

Late Backup



S.M.A.R.T. Housing™ Policy

Safe • Mixed Income • Accessible • Reasonably Priced • Transit Oriented

Resource Guide



Prepared by:

Neighborhood Housing and Community Development

City of Austin

P.O. Box 1088

Austin, Texas 78767

512/974.3100

www.cityofaustin.org/housing

Revised June 2008

TABLE OF CONTENTS

S.M.A.R.T. Housing™ Policy	4
A. Overview	4
B. S.M.A.R.T. Housing™ Policy Initiative	5
C. S.M.A.R.T. Housing™ Certification Standards	6
1. <i>Safe</i>	6
2. <i>Mixed Income / Reasonably Priced Standards</i>	6
3. <i>Accessibility and Visitability Requirements</i>	8
4. <i>Transit-Oriented Standards</i>	11
5. <i>Green Building Program Rating Requirements</i>	13
6. <i>Standards for Projects Using HB 1704</i>	14
7. <i>Other Requirements</i>	14
D. S.M.A.R.T. Housing™ Benefits for Builders	15
1. <i>Fee Waivers</i>	15
2. <i>S.M.A.R.T. Housing™ Review</i>	15
3. <i>Advocacy</i>	15
4. <i>S.M.A.R.T. Housing™ Fees Eligible for Waiver</i>	16
E. The S.M.A.R.T. Housing™ Process	17
1. <i>Process Overview</i>	17
2. <i>S.M.A.R.T. Housing™ Process Flowchart</i>	18
3. <i>S.M.A.R.T. Housing™ Zoning Process</i>	19
4. <i>S.M.A.R.T. Housing™ Review and Building Permit Process</i>	20
F. Related Policy Initiatives	22
1. <i>University Neighborhood Overlay (UNO)</i>	22
2. <i>Vertical Mixed Use (VMU)</i>	23
3. <i>Downtown (CBD / DMU)</i>	24
Appendix	25
S.M.A.R.T. Housing™ Process Checklist	25
Building in Austin: Federal, State, and Local Requirements	27
HUD Income Limits by Household Size	30
S.M.A.R.T. Housing™ Income Verification Sheet - Homeownership	31
S.M.A.R.T. Housing™ Income Verification Sheet - Rental	32
Sample Income Verification Spreadsheet (Homeownership)	33
S.M.A.R.T. Housing™ Disclosure Authorization - Example	34
Visitability Inspection Form	35
Visitability Ordinance Waiver Request Form	36
S.M.A.R.T. Housing™ Application for Certification	37
S.M.A.R.T. Housing™ Residential Completeness Check	41

B. S.M.A.R.T. Housing™ Policy Initiative

The S.M.A.R.T. Housing™ Policy Initiative has the following eight components:

1. It names the Austin Housing Finance Corporation (AHFC) as the lead agency to foster partnerships with neighborhoods and the home building industry to develop, finance,, rehabilitate, relocate, and operate **S.M.A.R.T. Housing™** in the City of Austin.
2. It designates the Neighborhood Housing and Community Development Department (NHCD) as the lead agency on housing policy issues and the single point of contact to facilitate **S.M.A.R.T. Housing™** developments. The single point of contact designation empowers NHCD to assume a leadership role in working with other City departments to assist in the successful development of **S.M.A.R.T. Housing™** projects.
3. AHFC has a right of first refusal for receiving any City-owned surplus property for development as **S.M.A.R.T. Housing™**, except for land with an adopted master plan.
- ★ 4. It allows full or partial fee waivers for up to 1,500 service units¹ annually in developments in which a portion of units are “reasonably priced” and all units meet **S.M.A.R.T. Housing™** standards. A sliding scale creates incentives for mixed-income developments. A list of fees waived is included in this Guide.

“Reasonably-priced units” are those units rented or sold to families who earn no more than 80% of median family income² and who would spend no more than 30% of their family income on housing, or up to 35% if a household member receives City-approved homebuyer counseling).

A builder provides:

10% S.M.A.R.T.™ Reasonably Priced
20% S.M.A.R.T.™ Reasonably Priced
30% S.M.A.R.T.™ Reasonably Priced
40% S.M.A.R.T.™ Reasonably Priced

The City of Austin provides:

25% Fee Waivers & Fast-Track Review
50% Fee Waivers & Fast-Track Review
75% Fee Waivers & Fast-Track Review
100% Fee Waivers & Fast-Track Review

5. Requires NHCD to catalogue opportunities for improvement identified during the review, construction, and inspection of **S.M.A.R.T. Housing™** developments and requires collaboration among city departments in implementing these suggested improvements.



*Shown at left: the interior of the clubhouse at the **Riverside Meadows Apartments**, completed in 2002. This development serves as a unique development model, as the subdivision and site plan reviews were completed and building permits issued in a record 29 days. Generally, a development can be expected to take at least 90 days to receive building permits. The expedited building permits were made possible through special S.M.A.R.T. Housing™ review and advocacy through the development process.*

¹ While a single-family unit is counted as one service unit, a multi-family unit is counted as only a fraction of an service unit. Also, service units within the Robert Mueller Municipal Airport redevelopment do not count towards the annual cap.

² Different income standards may apply for certain policy initiatives. See the “Related Policy Initiatives” section.

Compliance for rental units may be monitored in accordance with tax credit or bond rules or state/federal monitoring standards. An increase in an eligible occupant's household income subsequent to original occupancy does not preclude the unit from being counted as one of the "reasonably-priced" units unless this income increase is a result of additional occupants with income moving into the unit.

For single-family or condominium units, staff recommends pricing the "reasonably-priced" homes at no more than \$125,000, in order to qualify buyers at or below 80% MFI. (Figure may vary depending on family size, interest rates, and other factors). While it is possible to qualify a family for a more expensive home using down payment assistance, a lower price will facilitate locating qualified families who can afford the home. Also, a lower purchase price will protect the family from increases in property taxes associated with incremental increases in appraisals over time.

Depending on the percentage of the units that will be reasonably priced, development fees are waived according to the sliding scale below, as follows:

A builder provides:

10% S.M.A.R.T.TM Reasonably Priced Units
20% S.M.A.R.T.TM Reasonably Priced Units
30% S.M.A.R.T.TM Reasonably Priced Units
40% S.M.A.R.T.TM Reasonably Priced Units

The City of Austin provides:

25% Fee Waivers & Fast-Track Review
50% Fee Waivers & Fast-Track Review
75% Fee Waivers & Fast-Track Review
100% Fee Waivers & Fast-Track Review

Developments in which at least 5-10% of the dwelling units are reasonably-priced and are transferred to a City-approved affordable housing land trust or other similar entity are eligible for 100% fee waivers:

A builder provides:

5% S.M.A.R.T.TM Reasonably Priced Land Trust
units, located **within** Austin's urban core;

The City of Austin provides:

100% Fee Waivers & Fast-Track Review

OR

10% S.M.A.R.T.TM Reasonably Priced Land Trust
units, located **outside of** Austin's urban core

100% Fee Waivers & Fast-Track Review

The Owner/Applicant/Developer may be required to execute an agreement and restrictive covenant or other binding restriction on land use that preserves affordability in accordance with the **S.M.A.R.T. HousingTM** program. The agreement may include:

- Terms that require a defaulting applicant to pay the otherwise applicable fees;
- Liquidated damages in an amount up to twice the amount of fees waived, being such an amount that will fairly compensate the City for (a) administrative costs incurred; and (b) any breach that results in the loss of reasonably-priced dwelling units during the affordability period.

For more information about available programs (such as Down Payment Assistance or the Housing Smarts homebuyer counseling program) targeted to families who earn 80% of median family income or less, visit the Austin Housing Finance Corporation website at <http://www.cityofaustin.org/ahfc>. AHFC's programs can make it easier for income-eligible homebuyers to afford homes in Austin.