**Recommendation for Council Action**

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**Subject**

Conduct a public hearing and consider an ordinance amending City Code Chapter 25-2, Subchapter C, Article 3, Division 9 (University Neighborhood Overlay District Requirements) relating to affordable housing regulations in the university neighborhood overlay (UNO) district.

**Amount and Source of Funding**

**Fiscal Note**

**Purchasing Language:**

**Prior Council Action:**

- December 10, 2009: Council approved Resolution No. 20091210-044 directing the City Manager to recommend and initiate code amendments to revise the in-lieu fee for affordable housing in the University Neighborhood Overlay.

**For More Information:**

Jerry Rusthoven, 974-3207.

**Boards and Commission Action:**

Recommended by Planning Commission.

**MBE / WBE:**

**Related Items:**

**Additional Backup Information**
On December 10, 2009, Council approved Resolution No. 20091210-044 directing the City Manager to recommend and initiate code amendments to revise the in-lieu fee for affordable housing in the University Neighborhood Overlay.

This amendment proposes the following changes to affordable housing regulations for those properties electing to participate in the university neighborhood overlay (UNO) district regulations:

1) Change fee in-lieu to $1.00 per square foot.
2) Change dwelling unit to "dwelling unit or bedroom".
3) Change 80% MFI to 60% MFI.
4) Change 65% MFI to 50% MFI.
5) Rents will be established annually by the director of the Austin Neighborhood Housing and Community Development Office as follows:
   a. Single occupancy 60% MFI rents may not exceed the Low HOME Rent Limit for one bedroom as established annually by the Texas Department of Housing and Community Affairs.
   b. Single occupancy 50% MFI rents may not exceed the 40% MFI HOME Rent Limit for one bedroom as established annually by the Texas Department of Housing and Community Affairs.
6) On site affordability period change from 15 years to 40 years.

The draft amendment was developed through a consensus-based process that involved the neighborhood and property owner stakeholders.

Staff recommends approval of this amendment.