the amendment is aligned with the following:

- City Council Priority: Foster Economic Opportunity and Affordability
- Affordable Housing Strategic Toolkit (Activity 3.B)
- Economic Development Strategic Plan: Policy 3.2 (Housing Affordability)
- Denton 2040 Comprehensive Plan: Policy 7.2 (Expanding affordable housing for low-income and special-needs populations)

Affordability Incentives

City staff proposes amending the Denton Development Code (DDC) to introduce incentives for Affordable Housing. These incentives provide zoning relief in exchange for setting aside affordable units.

Developers can apply for the Affordability Incentives Program, and upon approval, may select specific variances. The more incentives a developer uses, the more affordable units they must provide. This approach encourages private sector participation in creating affordable housing.

Developers can access these nine incentives in exchange for affordable housing:

1. 20% reduction in yard/setback requirements (townhomes receive a 20% open space reduction).
2. 20% deviation in building coverage.
3. 20% reduction in lot width.
4. 20% reduction in lot depth.
5. 20% reduction in lot area.
6. 20% increase in building height.
7. 20% reduction in unit size (townhomes, duplexes, multifamily, and tiny homes).
8. 10-point reduction in landscaping requirements for multifamily projects.
9. Reduced parking: 1 space per affordable unit, or ½ space for senior-restricted units (62+ years old).

Affordability Requirements

Projects must meet affordability standards based on the percentage of units dedicated to households earning less than 80% of Area Median Income (AMI).

TABLE 2.12-B: Number of Incentives Granted Per Percent of Units held Affordable				
Income Category	Percent of Units Affordable	Percent of Units Affordable	Percent of Units Affordable	Percent of Units Affordable
NUMBER OF INCENTIVES	3 or fewer	4 or 5	6 or 7	8 or 9
Extremely Low Income (Less than 30% AMI)	5%	10%	15%	20%
Very Low Income (30-50% AMI)	10%	15%	20%	25%
Low/Moderate Income (50-80% AMI)	5%	10%	15%	20%
TOTAL PERCENT OF UNITS AFFORDABLE	20%	35%	50%	65%
DURATION OF AFFORDABILITY	30 years			

Figure 1

Procedure for Applying

Developers submit an Affordability Incentives Application for approval by the Directors of Development and Community Services. Before issuing building permits, an Affordability Incentives Agreement must be signed. The City will monitor compliance for the full affordability period.

Public Engagement

A town hall held on August 5, 2024, attracted 30 attendees, including developers and residents. Feedback emphasized a need for stronger incentives. In response to this feedback, staff adjusted the affordability requirements to allow participants more incentives. An online survey collected 11 additional responses. A summary of the Public Feedback collected is provided in Exhibit 3.

PLANNING AND ZONING COMMISSION

On August 28, 2024, the Planning and Zoning Commission considered the proposed amendment, held a public hearing, and voted [4-0] to recommend approval of the proposed amendments to the DDC as presented. Motion for approval by Vice- Chair Pruett and second by Commissioner Cole.

OPTIONS

1. Approve
2. Approve with conditions
3. Deny
4. Postpone Item

RECOMMENDATION

Staff recommends approval as the ordinance meets the criteria for code amendments outlined in DDC Section 2.7.4D.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

- In February 2022, Denton adopted the Affordable Housing Strategic Toolkit ([ID 22-090](#)), outlining 17 actions to boost affordable housing. One key strategy is Zoning Relief and Variances, using regulatory adjustments and incentives to encourage the private sector to build lower-cost units.
- On July 17, 2024 ([PZ24-131](#)), staff presented the proposed DDC Affordability Incentive amendment to the Planning and Zoning Commission. The Commission requested more public engagement, particularly from developers, to assess the effectiveness of the incentives.
- On August 14, 2024 ([PZ24-163](#)), staff presented the updated amendment, incorporating public feedback. The Planning and Zoning Commission recommended two changes: increasing available incentives and standardizing affordability terms to 30 years.
- On August 28, 2024 ([DCA24-0010](#)), the Planning and Zoning Commission held a public hearing and voted 4-0 to recommend the amendment.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Staff Analysis

Exhibit 3 – Draft of Section 2.12 Affordability Incentive Procedures

Exhibit 4 – Draft Ordinance

Exhibit 5 – Presentation

Respectfully submitted:

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