



# Community Development Commission

P.O. Box 1088, Austin, TX 78767

[www.cityofaustin.org/housing](http://www.cityofaustin.org/housing)

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Date: January 12, 2012

To: Dave Sullivan, Chair, Planning Commission

From: John Limon, Chair, Community Development Commission (CDC)

Subject: University Neighborhood Overlay District (UNO)

The CDC met for a regular meeting on January 10, 2012, and approved a motion to forward to the Planning Commission a memo expanding on concerns on how rents might be calculated in an amended program, which was alluded to in a previous memo to the Planning Commission dated August 11, 2011 (see attached). The CDC has identified the following concerns:

1. The proposed 75 percent rent standard actually creates an \$847 rent, much higher than market. The current proposal depends on subtracting out dorm meal plans such as "Bevo Bucks." This is not mentioned in presentations of the proposal.
2. Even if some provision is added to subtract out meal plans, we have determined that the proposal still yields a rent that is 30 percent higher than market rents for the campus area over the past twelve months.
3. Furthermore, the alternative proposal would establish higher rents than other rents in city affordability programs. For example, if we divided the 80 percent MFI rent for a 4-bedroom apartment into a per bedroom rate, the rent would be \$410 per bedroom, which is hundreds of dollars less than the alternative proposal's rent. This would defeat a key purpose of UNO, which is to enable lower income students to live near the UT campus in more affordable housing.
4. The CDC understands that finding the equivalent standard to other city affordability programs is administratively difficult to achieve, and supports the work that staff has already done to make the current program more student friendly.
5. The CDC recommends that UNO could be made even more student friendly by developing a per bedroom rent based on the HUD affordability structure, for example by dividing the 2-, 3-, and 4-bedroom 80 percent MFI rents into a per bedroom rate and averaging those rates.
6. The CDC also recommends that the rent rates should reflect the discount available in the original UNO affordable rents program so that the rents are always below market rents.

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Please let me know if you have any questions or if I can provide any additional information.

Attachment