

AGENDA



Thursday, June 7, 2007

**Neighborhood Housing and Community Development
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 13

Subject: Approve a resolution amending the S.M.A.R.T. Housing Initiative Policy to incorporate staff recommendations on improvements to the policy and program in response to recommendations presented by the Affordable Housing Incentives Task Force report, and repealing Resolution No. 040115-44.

Amount and Source of Funding: No fiscal impact

For More Information: Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108

Boards and Commission Action: Reviewed by the Community Development Commission and Planning Commission. Recommended by the Design Commission.

Prior Council Action: Adopted Initiative April 20, 2000; amended January 15, 2004. City Council briefing by Co-chairs of the Affordable Housing Incentives Task Force and by staff May 17, 2007.

On June 22, 2006, the City Council of the City of Austin directed the City Manager to assemble an Affordable Housing Incentives Task Force (AHITF) consisting of stakeholders with an interest in providing adequate affordable housing for Austin residents (Resolution No. 20060622-075).

AHITF reviewed existing City policy, analyzed the housing development process and costs, discussed barriers to creating and maintaining affordable housing, and examined best practices. With this research and analysis as background, the Task Force formulated core values to serve as the basis for providing incentives to builders to incorporate affordable housing in their developments and/or to pay for the development of affordable housing on alternative sites.

The S.M.A.R.T.Housing™ (Safe, Mixed-income, Accessible, Reasonably-priced, Transit-oriented) policy, designed to stimulate the production of affordable housing for low and moderate income residents, was implemented by Resolution No. 000420-076 on April 20, 2000 and expanded on January 15, 2004 by Resolution 040115-44. Through the S.M.A.R.T. Housing™ program, the City of Austin provides fee waivers and S.M.A.R.T. Housing™ development review, typically faster than conventional review. This initiative applies to new single-family, multi-family and infill development.

At a May 17, 2007 briefing before City Council, the AHITF Co-Chairs presented their recommendations and staff offered a response. With Council guidance, staff recommend the following enhancements to the S.M.A.R.T. Housing™ Initiative Policy to encourage developer participation by:

A. Amending requirements for developments with fewer than four units;

B. Allowing donation of units/lots to a City-Approved Community Land Trust;

C. Modifying requirements to allow up to 35 percent of income on housing with housing counseling;

D. Increasing accessibility requirements to five percent for CBD-DMU and VMU developments;

E. Increasing income limits to accommodate VMU and AHITF recommendations for developments in CBD and DMU zoning districts, and

F. Allowing developers of VMU projects to apply for S.M.A.R.T. Housing benefits in exchange for meeting Green Building standards and providing increased accessibility requirements, in addition to meeting the affordability standards required of those VMU developments that utilize the dimensional and parking standards exemptions of the Commercial Design Standards Ordinance.

Additional enhancements to S.M.A.R.T. Housing were presented to Council on May 17, 2007, but will not be presented to Council until the fall. Those require more research by staff and input from stakeholders and appropriate Boards and Commissions.