THE AFFORDABLE HOUSING INCENTIVES TASK FORCE REPORT

PRESENTED TO:

THE CITY COUNCIL OF THE CITY OF AUSTIN

THE PLANNING COMMISSION

THE COMMUNITY DEVELOPMENT COMMISSION

February 20, 2007

By Order of Resolution No. 20060622-075
February 20, 2007

Ms. Toby Hammett Futrell  
Austin City Manager  
P.O. Box 1088  
Austin, Texas 78767

Dear Ms. City Manager:

Enclosed with this letter is the report to City of Council of Austin from the Affordable Housing Incentives Task Force. We were honored to serve as co-chairs of the Task Force, and we recommend the Report to Council for further consideration and action.

The Task Force has worked diligently for over seven months to identify best practices, alternative strategies, potential incentives, and other methods of increasing affordable housing in this great City. We spent many hours learning and debating as we worked together to discern how the City of Austin might adopt policies and programs that would incent developers to provide affordable housing. We reached common ground on a set of core values to guide our discussions and ultimately our recommendations: deeper affordability targets, long-term affordability, and geographic dispersion.

The Task Force was comprised of a diverse group of representatives of the real estate industry, affordable housing advocates, neighborhood advocates, and community leaders. The diversity of interests and the differing opinions on how best to achieve affordability through the use of incentives were significant and sometimes challenging. However, in the end, we believe that this diversity was also our strength and that it has resulted in concrete, actionable recommendations for the City Council. We believe that the product of our efforts is a step forward in addressing this complex issue throughout the City.

The recommendations in this report focus specifically on the use of incentives for developers to achieve affordability. Many of these recommendations will need further review by appropriate Boards and Commissions to minimize unintended consequences through their implementation. However, in considering this report, we urge the Council, staff, members of boards and commissions, and the public in general to remember these recommendations are for programs based on incentives. The City cannot mandate the inclusion of affordable housing. Therefore, to have an incentive program that works, the balancing of the incentives offered with the benefits to be gained is critical. As a Task Force, we have pursued this cost-benefit analysis with our Core Values in mind. The results are the recommendations in our report.

All but one of the recommendations of this Task Force were passed unanimously by the members who were present at our final meeting. We believe that both the formal recommendations as well as our recommendations for further study and analysis provide a platform for continuing to develop a more comprehensive and equitable affordable housing strategy in the context of a sustainable economy which also takes into account other critical Austin values, including environmental and neighborhood concerns.

We wish to thank the members of the Task Force, our consultant Diana McIver and Associates and the City staff who worked so hard to assist us in our important task.

Signed:

Frank Fernandez       Tim Taylor  
Co-Chair       Co-Chair  
Affordable Housing       Affordable Housing  
Incentives Task Force       Incentives Task Force
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I. Introduction

On June 22, 2006, the City Council of the City of Austin directed the City Manager to assemble an Affordable Housing Incentives Task Force consisting of stakeholders with an interest in providing adequate affordable housing for Austin residents. (Resolution No. 20060622-075).

The Affordable Housing Incentives Task Force (“Task Force”) is a diverse group of people, representing real estate developers, affordable housing advocates, and other interested stakeholders. The Task Force members are as follows:

- Ken Blaker, Capital Area Home Builders Association
- Brett Denton, Ardent Residential
- Cathy Echols, HousingWorks
- Frank Fernandez, Community Partnership for the Homeless (Co-Chair)
- Charles Heimsath, Downtown Austin Alliance
- Johnny Limon, East Austin Community Leader
- Bo McCarver, Austin Neighborhoods Council
- Walter Moreau, Foundation Communities
- Elizabeth Mueller, University of Texas
- Karen Paup, Community Development Commission
- Carl Richie, Housing Authority of the City of Austin
- Mark Rogers, Guadalupe Neighborhood Development Corporation
- Eugene Sepulveda, University of Texas
- Greg Smith, African American Quality of Life Community Member Representative
- Tom Stacy, T. Stacy and Associates
- Tim Taylor, Real Estate Council of Austin (Co-Chair)
- Jeannie Wiginton, Design Commission
The Task Force’s first meeting was July 17, 2006. Over the following seven months, the Task Force met more than 20 times and worked diligently to reach consensus on very difficult — and sometimes divisive — issues. Detailed information on the Task Force is available at www.ci.austin.tx.us/council/ahitf.htm.

The Task Force reviewed existing City policy, analyzed the housing development process and costs, discussed barriers to creating and maintaining affordable housing, and examined best practices. With this research and analysis as background, the Task Force formulated core values to serve as the basis for recommending enhancements to the City’s policies and procedures. These enhancements include providing incentives to builders to incorporate on-site affordable housing in their developments and/or to dedicate resources for the development of off-site affordable housing.

The Task Force also recognized in its deliberations that affordable housing incentives cannot, by themselves, create desired deeper-level affordability and geographic dispersion. Public subsidies will be required to reach lower income households and to achieve geographic dispersion of affordable units.

**Best Practices**

At the outset, Task Force members explored “best practices” in the arena of affordable housing development, including cities with voluntary programs and cities with mandatory programs. The cities studied include Arlington, Virginia; Boston, Massachusetts; Boulder, Colorado; Burlington, Vermont; Chicago, Illinois; Denver, Colorado; Irvine, California; San Diego, California; Seattle, Washington; and Minneapolis-St. Paul, Minnesota.

Many of these cities with “best practices” are located in states that allow for “inclusionary zoning,” and, accordingly, are not considered voluntary programs. Because of the numerous, complex legal constraints to mandating affordable housing in Texas, the Task Force focused on cities with voluntary affordable housing programs.

The models most easily translatable to the City of Austin were Arlington, Virginia; Seattle, Washington; and Chicago, Illinois. All three cities provide a density bonus for rental housing development at or below 60 percent of median family income (MFI) and homeownership at or below 80 percent to 100 percent of MFI. All three cities provide an alternative fee in lieu for developers not providing on-site affordable units. The affordability period for the units ranges from 30 to 60 years. While each city’s program provided useful information and insight, no city presented a fully analogous model based on market conditions, median income levels, socioeconomics, property values, and land costs.
The Task Force also evaluated existing model programs in the City of Austin. For example, the City currently administers the S.M.A.R.T. Housing™ program, which provides incentives to produce affordable housing. Other examples of affordability models the City has used include the University Neighborhood Overlay (UNO), Vertical Mixed Use (VMU) Incentives, the Rainey Street Overlay, the City-owned land lease approach, the Domain Economic Development Agreement, the Robert Mueller Municipal Airport Master Plan, and the Robertson Hill affordability requirements.

In order to craft a voluntary, incentive-based affordable housing strategy tailored to the City of Austin, the Task Force considered a variety of important questions:

1. Legal Issues. What are the legal issues?
2. Affordability Requirements. What are the affordability requirements?
3. Applicability. Affordability requirements will be applicable to what type of developments?
4. Targeting. What is the target population?
5. Comparability. Will the affordable units be comparable to the market rate units?
6. Meeting the Requirements and Alternatives. How will the requirements be met?
7. Compliance Period. What is the compliance period?
8. Compliance Mechanisms. What is the compliance mechanism?
9. Compensating Incentives. What will be the incentives in return for affordability requirements?

The Task Force also recognized that a successful strategy has many important components. Accordingly, the Task Force developed a list of priorities for consideration. (See Attachment 1: Priorities and Prioritization Chart.) As the Task Force considered these priorities and questions, in addition to the research of best practices in other cities, it was able to refine a model strategy for voluntary, incentive-based affordable housing in the City of Austin.

Challenges to Affordability

To better understand the challenges to producing affordable housing in Austin, the Task Force examined existing conditions in Austin, including market forces, land costs, development costs, regulatory barriers, and differing definitions of “affordability.”

Developers made several presentations to the Task Force on the costs of development in Austin, both in terms of time, money, and process. Presentations were made on developments in the Central Business District (CBD), Vertical Mixed Use (VMU)/urban infill, suburban condominiums, and single family. These presentations helped illustrate some of the challenges to providing affordable housing in Austin and how incentives might be used to address some of those

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1 The complete list of questions considered can be found in Attachment 3: Affordable Housing Strategy: Voluntary, Incentive-Based Model (Mind Map).
challenges. These presentations, and the discussions that followed, provided Task Force members with insight into costs of development and how they impact affordable housing.

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**Task Force Survey**

Midway through the process, City Staff recommended that Task Force members complete an informal survey to determine where there was consensus and to identify areas that needed further discussion. The survey also served to inform basic assumptions concerning affordability requirements.

Task Force members expressed solid consensus or strong support for the following principles:

1. Creating affordable rental opportunities in suburban/Greenfield areas for residents earning between 50 and 80 percent of area median family income (MFI).
2. Creating affordable homeownership opportunities in suburban/Greenfield areas for residents earning between 50 and 80 percent of area MFI.
3. Dispersing affordable homes/apartments throughout Austin.
4. Preserving affordability for future residents.
5. Tailoring development incentives to different types of housing, primarily single-family and multifamily, recognizing that development costs vary by type of production and location.
6. Offering developers/builders the option to pay a fee in lieu of providing affordable units on-site, in exchange for increases in density.
7. Offering density bonuses to developments in the Central Business District and in Transit-Oriented Development Districts and/or high-density developments.
8. Using expedited permitting, review, and inspection as an incentive to create affordability.
9. Creating affordable rental opportunities downtown for residents earning between 80 and 120 percent of area MFI.
10. Offering a density bonus to multifamily developments to achieve affordability.

The complete survey, including questions and compiled responses, can be found in Attachment 4 to this report.

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**Core Values**

One of the Task Force’s major achievements was agreement upon a set of Core Values. These Core Values should serve as the guiding principles behind any City affordable housing policy and/or program.

The Task Force agreed upon the following Core Values:
**Deeper Affordability Targets:** It is desirable to reach deeper levels of affordability, i.e., to serve lower-income households.

**Long-term Affordability:** We value housing units that will remain affordable over the long term; and,

**Geographic Dispersion:** Affordable housing should be dispersed throughout the City of Austin.

**Incentives – Concepts and Principles**

Task Force members were in agreement that incentives are necessary and critical to achieving these Core Values, namely, deeper affordability levels, long-term affordability, and geographic dispersion of affordable units.

Task Force members were in agreement that various types of incentives would be required in order to achieve the Core Values. The challenge was to determine an appropriate level and mix of incentives to encourage affordable units without jeopardizing the financial integrity of prospective development. The Task Force reviewed and discussed a variety of incentives and the likely impact of these incentives for the City of Austin, developers, and the community. The three general categories of incentives are as follows:

1. ** Expedited Review and Approvals:** Although the City currently provides fast-track review for S.M.A.R.T. Housing™ developments, Task Force members noted that not all processes have expedited timelines and while reviews might be expedited, approvals need to be as well. As an example, license agreements are outside the S.M.A.R.T. Housing™ expedited review process; however, City review and approval can be protracted. In fact, the Task Force looked at other cities in Texas and found that, in some cases, the development review process can be as much as two or three times longer than in other Texas cities.

2. ** Expanded Fee Waivers:** While some types of development fee waivers are currently available in S.M.A.R.T. Housing™, the Task Force explored expanding this incentive to other fees as well, including tap and meter fees and parkland dedication fees.

3. ** Enhanced Development Entitlements:** Recognizing that some development projects can benefit significantly from increased development entitlements, the Task Force explored various tools, including density bonuses, reduced parking requirements, and modified compatibility standards, among others.

Upon compiling the list of potential voluntary incentives, the Task Force assigned values of low, medium, and high to measure the resultant fiscal and community impact of each tool. For example, expanded fast-track review would have a low financial impact on the City but a high impact on the developer. Alternatively, waiving drainage fees would have a high fiscal impact on the City and a medium impact on the developer. (See Attachment 5: Voluntary Incentives for Creating...
Affordable Housing Worksheet.) This cost-benefit analysis helped to inform the Task Force’s deliberations.

Ultimately, the Task Force adopted the principle of linking affordability requirements to a set of incentives as a general “platform” for discussion. Guided by the agreed-upon Core Values, the Task Force determined that the greatest levels of incentives should be provided for developments that achieve Core Values to the greatest extent. For example, a project with deeper affordability targets and with a longer affordability period and that is built in an area with limited affordable housing would be the most deserving of incentives.

The Task Force also determined that incentives must be sufficient to motivate developers to participate. In addition, the Task Force acknowledged that the level of incentives provided must be balanced with the impact on the City of Austin budget, keeping in mind that in many instances new development will result in increased tax revenue to the City along with overall economic benefit.

The Task Force decided that an incentive program administered by the City should adhere to the following criteria:

- Affordability
- Implementable and workable incentive program
- Predictable and expedited development and inspection program
- Long-term affordability
- Long-term program viability
Recognizing the City’s geographic diversity, the Task Force strived to craft an incentive plan that would be simple and cohesive while respecting the uniqueness of different situations. Throughout the City, there are varying levels of density with diverse uses. Different densities may be appropriate for different areas and neighborhoods.

The Task Force addressed the City’s land use complexities by exploring the following three general categories:

**Downtown**: This category includes sites zoned Central Business District (CBD) and Downtown Mixed Use (DMU). Typically, this includes high density development likely to be mixed-use residential/office or residential/commercial. The geographic boundaries of downtown are detailed in Attachment 6.

**Urban Infill**: This category includes Vertical Mixed Use (VMU), transit corridors located in the urban core, Transit Oriented Development districts (TODs), multifamily and mixed-use developments, as well as single-family infill.

**Suburban**: This category includes single-family and multifamily residential development, typically in lower density neighborhoods.

Upon analyzing these three categories, the Task Force developed recommendations based on four zoning designations: Central Business District (CBD), Downtown Mixed Use (DMU), Multifamily (MF), and Single Family (SF). It is important to note that all of the incentives must be provided so as to ensure the targeted affordability is reached. In addition, the incentive program ultimately approved should be reviewed on a regular basis so as to ensure its responsiveness to changing market conditions.

### Central Business District (CBD)

Because of the limited number of developable parcels, coupled with the high cost of land, the downtown area presents unique challenges. However, because the Task Force is committed to geographic dispersion of affordable units, including downtown, members developed a list of CBD-related incentives. Provided developers maintain affordability restrictions outlined below, they would be entitled to all of the following incentives:

1. Fast-track permits
2. All City of Austin fees waived:
   a. Parkland dedication
   b. Drainage
      i. RSMP
      ii. Waived drainage fees
   c. Electrical meters
   d. Street lighting
   e. Water meters
   f. Sewer taps
   g. Street closure fees
   h. License Agreements:
The Task Force considered a variety of development scenarios. In the vast majority of situations, a developer would seek an increased Floor-to-Area Ratio (FAR)\(^2\) in exchange for providing affordable housing. However, in situations in which the developer is not seeking a FAR bonus, the project would be eligible for all applicable fee waivers, provided five percent of the total project square footage meets affordability requirements.

Developers would have the option of providing affordable housing on-site or, alternatively, paying a fee in lieu (as described below).

For **rental** projects with affordable housing on-site:

- 10 percent of the additional gross square feet\(^3\) in the project above what is possible with 8:1 FAR must be affordable for households earning **at or below 80 percent of MFI**.
- 40 year affordability period.
- If rental property subsequently converts to ownership, then the affordable on-site ownership requirement must be met.
- Development must accept Section 8 or equivalent rental vouchers.

For **sale** projects with affordable housing on-site:

- 10 percent of the additional gross square feet\(^4\) in the project above what is possible with 8:1 FAR must be affordable for households earning **at or below 120 percent of MFI**.
- Permanent affordability created with a deed restriction by City, or possible Community Land Trust tool. Limits resale price and sale to income-qualified buyer.

For new residential developments that choose not to provide affordable housing on-site or non-residential developments seeking an increase in the proscribed FAR:

- A “fee in lieu” equal to $10 for each additional gross square foot\(^5\) in the project above what is possible with 8:1 FAR.
- Fees in Lieu will be paid to the City Housing Trust Fund to be invested in affordable rental housing for households **at or below 60 percent of MFI**.

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\(^2\) FAR is defined as the total floor area of all buildings or structures on a lot divided by the total area of the lot. FAR is a measure often used to determine the intensity of land use for a zoning district.

\(^3\) Additional gross square feet is measured based on the same method of measurement as FAR.

\(^4\) See Footnote 2.

\(^5\) See Footnote 2.
and/or “for sale” affordable housing for households at or below 80 percent of MFI within two miles of downtown.  

- If City NHCD Staff is not able to invest these funds within 18 months, the funds can be invested in other projects within the City of Austin, provided these projects address the Task Force’s Core Values.

Projects that involve City land do not have the option of a “fee in lieu.” The City should attempt to increase the on-site requirement to 20 percent by including a discounted land value and/or other incentives.

**Downtown Mixed Use (DMU)**

The Task Force approved a similar menu of incentives for sites designated DMU. Because DMU zoning serves as a transition between the commercial core and lesser densities, incentives would be determined by City Council on a case-by-case basis. The Task Force intends for meaningful neighborhood input in the development process, so as to ensure compatibility. It is important to note that any such projects are subject to current requirements, including notification to all adjacent and affected neighborhood organizations, as well as required public processes before the Design Commission, Planning Commission, and/or City Council.

As with CBD-zoned developments, developers would have the option of providing affordable housing on-site or, alternatively, paying a fee in lieu (as described below).

For rental projects with affordable housing on-site:

- 10 percent of the additional gross square feet\(^7\) in the project above what is possible with 5:1 FAR or exceeds 120 feet in height, must be affordable for households earning **at or below 80 percent of MFI**.
- 40 year affordability period.
- If rental property subsequently converts to ownership, then the affordable on-site ownership requirement must be met.
- Development must accept Section 8 or equivalent rental vouchers.

For sale projects with affordable housing on-site:

- 10 percent of the additional gross square feet\(^8\) in the project above what is possible with 5:1 FAR or exceeds 120 feet in height, must be affordable for households earning **at or below 120 percent of MFI**.
- Permanent affordability created with a deed restriction by City, or possible Community Land Trust tool. Limits resale price and sale to income-qualified buyer.

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\(^6\) The two mile radius is calculated from the intersection of Sixth Street and Congress Avenue. If any recognized Neighborhood Planning Area intersects the two-mile radius, the whole Neighborhood Planning Area will be included within the designated radius.

\(^7\) See Footnote 2.

\(^8\) See Footnote 2.
For new residential developments that choose not to provide affordable housing on-site or non-residential developments seeking an increase in the proscribed FAR:

- A “fee in lieu” equal to $10 for each additional gross square foot in the project above what is possible with 5:1 FAR or exceeds 120 feet in height.
- Fees in Lieu will be paid to the City Housing Trust Fund to be invested in affordable rental housing for households at or below 60 percent of MFI and/or “for sale” affordable housing for households at or below 80 percent of MFI within two miles of downtown.
- If City Neighborhood Housing and Community Development (NHCD) Staff is not able to invest these funds within 18 months, the funds can be invested in other projects within the City of Austin, provided these projects address the Task Force’s Core Values.

As with the CBD incentives, a developer not seeking an FAR bonus would be eligible for all applicable fee waivers, provided at least five percent of the total square footage meets affordability requirements.

**Multifamily (MF)**

The Task Force recommends an expedited review and approval process. This fast-track review and approval would expand upon the existing S.M.A.R.T. Housing™ process. Specifically, the Task Force recommends expediting the following development review and inspection processes:

1. Legal review of easements, covenants, and other instruments
2. Austin Water Utility technical review of site plans and subdivisions
3. Service extension request review
4. License agreement review
5. Utility construction plan review
6. Right-of-Way management plan review
7. Utility inspection
8. Utility connections
9. Street light installation

In addition, the Task Force recommends improving cycle times for site plan and subdivision review by enhancing access of S.M.A.R.T. Housing™ Review Team to appropriate levels of authority in rendering quick decisions and by utilizing S.M.A.R.T. Housing™ as a pilot program for City acceptance of engineer’s seal as demonstration of compliance.

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9 See Footnote 2.
10 The two mile radius is calculated from the intersection of Sixth Street and Congress Avenue. If any recognized Neighborhood Planning Area intersects the two-mile radius, the whole Neighborhood Planning Area will be included within the designated radius.
In order to enhance future adaptability of developments that require subdivision, the Task Force recommends that the City initiate the use of restrictive covenants (rather than subdivision plat notes) to record building standards.

The Task Force also recommends a structured “upzoning” for MF-zoned sites. Specifically, in exchange for 10 percent of rental units reserved for people at or below 60 percent MFI (in areas outside of CBD/DMU/VMU/UNO) for a period of 40 years, the Task Force recommends the following:

<table>
<thead>
<tr>
<th>Existing Zoning</th>
<th>New Zoning</th>
<th>Conditional Overlay (Capped Height)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MF-2 and MF-3</td>
<td>MF-6</td>
<td>40 feet</td>
</tr>
<tr>
<td>MF-4 and MF-5</td>
<td>MF-6</td>
<td>60 feet</td>
</tr>
</tbody>
</table>

Neighborhood compatibility standards would continue to apply. However, FAR/SAR requirements would be waived. Projects meeting the affordability goals (10 percent of rental units reserved for people at or below 60 percent of MFI for a period of 40 years) would be eligible for having all City fees waived. Developments must be certified for S.M.A.R.T. Housing™; however, the accessibility requirement will be reduced from 10 percent to 5 percent. In addition to existing S.M.A.R.T. Housing™ fee waivers, additional fee waivers would include the following:

- Parkland dedication
- Drainage
- Electrical meters
- Street lighting
- Water meters
- Sewer taps
- Street closure fee
- License agreements
- Austin Energy fees
- Any and all other City fees and/or extractions

It is important to note that multifamily incentives apply only to “Greenfield” sites — e.g., sites that are currently zoned multifamily but have no developed housing units. The Task Force was not able to reach consensus regarding sites with existing residential units and will defer that decision until City Council develops a comprehensive housing preservation policy, as discussed below. In addition, the Task Force only addressed rental developments; no recommendations were made regarding condominium or other ownership opportunities in the multifamily zoning category.

With respect to SF-zoned properties, the Task Force recommends that projects meeting affordability goals receive expedited development review and approval, as well as additional incentives.
The Task Force’s recommended expedited review expands upon the existing S.M.A.R.T. Housing™ process. Specifically, the Task Force recommends expediting the following development review and inspection processes:

1. Legal review of easements, covenants, and other instruments
2. Austin Water Utility technical review of site plans and subdivisions
3. Service extension request review
4. License agreement review
5. Utility construction plan review
6. Right-of-Way management plan review
7. Utility inspection
8. Utility connections
9. Street light installation

In addition, the Task Force recommends improving cycle times for site plan and subdivision review by enhancing access of S.M.A.R.T. Housing™ Review Team to appropriate levels of authority in rendering quick decisions and by utilizing S.M.A.R.T. Housing™ as a pilot program for City acceptance of engineer's seal as demonstration of compliance.

In order to enhance future adaptability of subdivisions, the Task Force recommends that the City initiate the use of restrictive covenants (rather than subdivision plat notes) to record building standards.

As a means to support affordable housing development throughout the City, the Task Force recommends alternative compliance for Single Family Standards. Specifically, assuming the development meets affordability requirements and there is no opposition from nearby and adjacent neighborhoods, the following is recommended as a permitted SF administrative variance:

1. Establish 2,400 square feet as the threshold for applicability of the wall articulation requirements (with proper neighborhood notification).
2. Establish exemption from wall articulation requirements for new subdivisions of tracts of at least one acre, where the resulting subdivision would result in construction of at least five housing units.

Because the topographic survey requirements have been burdensome for some affordable housing developers, the Task Force recommends that the City establish (or confirm the approvability of) alternative methods of compliance.

In order to increase the pass rate for inspections and reduce unnecessary re-inspections, the Task Force recommends the following:

- Create standardized checklists for each inspection
- City provide training on codes and local amendments
- Charge re-inspection fees according to adopted rules

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11 Provided there is no opposition, the City would have the authority to administratively approve the changes. If there is opposition, the case would go before the City’s Residential Design and Compatibility Commission, as a standard variance request.
The City’s S.M.A.R.T. Housing™ program has been an effective tool in encouraging the development of affordable housing. However, the level of incentives has not kept pace with the increases in development and land costs or the increases in the current market. Accordingly, the Task Force recommends the following additional fee waivers for S.M.A.R.T. Housing™ developments:

1. Water Meters
2. Sewer Taps
3. Streetlight Fees
4. Inspection for Underground Electric
5. Landscape Inspection Fee

In situations in which developers address and achieve the Task Force’s Core Values (specifically, deeper affordability, longer affordability, and geographic dispersion), the City should offer increased incentives. Examples of additional incentives could include the following:

1. Waive fee-in-lieu of water quality for subdivisions;
2. Reimbursement for infrastructure upgrades to existing water, wastewater, stormwater, flood control, and sidewalks for subdivision;
3. Waive fees for second water/wastewater service to a lot;
4. Waive fees for utility pole relocation; and
5. Waive parkland dedication fees.

The Task Force also recommends that the City establish alternative development standards available to all S.M.A.R.T. Housing™ developments. Specifically, these are as follows:

- Allow small lot (e.g., SF-4A) standards on conventional single-family tracts (e.g., SF-2 and SF-3) of three acres or larger of unsubdivided land.
- Provide option to reduce street widths to 24 feet for new subdivisions.

For S.M.A.R.T. Housing™ developments that exceed existing targets by providing at least 20 year affordability to families at or below 60 percent MFI, the City should establish more flexible development standards. These standards can be considered for adoption as a design tool by Neighborhood Planning Areas, either while creating new plans or revising existing plans.

For example, upon proper neighborhood notification, the City should allow the following to be available as a possible affordability tool in the Neighborhood Planning Toolbox:

1) Allow a duplex or a detached second unit on a lot smaller than 7,000 square feet, provided that it meets other requirements;
2) Allow 50 percent impervious cover rather than 45 percent, provided there is no negative impact on neighboring properties;
3) Allow secondary units (garage apartments), as under pre-2004 regulations, to include up to 850 square feet on the second story;
4) Allow two detached houses of any size on lots with 7,000 square feet or greater, provided impervious cover, parking, McMansion ordinance, and other requirements are met; 
5) Allow up to eight bedrooms in a duplex as under pre-SuperDuplex regulations (2003), restoring previous standards for lot width, parking, wall articulation, and measurement of square footage; and,
6) Allow replacement of a legal, non-complying structure, using previous non-complying setbacks.

In order to enhance the flexibility of the S.M.A.R.T. Housing™ program, the Task Force recommends expanded income standards. Specifically, the Task Force recommends that the City establish 35 percent of income as the new threshold for S.M.A.R.T. Housing™ mortgages. In addition, mortgages can exceed the 35 percent threshold if the prospective owner completes City-approved homebuyer education classes.

The Task Force discussed establishing an “equivalency” for Community Land Trust developments. As an alternative to meeting the S.M.A.R.T. Housing™ program’s requirements that 40 percent of a subdivision’s units be income-restricted, the Task Force explored allowing a developer to donate a certain percentage of a subdivision’s lots to a Community Land Trust with long-term affordability. The trade-off would be fewer affordable units; however, the affordability period would be longer under a Community Land Trust. The Task Force recommends that City Council direct Staff to develop appropriate equivalency language to achieve this goal.
IV. Additional Affordable Housing Recommendations

In the process of formulating recommendations for affordable housing incentives specific to various development scenarios, the Task Force reached consensus on a variety of broader issues. The additional recommendations are detailed below:

**Publicly-Owned Sites.** The City should review and prioritize publicly-owned properties throughout the City to determine those most likely to accommodate residential uses. Specifically, the City should direct ROMA Design Group\(^\text{12}\) to make an inventory of all publicly-owned sites in the downtown area. The City should solicit proposals for residential development on the sites it owns and require a baseline level of affordability. The Task Force passed a resolution regarding downtown development that the City should be “as aggressive as possible to develop affordable housing on City-owned land.”\(^\text{13}\)

**Homebuyer Counseling.** The Task Force agrees that the City should invest in quality, consumer-focused homebuyer counseling services, including pre-purchase, post-purchase, and foreclosure prevention. The Task Force recommends that, in situations in which a higher, nontraditional debt-to-income ratio is utilized, homebuyer counseling should be required.

**Commercial/Light Industrial Sites.** The majority of the Task Force members support low-density, multifamily zoning (e.g., MF-2) as an allowed use on all sites currently zoned Commercial and/or Light Industrial, provided the following occurs: (1) at least 50 percent of the units do not have affordability restrictions (in order to prevent the concentration of affordable units in industrial areas); (2) adequate setbacks are in place for nearby and adjacent uses; and (3) the developer agrees to restrict at least 5 percent of the units to at or below 80 percent MFI and at least 5 percent of the units to at or below 60 percent MFI. The City can authorize increased density, as the project’s affordability is increased.

**Preservation.** One of the concerns voiced by many members of the Task Force is the importance of preserving existing housing stock (both subsidized and non-subsidized), along with preserving the affordability of the rents in such housing. Because the City of Austin has an abundance of older apartment communities, many of which are nearing or have reached obsolescence, the Task Force recommends expanded investigation into a city-wide preservation and replacement strategy. The City should develop a comprehensive and proactive policy regarding preservation of housing affordability by March 1, 2008.

---

\(^{12}\) In October 2006, the City selected ROMA Design Group to assist the City and the community in the creation of a vision for the development of downtown Austin for the next 20 years, and to develop an implementable strategy to achieve that vision.

\(^{13}\) See December 11, 2006 Meeting Minutes, Item 4.v.3.
Throughout the seven-month process, Task Force members brought up a variety of probing questions and creative ideas for further exploration, outside of the Task Force’s purview. Because of the Task Force’s limited time and scope, the ideas were relegated to a proverbial “parking lot” to be explored in depth at a later time. The specific issues raised — and the questions generated — are as follows:

**Program Flexibility.** With respect to any incentive program, how do we ensure the long-term viability of the program and its responsiveness to market conditions?

**Oversight.** What kind of oversight and evaluation do we provide? Should there be a quarterly report? An annual review?

**GO Bond Input.** Can we provide guidance regarding investment strategies for the General Obligation bonds?

**TIFs/TIRZs.** How do TIFs/TIRZs fit into our incentive strategy? Is it a viable tool?

**Capitol View Corridor.** The Capitol View Corridor restricts development, including affordable housing development. What type of control do we have over the corridor? Is relaxing the corridor requirements in exchange for increased affordable housing a viable option?

**Market Study.** The Task Force would like to see a comprehensive market study to demonstrate the specific housing needs of low-income people in the community (e.g., family composition and location preferences) and to ensure that the affordable housing supply matches the demand.
VI. Conclusion

The Affordable Housing Incentives Task Force has worked diligently over the past seven months to create a voluntary, incentive-based affordable housing strategy. The strategy is based upon the Core Values introduced at the beginning of the report — deeper affordability, long-term affordability, and geographic dispersion. The Task Force recommends that City affordable housing policy should be built upon these guiding principles.

The Task Force’s intention is to increase affordable housing development in the City of Austin through the use of incentives to developers. The Task Force recognizes that there may be unintended consequences of their recommendations. Accordingly, the Task Force recommends that City Staff assess the impact of all the recommendations contained in the report. In addition, the Task Force acknowledges that as the recommendations are presented before various public bodies — including the City Council, the Community Development Commission, and the Planning Commission — there will be ample opportunity for substantive public review and comment. The extensive public analysis and input will ensure the ultimate success of the recommendations.

The Task Force members are committed to increasing opportunities for affordable housing in the City of Austin. Although the Task Force is comprised of members representing diverse interests and opinions, the group was able achieve consensus on the recommendations detailed in this final report. Therefore, the Task Force recommends that Council direct the City Manager to develop an incentive program based on the principles outlined in the report.

APPENDICES:

I. Priorities and Prioritization Chart
II. City of Austin Affordability Models
III. Affordable Housing Strategy: Voluntary, Incentive-Based Model (Mind Map)
IV. Survey Results
V. Incentives Worksheet
VI. Maps of Downtown and Two-Mile Radius from Sixth and Congress
VII. Median Family Income Chart
Appendix I:

Priorities and Prioritization Chart
Affordable Housing Incentive Task Force

Priorities

September 14, 2006

1. Geographic dispersion
2. Predictability and consistency of the process – “take politics out”
3. Make it affordable for developers
4. Long-term viability for affordability both for the units as well as program (ex., protections from property tax increases)
5. Long-term affordability protections
6. Incentive program that “WORKS”. Reward as opposed to incent creation of affordable housing, both new construction and rehab. Ensure that:
   a. Actual units are produced
   b. Make sure fees in lieu of units support affordability
7. Reward developers for success, especially for developers that “go beyond” affordability requirements
   a. Small nonprofit developers building housing serving lowest incomes should receive most benefits.
8. Maintain existing affordable housing stock
9. Able to be implemented by staff, understandable to all
10. Incentives for communities/neighborhood groups to “accept” affordable housing; develop a positive way to address NIMBY
11. Track/update the program goals according to changing market needs (be flexible)
   a. Units of high quality and a mechanism to ensure quality
   b. Accountability; assurance that units desired are being created
12. Affordability where need is greatest/Affordability to neediest; focus on neediest (very low income) do not duplicate market efforts.
13. Programmatic evaluation and flexibility to adjust to meet market needs
14. Process and procedure to achieve expedited review/decrease cycle times
15. S.M.A.R.T. Housing is a priority, the entry point for all affordability
16. Works for all production builders to small, infill projects; Create program that rewards infill & rehab as much as new construction
### Affordable Housing Incentives Taskforce

#### Priorities

**Baseline Assumption:** Incentives have to provide a net benefit to developers ("Works for All Developers")

<table>
<thead>
<tr>
<th>GOALS</th>
<th>OBJECTIVES</th>
<th>ACTION</th>
<th>PRIORITY LIST #</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFFORDABILITY</td>
<td>Geographic - How do we want to disperse affordability throughout Austin?</td>
<td>Actual Units / New and Existing Land</td>
<td>1, 5, 6, 12, 16</td>
<td>Geographic, MFI and # of units are interactive, relates to affordability goals and objectives</td>
</tr>
<tr>
<td></td>
<td>MFI - What income levels can we serve thru incentives?</td>
<td></td>
<td></td>
<td>Use of Incentive Money, Subsidize New Construction Subsidize Rehabilitation of Existing Stock</td>
</tr>
<tr>
<td></td>
<td># of Units - What % of project should be affordable?</td>
<td>Money In Lieu / Who?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPLEMENTABLE AND WORKABLE INCENTIVE</td>
<td></td>
<td>SMART Housing</td>
<td></td>
<td>The ordinance, policies and procedures that govern the incentive program have to work for everyone - staff, council, the community, and the developers.</td>
</tr>
<tr>
<td>PREDICTABLE AND EXPEDITED DEVELOPMENT AND INSPECTION PROCESS</td>
<td>Program &amp; Process need to be user-friendly, simple, and standardized</td>
<td>SMART Housing</td>
<td>2, 9, 10, 14, 15</td>
<td>Includes: Implementable, Consistent - Standardized and Simplicity</td>
</tr>
<tr>
<td></td>
<td>Neighborhood Process</td>
<td>Review Teams Inspection</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zoning</td>
<td>Project Manager Cycle Times</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LONG-TERM AFFORDABILITY</td>
<td>Need to ensure accountability in terms of:</td>
<td>Compliance Mechanism</td>
<td>8, 12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- New &amp; Existing Stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LONG-TERM PROGRAM VIABILITY</td>
<td>Adjust to Market Changes</td>
<td>Program Review Quarterly Report</td>
<td>4, 11, 13,</td>
<td></td>
</tr>
</tbody>
</table>
Appendix II:

City of Austin Affordability Models
<table>
<thead>
<tr>
<th>Model</th>
<th>Adopted</th>
<th>Minimum Affordable</th>
<th>Maximum MFI</th>
<th>Affordability Period</th>
<th>Incentives</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.M.A.R.T. Housing</td>
<td>2000</td>
<td>10%</td>
<td>80% 80%</td>
<td>1 year 5 years</td>
<td>Resolution and Fee Waiver Ordinance. Fee waivers, expedited review.</td>
<td></td>
</tr>
<tr>
<td>City Owned Land Lease</td>
<td>1999</td>
<td>5%</td>
<td>80%</td>
<td>15 years</td>
<td>Land Lease agreements. Post West (Gables) and AMLI (not yet under construction)</td>
<td></td>
</tr>
<tr>
<td>UNO (University Neighborhood Overlay)</td>
<td>2004</td>
<td>10%</td>
<td>80% 80%</td>
<td>15 years 15 years</td>
<td>Density bonus ordinance that includes meeting S.M.A.R.T. Housing Criteria. Participation in S.M.A.R.T. Housing provides fee waivers and expedited review. 10% at 80% MFI is required. May pay fee in lieu for 50% MFI requirement at $.50/sq.ft.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10% 50%</td>
<td>15 years 15 years</td>
<td>Development agreement. Infrastructure reimbursement over 20 years. Units will be tied to S.M.A.R.T. Housing; once units are certified the builder will be eligible for those benefits + an affordability requirement.</td>
<td></td>
</tr>
<tr>
<td>RMMA Redevelopment</td>
<td>2004</td>
<td>25%</td>
<td>80% 60%</td>
<td>none</td>
<td>Development agreement. Infrastructure reimbursement over 20 years. Units will be tied to S.M.A.R.T. Housing; once units are certified the builder will be eligible for those benefits + an affordability requirement.</td>
<td></td>
</tr>
<tr>
<td>CPR Resolution (Community Preservation and Revitalization Zone)</td>
<td>2005</td>
<td>10% in mixed-use</td>
<td>65% 65%</td>
<td>economic development incentives to S.M.A.R.T. Housing incentives in order to achieve lower affordability. Economic Development Incentive Resolution. Requests enhancements to S.M.A.R.T. Housing incentives in order to achieve lower affordability.</td>
<td>Does not speak to affordability period. Recommends preserving existing rental and homeownership for 50% or below MFI.</td>
<td></td>
</tr>
<tr>
<td>Rainey Street</td>
<td>2005</td>
<td>5%</td>
<td>80%</td>
<td>none</td>
<td>Density bonus ordinance. Increased entitlements tied to point system. Optional requirements include commercial design standards, and Green Building.</td>
<td></td>
</tr>
<tr>
<td>TOD &quot;Goals&quot; (Transit Oriented Developments)</td>
<td>2005</td>
<td>25%</td>
<td>80% 60%</td>
<td>10 years 15 years</td>
<td>TOD ordinance includes affordability goals. Station Area Plans will provide recommendations for affordability levels and tools to achieve the affordability goals. Housing Study will analyse strategies to achieve affordability. Ordinance outlines stretch goals below the 80/60 goals.</td>
<td></td>
</tr>
<tr>
<td>VMU (Vertical Mixed Use)</td>
<td>2006</td>
<td>10%</td>
<td>80%/100%</td>
<td>99 years 40 years</td>
<td>Density bonus plus other incentives including expedited review, fee waivers. Ordinance provides that the percentage for homeownership units be 5% at 80% MFI and 5% at 100% MFI. CLT may be used to maintain long term affordability.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix III:

Affordable Housing Strategy:
Voluntary, Incentive-Based Model
(Mind Map)
Appendix IV:

Task Force Survey Results
AFFORDABLE HOUSING INCENTIVES TASK FORCE
MEMBER SURVEY
RESULTS

Summary

Of the 18 members of the Affordable Housing Incentives Task Force, 16 responded to a survey on affordable housing goals and the use of incentives. The results show consensus in eight areas, and majority support for another nine areas. The strongest responses (14) were generated for preserving affordable homes and apartments and for using expedited permitting, review and inspection to create affordable homes and apartments. Solid consensus (12 or more votes) was evident in:

1) Creating affordable rental opportunities in suburban/Greenfield areas for residents earning between 50 to 80 percent of area median family income (MFI) (12)
2) Creating affordable homeownership opportunities in suburban/Greenfield areas for residents earning between 50 to 80 percent of area MFI (12)
3) Dispersing affordable homes/apartments throughout Austin (13)
4) Preserving affordability for future residents (14)
5) Tailoring development incentives to types of housing, primarily single-family and multifamily (13)
6) Offering developers/builders the option to pay a fee in lieu of providing affordable units on site (12)
7) Offering density bonuses to developments in the Central Business District (12) and in Transit-Oriented/High-density developments (12)
8) Using expedited permitting, review, and inspection as an incentive to create affordability (14)

Strong support (10) was found for:

9) Creating affordable rental opportunities downtown for residents earning between 80 to 120 percent of area MFI
10) Offering a density bonus to multifamily developments.

In addition, the majority (8-9) supported:

11) Creating affordable rental opportunities in Transit-Oriented/High-Density developments for residents earning between 50 to 80 percent of MFI (9)
12) Creating affordable rental opportunities in redevelopment/infill areas for residents earning between 50 to 80 percent of MFI (9)
13) Creating affordable homeownership opportunities downtown for residents earning between 80 to 120 percent of MFI (9)
14) Creating affordable homeownership opportunities in Transit-oriented/High Density developments for residents earning between 80 to 120 percent of MFI (9)
15) Creating affordable homeownership opportunities in redevelopment/infill areas for residents earning between 50 to 80 percent of MFI (9)
16) Allowing fees paid in lieu of affordable units to be used throughout the City of Austin (9)
17) Offering a density bonus for single-family developments (8)

One question regarding how long affordability should be preserved did not generate at least majority support. Answers varied from no answer to five to forty years. Thus, one could conclude that a minimum of affordability period of five years would be supported by the Task Force.
1. What is the affordability goal (MFI level) for rental?
   a. Downtown
      (2) below 50%  (4) 50 – 80%  (10) 80 – 120%  (2) other _____
   b. Transit-Oriented Districts/Other High Density Areas
      (6) below 50%  (9) 50 – 80%  (6) 80 – 120%  (0) other _____
   c. Redevelopment Areas/infill
      (7) below 50%  (9) 50 – 80%  (4) 80 – 120%  (0) other _____
   d. Suburban/greenfield
      (4) below 50%  (12) 50 – 80%  (2) 80 – 120%  (0) other _____

2. What is the affordability (MFI level) for homeownership?
   a. Downtown
      (0) below 50%  (2) 50 – 80%  (9) 80 – 120%  (4) other _____
   b. Transit-Oriented Districts/Other High Density Areas
      (0) below 50%  (7) 50 – 80%  (9) 80 – 120%  (0) other _____
   c. Redevelopment Areas/infill
      (1) below 50%  (9) 50 – 80%  (6) 80 – 120%  (0) other _____
   d. Suburban/greenfield
      (1) below 50%  (12) 50 – 80%  (3) 80 – 120%  (0) other _____

3. Should affordable homes/apartments be created in all areas of Austin?
   (13) Yes  (2) No

4. Should affordability be preserved?
   (14) Agree  (1) Disagree  (1) Other
   If agree, for how long?  5-40 years

5. Development incentives for Multifamily and Single Family might not be identical.
   (13) Agree  (1) Disagree

6. Should Fees in Lieu of providing affordable housing be an option?
   (12) Yes  (2) No  (2) Other

7. If you agree that the Fees in Lieu should be an option, do you support keeping these fees in the same geographical area as the location of the subject development?
   (6) Agree  (9) Disagree

8. Density bonus is an effective form of incentive in certain situations. Check all that apply:
   (12) Central Business District
   (12) TODs
   (8) Single Family
   (10) Multifamily
   (0) Other ____________

9. Expedited Review, Permitting, and Inspection are effective forms of incentive.
   (14) Agree  (1) Disagree  (1) Other
Appendix V:

Incentives Worksheet
<table>
<thead>
<tr>
<th>Incentive</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 30:1 FAR in CBD</td>
<td>DMU FAR and other conditions to be determined</td>
</tr>
<tr>
<td>25% Reduction in parking requirements</td>
<td></td>
</tr>
<tr>
<td>1 Fast-track Permits</td>
<td>City Staff resources for fast-track review, inspection, utility connection and C.O.</td>
</tr>
<tr>
<td>2 All City of Austin fees waived:</td>
<td>Wake all development fees</td>
</tr>
<tr>
<td>a Parkland dedication</td>
<td>When land is subdivided</td>
</tr>
<tr>
<td>b Drainage</td>
<td>Flood control and water quality</td>
</tr>
<tr>
<td>c 1. RSMP</td>
<td></td>
</tr>
<tr>
<td>2. Waived Drainage Fees</td>
<td></td>
</tr>
<tr>
<td>d Electrical Meters</td>
<td>One meter per unit</td>
</tr>
<tr>
<td>e Street Lighting</td>
<td>Reimbursed when new lighting is installed</td>
</tr>
<tr>
<td>f Water Meters</td>
<td>New water line connection(s)</td>
</tr>
<tr>
<td>g Sewer Taps</td>
<td>New sewer line connection(s)</td>
</tr>
<tr>
<td>h Street Closure Fees</td>
<td></td>
</tr>
<tr>
<td>i License Agreements:</td>
<td>To provide for adequate construction staging</td>
</tr>
<tr>
<td>j 1. Fees Waived</td>
<td></td>
</tr>
<tr>
<td>2. Expedited Approvals</td>
<td></td>
</tr>
<tr>
<td>k Austin Energy Fees Waived</td>
<td></td>
</tr>
<tr>
<td>l Any and all other City Fees or exemptions</td>
<td></td>
</tr>
<tr>
<td>3 Small lot subdivision</td>
<td>Small lot (SF-4A) standards on conventional single-family tracts (SF-2 and SF-3)</td>
</tr>
<tr>
<td>4 Small lot tools</td>
<td>Urban home, cottage lot, substandard lot</td>
</tr>
<tr>
<td>5 Accessory apartments</td>
<td>Garage apartments on smaller lots</td>
</tr>
<tr>
<td>6 Single Family Regs</td>
<td>RMMA exemption if FAR, size limits met</td>
</tr>
<tr>
<td>7 Infrastructure</td>
<td>See resources for reimbursement</td>
</tr>
<tr>
<td>8 Allow residential uses on non-residential</td>
<td>Allow residential on industrial and CS tracts</td>
</tr>
<tr>
<td>9 Height Increases</td>
<td>Modify height restrictions capped at 60 feet</td>
</tr>
<tr>
<td>10 Floor-to-Area Ratio (FAR)</td>
<td>Modify floor-to-area ratio</td>
</tr>
<tr>
<td>11 Site area requirements</td>
<td>Modify site area restrictions</td>
</tr>
<tr>
<td>12 Compatibility standards</td>
<td>Modify compatibility standards</td>
</tr>
<tr>
<td>13 Reduced parking</td>
<td>Allows reduction to 60% of requirement</td>
</tr>
<tr>
<td>14 Impervious cover</td>
<td>Aligns drainage and impervious cover requirements</td>
</tr>
<tr>
<td>15 Density per lot</td>
<td>Aligns density and drainage requirements</td>
</tr>
<tr>
<td>16 Density per acre</td>
<td>Aligns density and drainage requirements</td>
</tr>
<tr>
<td>17 Subdivision plat notes</td>
<td>Do not permit notes more restrictive than City Code</td>
</tr>
</tbody>
</table>

Removed from List

1 Narrower street widths
2 60 Foot Multi-Family Height

Available with proposed block length
Allow wood frame height in commercial corridors
Appendix VI:

Maps of Downtown and Two-Mile Radius from Sixth and Congress
AHITF: Downtown Affordable Housing Fund Areas of Eligibility
2 Mile Zone from 6th & Congress with Intersecting Neighborhood Planning Areas
Appendix VII:

Austin – Round Rock Metropolitan Area
Median Family Income Chart
APPENDIX IV
NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT OFFICE
City of Austin

HUD Income Limits by Household Size
Effective Date: March 8, 2006

FY 2006 Area Median Family Income
For Travis County, Texas
$69,600

MSA: Austin – Round Rock, TX.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30% Median Income</strong>&lt;br&gt;(30% of median defined by HUD)</td>
<td>14,950</td>
<td><strong>17,100</strong></td>
<td>19,200</td>
<td>21,350</td>
<td>23,050</td>
<td>24,750</td>
<td>26,450</td>
<td>28,200</td>
</tr>
<tr>
<td><strong>40% Median Income</strong>&lt;br&gt;*&lt;br&gt;(very low income defined by HUD)</td>
<td>19,900</td>
<td>22,750</td>
<td>25,600</td>
<td>28,450</td>
<td>30,750</td>
<td>33,000</td>
<td>35,300</td>
<td>37,550</td>
</tr>
<tr>
<td><strong>50% Median Income</strong>&lt;br&gt;(very low income defined by HUD)</td>
<td>24,900</td>
<td>28,450</td>
<td>32,000</td>
<td>35,550</td>
<td>38,400</td>
<td>41,250</td>
<td>44,100</td>
<td>46,950</td>
</tr>
<tr>
<td><strong>60% Median Income</strong>&lt;br&gt;*&lt;br&gt;(very low income defined by HUD)</td>
<td>29,850</td>
<td>34,150</td>
<td>38,400</td>
<td>42,650</td>
<td>46,050</td>
<td>49,500</td>
<td>52,900</td>
<td>56,300</td>
</tr>
<tr>
<td><strong>65% Median Income</strong>&lt;br&gt;*&lt;br&gt;(very low income defined by HUD)</td>
<td>32,350</td>
<td>36,950</td>
<td>41,600</td>
<td>46,200</td>
<td>49,900</td>
<td>53,600</td>
<td>57,300</td>
<td>60,500</td>
</tr>
<tr>
<td><strong>80% Median Income</strong>&lt;br&gt;(low-income defined by HUD)</td>
<td>39,850</td>
<td>45,500</td>
<td>51,200</td>
<td>56,900</td>
<td>61,450</td>
<td>66,000</td>
<td>70,550</td>
<td>75,100</td>
</tr>
</tbody>
</table>

* MFI figures were internally calculated and not defined directly by HUD; to be used for other program purposes only