

RESOLUTION NO.

WHEREAS, the City of Austin (City) approved and implemented the S.M.A.R.T. (Safe, Mixed-Income, Accessible, Reasonably Priced, Transit-Oriented) Housing Initiative Policy by Resolution No. 040115-44; and

WHEREAS, on May 17, 2007, the City received recommendations from the Affordable Housing Incentives Task Force, along with City staff response, on how to further enhance the City's S.M.A.R.T. Housing program; and

WHEREAS, the City desires to replace Resolution No. 040115-44 with this resolution in order to clarify existing policy and expand opportunities to increase the number of reasonably priced housing units which meet all S.M.A.R.T. Housing standards: NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

(A) The City hereby establishes the S.M.A.R.T. Housing Initiative Policy (Policy) for housing in the City.

(B) S.M.A.R.T. Housing means housing that meets the following standards: safe, mixed-income, accessible, reasonably priced, transit-oriented and Green Building Standards at the time of initial occupancy.

(C) For purposes of the Policy, the following definitions shall apply:

1. Accessible means a multi-family development containing four or more dwelling units in which:

a. at least 25 percent of the total dwelling units:

i. comply with the adaptability requirements of the Fair Housing Act; and

ii. with the exception of units in a Vertical Mixed-Use (VMU) building, a development located in a Central Business District (CBD) base zoning district, or a Downtown Mixed-Use (DMU) base zoning district, are located on the ground floor or are accessible by elevator.

- b. at least two percent of the total dwelling units are accessible to persons with hearing disabilities; and
- c. at least 10 percent of the total dwelling units comply with the accessibility requirements of the adopted Building Code of the City, unless the development is a Vertical Mixed-Use (VMU) building, or is a development located in a Central Business District (CBD) base zoning district or a Downtown Mixed-Use (DMU) base zoning district, in which case at least five percent of the dwelling units comply with the accessibility requirements of the adopted Building Code of the City.

2. Dwelling Unit means the same as it is defined in the adopted Building Code of the City.

3. Green Building means compliance with Level One Standards of Austin Energy's Green Building Program.

4. Income-Eligible Family means a family at or below 80 percent Median Family Income that spends no more than 30 percent of its gross income on housing. An Income-Eligible Family at or

below 80 percent Median Family Income may spend more than 30 percent of its gross income on housing provided that the family is required to meet other federal, state, or local income-eligibility standards. An income-eligible family may spend up to 35 percent of its gross income on housing if it receives City of Austin approved homebuyer counseling. The median family income of an Income-Eligible Family means the following:

- a. In a Vertical Mixed Use building, Income Eligible Family means a family that complies with the affordability requirements of Article 4 of Subchapter E (Design Standards and Mixed Use) of Chapter 25-2;
- b. In a development located in a DMU (Downtown Mixed Use) or CBD (Central Business District) base zoning district, an Income Eligible Family means a family at or below 120 percent Median Family Income for homeownership and 80 percent Median Family Income for rental.

- 5. Mixed-Income means that at least 10 percent of the dwelling units in a proposed housing development meet the reasonably

priced standard and all units in such development meet all other S.M.A.R.T. Housing standards.

6. Reasonably Priced means the dwelling units serve an Income-Eligible Family.

7. Safe means compliance with the Land Development Code and all adopted Building Codes of the City.

8. Transit-Oriented means compliance with the transit-oriented standards listed in the City's S.M.A.R.T. Housing Guide.

(D) Certain City fees (Fees) may be waived pursuant to this Policy.

1. Those Fees are:

a. Public Works Construction Inspection Fees;

b. Development Review and Inspection Fees; and

c. Water and Wastewater Capital Recovery Fees

i. Capital Recovery Fees may be waived in accordance with City Code Section 25-9-347 (Exceptions for Certain Affordable Housing).

ii. Capital Recovery Fees for developments in the following categories may only be waived by a vote of the City Council: developments for which an applicant seeks variances in the Drinking Water Protection Zone; developments with full exemptions within the City's full purpose or limited purpose annexation area in accordance with Chapter 245 of the Texas Local Government Code; or developments located in Municipal Utility Districts that are within the City's limited purpose annexation area.

2. These Fees may be waived as follows:

a. For a housing development involving four or fewer dwelling units to be eligible, at least one unit must be reasonably priced.

b. For all housing developments, the development is eligible for a waiver of the Fees as follows:

i. If 10 percent of the dwelling units meet the reasonably-priced standard and all dwelling units meet all S.M.A.R.T. Housing standards, the

development is eligible for a waiver of 25 percent of the Fees.

ii. If 20 percent of the dwelling units meet the reasonably-priced standard and all dwelling units meet all S.M.A.R.T. Housing standards, the development is eligible for a waiver of 50 percent of the Fees.

iii. If 30 percent of the dwelling units meet the reasonably-priced standard and all dwelling units meet all S.M.A.R.T. Housing standards, the development is eligible for a waiver of 75 percent of the Fees.

iv. If 40 percent of the dwelling units meet the reasonably-priced standard and all dwelling units meet all S.M.A.R.T. Housing standards, the development is eligible for a waiver of 100 percent of the Fees.

v. If five percent of the dwelling units within a development located in the Urban/Suburban

Roadways Boundary of Subchapter E (Design Standards and Mixed Use) of Chapter 25-2 are made part of a City of Austin approved Community Land Trust or other permanently affordable model approved by the Director of the Neighborhood Housing and Community Development Department and meet the reasonably-priced standard and all dwelling units meet all S.M.A.R.T. Housing standards, the development is eligible for a waiver of 100 percent of the Fees.

- vi. If 10 percent of the dwelling units in a development located outside the Urban/Suburban Roadways Boundary of Subchapter E (Design Standards and Mixed Use) of Chapter 25-2 are made part of a City approved community land trust or other permanently affordable model approved by the Director of the Neighborhood Housing and Community Development Department and meet the reasonably-priced standard and all dwelling units meet all

S.M.A.R.T. Housing standards, the development is eligible for a waiver of 100 percent of the Fees.

vii. In a Vertical Mixed Use building that complies with the affordability requirements of Article 4 of Subchapter E (Design Standards and Mixed Use) of Chapter 25-2 and meets all other requisite S.M.A.R.T. Housing standards, the development is eligible for a waiver of 100 percent of the Fees.

viii. In a development located in a DMU (Downtown Mixed Use) or CBD (Central Business District) base zoning district that meets the income eligibility requirements, the development is eligible for a waiver of 100 percent of the Fees.

3. Unless a longer affordability term is required by City ordinance or agreement, all reasonably-priced dwelling units in a housing development must remain reasonably-priced for a period of five years from the date of initial occupancy, with the following exceptions:

- a. owner-occupied dwelling units receiving no federal assistance must only remain reasonably-priced for a period of one year from the date of initial occupancy; and
- b. dwelling units in a DMU or CBD base zoning district must remain reasonably-priced for not less than 99 years for owner-occupied units and 40 years for rental housing units.

4. Failure to comply with the reasonably-priced requirement for the appropriate period of time will result in payment to the City of all Fees waived in proportion to the number of years, or portion thereof, of non-compliance.

(E) The Austin Housing Finance Corporation (AHFC) is the lead agency to foster partnerships with neighborhoods and the home building industry in order to develop, finance, rehabilitate, relocate and operate S.M.A.R.T. Housing in the City. AHFC shall verify that all AHFC financed developments comply with all S.M.A.R.T. Housing standards in this Policy. The contract between City and AHFC shall reflect the responsibilities of AHFC regarding S.M.A.R.T. Housing.

(F) The City Neighborhood Housing and Community Development Department (NHCD) is the lead agency on housing policy and the single point of contact to facilitate S.M.A.R.T. Housing development. No City department may propose a change to an ordinance, rule, or process that impacts housing affordability unless NHCD has prepared an Affordability Impact Statement for the proposed regulation prior to the initiation of external stakeholder discussion. If the Affordability Impact Statement shows a negative impact on housing affordability, the proposed change may only go forward upon approval by the City Manager. City boards, commissions and subcommittees may only offer recommendations to the City Council on issues affecting housing affordability after NHCD has prepared the Affordability Impact Statement. Affordability Impact Statements are not required for City Council adoption of annexations, budgets, or budget amendments except for those development fees that impact housing affordability that are not waived by the Land Development Code and pursuant to the S.M.A.R.T. Housing Policy Initiative.

(G) AHFC has the right of first acceptance of any surplus City property in order to determine if S.M.A.R.T. Housing is a viable option for such

property. City-owned land with an adopted Master Plan shall not be considered surplus property.

(H) NHCD will identify opportunities for improvement during the review, construction and inspection of a S.M.A.R.T. Housing development and will catalogue the required collaboration with other City departments needed to implement suggested improvements.

(I) Resolution No. 040115-44 is repealed and replaced with this Resolution.

ADOPTED: _____, 2007 ATTEST: _____

Shirley A. Gentry,
City Clerk