



HOUSING
DEPARTMENT

Planning Commission

S.M.A.R.T. Housing Amendments Phase 2

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S.M.A.R.T. Housing



S.M.A.R.T. Housing Incentives

- Fee waivers
- Permit review benefits
- Gatekeeper requirement for new construction seeking most City affordable housing approvals



S.M.A.R.T. Housing Requirements

- Affordable units at or below 80% MFI (both rental and sale)
 - Minimum of 10% of units affordable = 25% fee waiver
 - Scales up to 40% of units affordable = 100% fee waiver
- Requires AEGB 1-Star certification and additional accessibility/visitability standards
- Requires transit proximity, with options for waiver set in Code



S.M.A.R.T. Housing is usually paired with other affordable housing programs, such as a density bonus, financing, or a tax exemption for feasibility.

94%

of applications within the last 5 years paired
S.M.A.R.T. with another affordable housing
tool

93%

of applications within the last 5 years
provided affordable units at MFI levels of
60% MFI or below



Initiation – Resolution No. 20230720-129

- Phase 1: Amend 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 (DSD - completed Feb. 2024)
- **Phase 2: Amend Title 25 as needed to improve the operation and functionality of the S.M.A.R.T. Housing program.**



Proposed Amendments



Amendment #1 – Land Restriction Process

- Amend § 25-1-705 (D) to require affordability restrictions to be executed prior to certification
 - Establishes consistency between programs
 - Ensures applicants are aware of and bound to requirements at an earlier stage



Amendment #2 – CLT exemption

- Amend § 25-1-704 (B)(2)(a-b) to remove exemption for land dedicated to City-approved CLT.
 - Presents significant administrative burdens and infeasible to implement
 - Underutilized by dedicated CLT entities
 - City has additional tools for CLT housing available



Proposed Amendment #3 – Rental MFI

- Amend § 25-1-703 (C)(2)(a) to lower affordable rental MFI from 80% MFI to an average 60% MFI
 - Establishes consistency between programs by requiring 60% MFI rental
 - Reduces confusion on affordability from permit reviewers
 - Meets Department's programmatic goals to target 60% MFI and below
 - Income averaging still accommodates "workforce housing" when deeper affordability levels are provided



Amendment #4 – Remove Outdated Provisions

- **Remove in their entirety:**

- § 25-1-702 (B), a requirement to notify TPW of all S.M.A.R.T. developments
- § 25-1-703 (D), § 25-1-704 (B)(2)(c), and § 25-1-705 (A)(4), an automatic 100% fee waiver for Vertical Mixed Use developments
- § 25-1-705 (A)(1), which has been superseded by more recent University Neighborhood Overlay ordinances
- § 25-1-703 (C)(2)(b) 25-1-704 (B)(2)(d), and § 25-1-705 (A)(3), establishing different affordability requirements for properties located in DMU or CBD zones



Moving Forward – Potential Future Amendments



Potential "Phase 3" – Comprehensive updates

- Stakeholders have expressed interest in a comprehensive evaluation and update to the S.M.A.R.T. Housing program
- Comprehensive updates would require a level of engagement, staff time and resources beyond the scope of this resolution
- Staff memo to Mayor and Council outlines limitation of current amendments



Potential "Phase 3" – Comprehensive updates cont'd

- **Potential topics to explore in Phase 3:**
 - Evaluate fee waiver impacts on general fund
 - Review green building, accessibility, and visitability requirements for updates
 - Consider expanding S.M.A.R.T. to new typologies and aligning with recent Code amendments
 - Consider adjusting fee waivers for mixed-use developments



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Thank You

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