

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Additional provisions will be removed to eliminate outdated provisions or provisions which are inconsistent with the amendments listed above.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 the definition of "Director" within § 25-1-701 to read:

"(1) DIRECTOR means the director of the City's Housing Department."

Amend § 25-1-702 to read:

"(A) The director administers, implements, and enforces the S.M.A.R.T. Housing program.

(B) The director is authorized to adopt, administer, and implement program guidelines and 16 establish requirements for an application under the program."

Amend § 25-1-703 (C)(2)(a) to read:

“(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.

(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.”

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

“(D) Before the director may certify, the applicant shall comply with § 4-18-25 (*Certification*) except that the agreement must, at a minimum, 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.

Amend § 25-1-704 (B)(1) to remove “Except as provided in Subdivision (2)”.

Remove outdated provisions, including the following:

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)(1-2) in its entirety.

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.

Planning Commission approved the staff report with two general recommendations. The first recommendation directs staff to consider increasing the affordability period requirements for the program to align with other City programs at 40 years for rental housing and 99 years for ownership housing. The second recommendation directs staff to consider requiring S.M.A.R.T. Housing participants to comply with the affordability standards of Chapter 4-18.

Staff is currently assessing the resources necessary to undertake more comprehensive program updates, and the Planning Commission recommendations fall within the scope of that effort. Staff will present any recommendations on further amendments, as well as the staff time, resources, and community engagement necessary to pursue these amendments, upon completion of their review.

Board and Commission Action:

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

April 29, 2025: Recommended as amended by Planning Commission by a 9-0 vote.

Council Action:

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

Sponsor Department: Housing Department

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