



**Public Hearing
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 32
AGENDA DATE: Thu 11/03/2005
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SUBJECT: Conduct a public hearing and approve an ordinance amending Section 25-9-347 of the City Code to increase the number of housing fee waivers from 1,000 to 1,500 service units of affordable housing and to reduce some time periods during which affordable housing units must remain affordable to retain the exemption.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Neighborhood Housing **DIRECTOR'S**
DEPARTMENT: and Community **AUTHORIZATION:** Paul Hilgers
Development

FOR MORE INFORMATION CONTACT: Paul Hilgers, Director, Neighborhood Housing and Community Development

PRIOR COUNCIL ACTION: April 20, 2000, adopted annual fee waivers for 1,000 S.M.A.R.T. Housing™ Living Unit Equivalents and established affordability and completion requirements (Ordinance 0000420-77).

BOARD AND COMMISSION ACTION: Recommended by Water and Wastewater Commission, Community Development Commission, and Planning Commission.

PURCHASING: N/A

MBE / WBE: N/A

The Neighborhood Housing and Community Development Department recommends an ordinance amendment that increases the number of S.M.A.R.T. Housing™ fee waivers from 1,000 service units annually to 1,500. The amendment implements the University Neighborhood Overlay for the West Campus neighborhood approved by Council on September 2, 2004 while allowing S.M.A.R.T. Housing™ single-family development to continue in other neighborhoods throughout the City.

The University Neighborhood Overlay (UNO) area is expected to increase the number of rental housing units by 4,000 in the next 15 years. All new housing in the UNO area receiving height bonuses and compatibility waivers is required to meet S.M.A.R.T. Housing™ technical standards and at least 10% of the new units must serve households at or below 80% Median Family Income. Applicants receiving additional entitlements must provide an additional 10% of the new units for households at or below 65% Median Family Income or pay a fee-in-lieu to the UNO Housing Trust Fund at the rate of \$0.50 per square foot of conditional residential space.

No new housing units were built in the UNO area in Fiscal Year 2003-2004. The completion of 62 new units is expected in Fiscal Year 2004-2005 resulting in additional fee waivers. The increase of an additional 500 service units will result in a potential maximum reduction in Austin Water Utility revenues



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of \$550,000 annually.