

## ORDINANCE AMENDMENT REVIEW SHEET

**Amendment:** C20-2023-037 S.M.A.R.T. Housing Updates Phase 2

**Description:** Amend the City's S.M.A.R.T. Housing Program and City Code Title 25 (Land Development) to improve the functionality of the program.

**Background:** Initiated by City Council Resolution 20230720-129.

On July 20, 2023, City Council approved Resolution No. 20230720-129 that directed staff to make amendments to S.M.A.R.T. Housing. Staff with the Development Services Department initiated amendments related to Phase 1, which amended Section 25-1-704 so that fees eligible for a waiver under the S.M.A.R.T. Housing program would be identified as part of the annual fee ordinance. On February 1, 2024, City Council approved Ordinance No. 20240201-053 to adopt these amendments. Phase 2 directs staff to amend the S.M.A.R.T. Housing program to improve the functionality of the program.

**Summary of Proposed Code Amendment:**

Amendments to § 25-1-703 (C)(2) will lower the eligible median family income (MFI) level for rental properties from 80 percent to 60 percent MFI. Amendments to this section will also allow for income averaging to achieve the required MFI for both rental and ownership. This will improve consistency and clarity across programs, and is responsive to recommendations recently made from a comprehensive density bonus study conducted by the Planning Department.

Amendments to § 25-1-705 (D) will improve program administration and consistency across programs by requiring affordability restrictions to be executed prior to certification.

§ 25-1-704 (B)(2)(a-b) will be removed in its entirety to eliminate a provision related to exceptions for certain units dedicated to a community land trust, which has been underutilized and is administratively infeasible.

Additional provisions will be removed to eliminate outdated provisions or provisions which are inconsistent with the amendments listed above.

**Proposed Text Amendment(s):**

Amend § 25-1-703 (C)(2)(a) to read, or amend with comparable language:

“ (a) If an applicant develops dwelling units for sale, reasonably-priced dwelling units must serve households whose incomes average 80 percent of the median family income or below as determined by the director of the Housing Department.

(b) If an applicant develops dwelling units for lease, reasonably-priced dwelling units must serve households whose incomes average 60 percent of the median family income or below as determined by the director of the Housing Department.”

Amend § 25-1-705 (D) to read, or amend with comparable language:

“(D) Before the director may certify a proposed development, the applicant shall comply with § 4-18-25, *Certification*. The agreement required under § 4-18-25 (C)(1) may include:”

Remove § 25-1-704 (B)(2)(a-b) in its entirety. This provision has been underutilized, and staff have encountered significant administrative challenges enforcing the provision.

Remove outdated provisions, including the following:

Remove § 25-1-702 (B) in its entirety.

Remove § 25-1-703 (C)(2)(b) in its entirety.

Remove § 25-1-703 (D) in its entirety.

Remove § 25-1-704 (B)(2)(c-d) in its entirety.

Remove § 25-1-705 (A)(1) in its entirety and remove the phrase “for dwelling units outside the University Neighborhood Overlay District” from § 25-1-705 (A)(2).

Remove § 25-1-705 (A)(3) in its entirety.

Remove § 25-1-705 (A)(4) in its entirety.

**Staff Recommendation:**

Staff supports the amendments to Sections 25-1-703 – 25-1-705 to improve the functionality and consistency of the S.M.A.R.T. Housing program.

**Board and Commission Action:**

**April 16, 2025:** Recommended by Codes and Ordinances Joint Committee by a 4-0 vote.

**April 29, 2025:** A public hearing will be held by Planning Commission.

**Council Action:**

**May 22, 2025:** A public hearing will be scheduled.

**Sponsor Department:** Housing Department

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