

# CITY OF AUSTIN Development SERVICES DEPARTMENT

We care about  
our community,  
our  
environment,  
and the vibrancy  
of Austin.



Photo credit: Michael Knox

## A PROGRAM FOR EXPEDITED PERMITTING

**A proposed program aimed to further support  
improvements to the development review process.**

**August 9, 2016**







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## BACKGROUND

In August 2013, the Austin City Council adopted Resolution No. 20130808-063, which directed the City Manager to do the following:

- Consider the types of projects eligible for expedited review and whether new fees and positions are needed to implement and offer an expedited review service.
- Integrate the research and analysis requirements of the resolution into the scope of services for hiring a consultant to conduct an organizational analysis (Zucker Systems)

In April 2015, the Austin City Council adopted Resolution No. 20150402-014, which directed the City Manager to do the following:

- Explore options for expanding and modifying our expedited permitting process to achieve more affordability and other community benefits.

In June 16, 2016, the Austin City Council adopted Resolution No. 20160616-029, which directed the City Manager to do the following:

- Draft policy options, to be presented to Council, that include minimum requirements for developers wishing to voluntarily participate in the City of Austin's expedited permit review process.
- City staff should consult with stakeholders in the development of policies.
- Such policies, when presented to Council, should include program participation requirements that further the City's goals and policies for housing, such as:
  - For projects that are primarily residential in nature, a requirement that the development participate in the SMART Housing program, and agree to require that future residents not be discriminated against based on their source of income;
  - For projects that are not primarily residential in nature, a requirement that the development be "Better Builder" certified, or receive an equivalent certification approved by the City Council;
  - A reasonable fee to cover the City's expenses for independent monitoring of Better Builder and/or SMART Housing goals and implementation;
  - Other measures the City Manager deems appropriate.

Accordingly, the Development Services Department is proposing an Expedited Permitting Program that takes the three Council resolutions into consideration.

## PURPOSE FOR CREATING AN EXPEDITED PERMITTING PROGRAM

Delays during any stage in the development process add to the final costs of a project, whether the project is a single-family home remodeling, a small business finish out, a multi-family apartment complex, or a large-scale commercial project. Expedited permitting is a cost-efficient and very effective way of reducing the final project costs associated with the development process.

Delays in the development process have the following impacts:

- Reduced property tax revenue to the City and other taxing jurisdictions resulting from the delayed construction start of projects.
- Increased incidents of non-permitted construction.
- Shift of projects to suburban cities that have shorter, more predictable development processes.
- Increased loan interest charges due to lengthy processing times that result in increased final costs of a project.

- Delayed construction start of projects, which include single-family residences, multi-family apartment complexes, office buildings, and small businesses. Delayed construction starts can result in delayed occupancy of these projects.

The creation of an expedited permitting program will eliminate delays in the development process by decreasing the total length of plan review for residential and commercial building projects. Specifically, the multiple cycles of plan reviews will be replaced with a single plan review session that includes the applicant, the applicant’s consultants (engineers, architects, etc.), and all the pertinent City plan review disciplines. The proposed Expedited Permitting Program does not apply to site plan review, but rather to commercial and residential structures. Similar to other best practice expedited review models, separate teams would be created specifically for applicants that desire to pay a premium for expedited plan review.

**Table 1: Benefits to Applicant and City**

Benefits to Applicant	Benefits to City
<ul style="list-style-type: none"> <li>• Decreased total length of plan review time</li> </ul>	<ul style="list-style-type: none"> <li>• Increased property tax revenue (applies to all taxing jurisdictions) associated with on-time construction starts and projects locating in the city limits</li> </ul>
<ul style="list-style-type: none"> <li>• Increased predictability</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased incidents of non-permitted construction</li> </ul>
<ul style="list-style-type: none"> <li>• Reduced time value of money costs</li> </ul>	<ul style="list-style-type: none"> <li>• New tool for business recruitment/attraction</li> </ul>
<ul style="list-style-type: none"> <li>• Reduced consultant (engineers, architects, etc.) costs</li> </ul>	<ul style="list-style-type: none"> <li>• New tool to support small business creation and expansion</li> </ul>

A further description of the economic impacts associated with creating an expedited permitting program can be found in a report commissioned by the American Institute of Architects. The report, “*The Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues*,”<sup>1</sup> describes the benefits derived from a consistent and efficient development process. The report is also included in the appendix.

## ZUCKER ANALYSIS

In accordance with Council Resolution No. No. 20130808-063, Zucker and Associates incorporated the research and analysis of an expedited permitting program into the department organizational analysis which was completed in April 2015. The research and analysis can be found in pages 50-54 of the Zucker Analysis<sup>2</sup> and are included in the appendix. Recommendation number 13 in the Zucker Analysis is to begin a phased-in expedited permitting program.

Mr. Zucker included his theory for expedited permitting, which includes the following:

1. Why Expedite: Many communities do not have a good development process or have trouble sustaining one. Even with a good process, applicants and developers may still want to expedite a process to have even faster timelines.
2. Correct Austin’s Deficiencies in the Development Process: If the recommendations in the Zucker Analysis are implemented, Austin will have a well working permit process. However, the implementation will take time, and an expedited permitting program will bridge the gap.

<sup>1</sup> “The Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues,” December 2005, Price, Waterhouse, Coopers. Prepared for American Institute of Architects. <http://permitstreamline.ez0.com/wp/wp-content/uploads/2013/04/AIA-Results-Dec-2005.pdf>

<sup>2</sup> Planning and Development Review Department Workflow Organizational Assessment, April 2015, Zucker and Associates. <http://austintexas.gov/zuckerfinalreport>

3. Costs for Expediting: Most applicants and developers are willing to pay extra fees for shorter timelines. The cost for any extra fee is often minimal compared to savings related to a shorter timeline.
4. Impact on Non-Expedited Permits: An expedited permitting program needs to be designed to not impact the normal plan review process. The proposed expedited permitting program has a positive impact to the normal process in that projects routed to the newly created expedited review teams will reduce the volume of projects that would otherwise be routed through the normal process.
5. What is a Process: A good process provides for adequate time for review against City standards and time for interested parties and citizen input. It should be clear that excessive timelines add to the cost of a project and this added cost can work against achieving City goals. The proposed expedited permitting program does not apply to site plan review where interested party notifications exists, and it does not supersede nor eliminate any appeals processes.

Mr. Zucker made several staffing recommendations that would avoid impacting the normal plan review process. The recommendations are as follows:

- Overtime: Have existing staff work overtime during the week and on weekends. However, if overtime becomes excessive, it can impact normal work. Both the Commercial and Residential Plan Review staff have worked continuous overtime (weekday and weekends) since April 2015 to keep backlog to a minimum. The volume of development activity continues to increase year-over-year, and all available overtime is utilized for normal work.
- Retired Employees: Some retired employees welcome the opportunity to work part-time and periodically. The advantage is that these employees know the functions and the Land Development Code. Retired employees have been hired and are currently working part-time to assist with processing the normal work.
- Experts Out of the Workforce and Consultants: There are many people who do not want to work full-time or work a routine schedule. The use of consultants has worked well in many communities for expedited permits. Mr. Zucker acknowledged that Austin's Land Development Code is complex and that a year or more to become adequately trained. As such, Mr. Zucker acknowledged that the use of experts out of the workforce and consultants was not a preferred option.

The staffing for the proposed expedited permitting program is described in detail below. New teams of staff are recommended to avoid impacting the normal plan review process.

Mr. Zucker recommended that expedited permitting timelines be half or less of non-expedited timelines. The proposed expedited permitting program includes a single review session that is modeled after the successful City of Dallas Q-Team expedited permitting program. In discussion with the City of Dallas, the review sessions average between two (2) and four (4) hours. An application intake process will be established, similar to the current intake process for normal plan review. The single review sessions will be scheduled in advance and will include the applicant, the applicant's consultants (engineers, architects, etc.), and all the pertinent City plan review disciplines.

Mr. Zucker recommended that expedited permitting fees be set to cover all direct costs, indirect costs, plus a premium. Mr. Zucker cited the City of Los Angeles as an example for how to structure the appropriate fees. In Los Angeles, applicants pay the normal fee for the non-expedited process, and the applicant is billed for the cost of any staff working to expedite the project plus the applicable overhead. As described by Mr. Zucker, the City of Los Angeles hired 40 new positions for their expedited permitting program and was very successful with a high percent of applications being expedited. The proposed expedited permitting fee incorporates the recommendations made by Mr. Zucker. An expedited permitting fee, including overhead, will be charged to applicants that is on top of the normal fee. The fee amount is described below.

## OVERVIEW – PROPOSED EXPEDITED PERMITTING PROGRAM

The Expedited Permitting Program is a voluntary program that accelerates the residential and commercial building plan review and permit process. The Expedited Permitting Program involves a single review session that includes a consolidated team of plan reviewers representing all of the City’s required disciplines. Through Expedited Permitting, customers will experience a quality review with a reduced wait time plus certainty of when plans will be reviewed and when permits will be issued.

The program includes the creation of two new teams to facilitate plan review, meeting coordination, recording, processing and administrative duties. The teams will include specialized plan reviewers that represent the following review disciplines: Building, Mechanical, Plumbing, Electric, Fire, Health, Industrial Waste, Arborist and Zoning.

Applicants will attend a pre-scheduled, single-review session with all consultants on hand and ready to make on-the-spot decisions, and changes as needed. Contractors and owners will be encouraged to attend the review session but will not be required to be present. If the plans meet the respective codes and ordinances, permits will be issued following the review session. During the review session, plans will be reviewed for compliance with City standards. Jointly approved revisions to plans will be approved and signed off during the review session. If revisions cannot be completed or agreed upon at the review session, a follow up review session with the same team will be scheduled. As mentioned above, the City of Dallas Q-Team review sessions average between two (2) and four (4) hours.

The Development Services Department (DSD) currently offers an Expedited Plan Review for a separate charge. However, the current program does not incorporate a single review session of all pertinent review disciplines. And, the current program is implemented using overtime performed by existing staff. Because overtime is currently being utilized to minimize the amount of backlog of normal plan reviews, there are minimal staff hours available for the current Expedited Plan Review program.

DSD also offers two other programs that are intended to speed up the development process - Quick Turnaround and Preliminary Plan Review. However, similar to the current Expedited Plan Review, the programs are implemented using existing staff. This negatively impacts the overall amount of staff time available for normal plan reviews, thus contributing to overall delays in on-time reviews. The Quick Turnaround and Preliminary Plan Review programs will be incorporated as additional services provided by the newly created teams for the Expedited Permitting Program. Shifting the two programs to the new teams will reduce the workload volume in the normal plan review process, which will positively impact on-time reviews performance standards.

### Qualifying Projects

Certain residential and commercial projects will be eligible for Expedited Permitting. Table 2 identifies the types of projects that will qualify for expedited permitting.

The Expedited Permitting Program can benefit the following types of projects:

- Small businesses
- Restaurants
- Music and cultural venues
- Office projects
- Retail stores
- Multi-family residential projects
- Single-family projects
- Duplexes and condominiums
- Institutional buildings
- Accessory units/ secondary apartments

**Table 2: Qualifying Projects**

Commercial Projects	Residential Projects
<b>Assembly</b>	<b>Accessory Use to Primary</b>
318 Amusement, Social and Recreational Buildings	330 Accessory Use to Primary
319 Churches and Other Religious Buildings	
	<b>Condominium</b>
<b>Business</b>	101 Single Family Houses
324 Office, Bank, and Professional Buildings	103 Two Family Buildings
<b>Commercial Miscellaneous</b>	<b>Duplex</b>
214 Other Non-housekeeping Shelter	103 Two Family Buildings
328 Commercial Other Nonresident Building	
329 Commercial Structures Other than Building	<b>Residential Building Miscellaneous</b>
2002 Commercial Boat Dock	328 Resident Other Nonresident Building
	329 Residential Structures Other than Building
<b>Commercial Remodel/Addition</b>	437 Residential Boat Dock
437 Addition, Alteration, Conversion Non-Residential	438 Residential Garage/Carport Addition
1000 Commercial Remodel	438 Residential Retaining Wall
1001 Commercial Finish Out	
1002 Commercial Remodel and Finish Out	<b>Residential Remodel/Addition</b>
	434 Addition and Alterations
<b>Commercial Residence (Transient)</b>	435 Renovations/Remodel
213 Hotels, Motels, and Tourist Cabins	436 Addition to Increase Housing Units
<b>Duplex</b>	<b>Secondary Apartment</b>
103 Two Family Buildings	102 Secondary Apartment
<b>Educational</b>	<b>Single Family</b>
326 Schools and Other Educational Buildings	101 Single Family Houses
<b>Industrial</b>	
320 Industrial Buildings	
<b>Institutional</b>	
323 Hospital and Institutional Buildings	
<b>Mercantile</b>	
327 Stores and Customer Services	
<b>MF3-4</b>	
104 Three and Four Family Buildings	
<b>MF5+</b>	
105 Five or More Family Buildings	
<b>Mixed Use</b>	
106 Mixed Use	
<b>Single Family</b>	
101 Single Family Houses	
<b>Storage</b>	
321 Parking Garage Building and Open Deck	
322 Service Station and Repair Garage	



## Anticipated Volume of Activity for Qualifying Projects

For Fiscal Year 2014-15, the department processed 15,710 applications that would qualify for the Expedited Permitting Program. It is anticipated that each team could process at least 440 applications per year. This estimate is based on computed productive hours that take into account holidays, vacations, and training for which individual team members would not be available. The estimate is based on an average of three (3) hours per plan review session and comports with the annual number of expedited permits performed by the City of Dallas Q-Team.

## Plan to Phase-In Expedited Permitting Program

The department intends to phase-in the Expedited Permitting Program. One full team would be hired initially to process applications. When the first hired team hits 75% capacity, the second team would be hired. This phased-in approach is supported by the Zucker Analysis recommendation.

## Team Structure

The Expedited Permitting Program will be implemented through the creation of full-time positions that will manage, administer, support and provide technical plan review. The positions will be funded by service rates charged for the Expedited Permitting Program that are in addition to normal fees.

The program's organizational structure, also known as "strike teams" will include the following review disciplines:

- Building
- Mechanical (Commercial only)
- Electric (Commercial only)
- Plumbing (Commercial only)
- Zoning (Residential only)
- Arborist (Residential only)
- Fire
- Health (Commercial only)
- Industrial Waste (Commercial only)

Figure 1: Team Structure



#### Additional Service – Preliminary Plan Review Service

DSD proposes to incorporate the Preliminary Plan Review (PPR) Service into the Expedited Permitting Program. The goal of PPR Service is to assist the applicant with identifying items that need to be addressed or modified before construction plans are submitted for plan review. This preliminary review does not guarantee approval of plans during the single review sessions; however, it will minimize the time spent in the single review sessions.

As with Expedited Permitting, the PPR Service will include a single meeting of the consolidated team of plan reviewers representing all the pertinent review disciplines. At the meeting, the team of plan reviewers will discuss the preliminary design and construction with the applicant and the applicant’s team of consultants.

Applicants for the Expedited Permitting (EP) Service will be strongly encouraged to utilize the PPR Service. DSD is exploring how to credit a portion of the PPR Service fee toward Expedited Permitting service fees in order to incentivize the use of the PPR Service.

#### Additional Service – Quick Turnaround Service

The Quick Turnaround (QT) Service is an existing alternative paid program provided for the following projects:

- Tenant finish-outs and interior remodel projects of 5,000 square feet or less for administrative/business/professional offices and retail sales occupancies where hazardous materials are not stored, used or dispensed
- Exterior remodels that do not increase the square footage of the building or increase the height by more than six feet (roof repairs, mansards, etc.)

The QT Service is currently administered by existing staff within the DSD Commercial Plan Review Division. This additional service reduces the amount of staff time available for normal plan reviews, thus contributing to overall delays in on-time reviews. DSD proposes to incorporate the QT Service into the Expedited Permitting Program.

Currently, the following projects are ineligible for QT Service and will remain ineligible:

- New construction and additions
- Food storage
- Medical offices
- Restaurants
- Food service establishments
- Nursing homes
- Health care
- Child care facilities
- Beauty/tattoo salons
- Veterinary clinics
- Change of use
- Food warehousing
- Pubs
- Clubs
- Lounges
- Animal shelters
- Laundry or cleaning facilities
- Swimming pools
- Building corridors
- Businesses which store or sale hazardous materials

### Expedited Permitting Program Fee

The self-sustaining fee to cover the staffing and overhead cost of the Expedited Permitting Program is anticipated to be between \$160-200 per hour, per review discipline. The anticipated revenues from the Expedited Permitting Program are forecast to cover the cost of the new teams plus overhead cost. DSD will be commissioning a comprehensive study of its department cost structure and fee schedule to take place in Fall 2016. The first priority of the study will be to study the commercial and residential plan review fees and to analyze the Expedited Permitting Program fee.

Should the study recommend changes to the Expedited Permitting Program fee, DSD will seek the requisite Council approval of a mid-year amendment to the fee schedule.

## STAKEHOLDER INPUT

Two (2) stakeholder meetings were held on June 16<sup>th</sup> and 27<sup>th</sup>. The department anticipates more stakeholder feedback will be provided and has developed a website to collect additional feedback. The website (<http://austintexas.gov/department/expedited-permitting>) will have all pertinent information relating to the proposed Expedited Permitting Program.

Additionally, the website will have a feedback collection portal to collect comments. The comments collected through the website can be forwarded to Council at various intervals, and stakeholders can be directed to this portal as an alternative to direct emails to Council offices.

## EXPEDITED PERMITTING PROGRAM OPTIONS

In accordance with Resolution No. 20160616-029, DSD is presenting three options for Council consideration that include participation in the City of Austin's SMART Housing Program and the Worker's Defense Project's Better Builder Certification. The following three options outline the program participation requirements.

### Option A: Required Participation in the City's Smart Housing Program for Residential Projects

Through Option A, applicants with residential projects would be required to agree to become SMART Housing certified and to participate in the City's SMART Housing Program. The applicant would also agree to not discriminate against future residents based on their source of income. Please see the appendix for SMART Housing Program requirements. This program, including monitoring, is administered by the City of Austin Neighborhood Housing and Community Development (NHCD) Department.

Applicants would be required to pay the City a fee for monitoring compliance with SMART Housing Program requirements. The fee would be in addition to the Expedited Permitting Program fee referenced earlier in this report. At this time, there is no estimate for the SMART Housing Program monitoring fee nor for the staffing requirements to perform the monitoring.

Other consideration:

- **Fee Waivers:** The City of Austin provides fee waivers for SMART Housing projects, including building plan review, permit, and inspection fees. The only fee charged to the applicant would be the Expedited Permitting Program fee and not the normal plan review fees, which are waived. An increase in the number of SMART Housing projects will increase the annual amount of fee waivers.

### Option B: Required Participation in the Better Builder Program for Commercial Projects

Through Option B, applicants with commercial projects would be required to become certified by the Workers Defense Project's Better Builder Program. Please see the appendix for the Better Builder Program requirements.

Applicants would be required to pay the City a fee that covers the City's cost of contracting with the Worker's Defense Project to provide independent monitoring of compliance with Better Builder Program requirements. The fee would be in addition to the Expedited Permitting Program fee referenced earlier in this report.

Based on the projects the Worker's Defense Project has monitored and with their experience of the building industry, the average cost of monitoring is \$1.25 per square foot with a cap of \$60,000 per year. Costs may include, but are not limited, to on-site visits by monitors one-time per pay period, follow-up appointments, reports, travel and gas expenses, and personal protective equipment. The annual cost for the independent monitoring provided by the Worker's Defense Project would be charged to the applicant.

An alternative option to utilizing the Worker's Defense Project would be to procure the independent monitoring services.

For a standard project, the Worker's Defense Project uses two (2) on-site monitors. The monitors are bilingual and OSHA-certified. The average number of hours spent monitoring a project varies depending on the project's size. Generally, between travel, actual site visits, interviews, documentation, follow-up, and corrective action plans for potential violations, each monitor can be expected to spend approximately 20 hours per month, per project to perform tasks related to the duties and responsibilities listed above. The schedule of onsite visits is mutually agreed upon by the monitors, the project owner, and the general contractor.

Other considerations:

- **Compliance:** The applicant for projects is not usually the contractor nor the business owner. Applications are usually filed by permit expeditors, architects, or other agents; however, the agents do act on behalf of the project owner. The hiring of a contractor and subcontractors typically occurs after the plan review process is completed and permit are issued. The project owner/applicant will need to factor the Better Builder Program into the project, including that fulfilling the requirements of the Better Builder program primarily occurs during the construction phase of a project. Compliance must ultimately be met by the contractor and not necessarily the applicant. The Better Building Program requirement would be secured via an agreement between the City and the applicant upon plan submittal. The applicant would, by agreement, commit to obligate contractors and subcontractors, who may not yet be hired, to comply with Better Builder requirements.
- **Enforcement:** Should the contractor or subcontractor be non-compliant with Better Builder requirements, an enforcement or penalty mechanism would be needed. Both enforcement and penalty mechanisms would need to be developed.

### Option C: No Requirement to Participate in the City's Smart Housing Program nor the Better Builder Program

As described above, applicants seeking expedited plan review would avail themselves of the proposed Expedited Permitting Program by paying the additional fee of \$160 - \$200 per hour, per discipline. There would be no requirement to participate in the City's SMART Housing Program nor in the Better Builder Program.

## APPENDIX A – BETTER BUILDER PROGRAM REQUIREMENTS

The Workers Defense Project's Better Builder Program works with real estate developers, public institutions, and companies who commit to investing in good and safe working conditions for construction workers. These developers are known as "Better Builders" and they seek to set a higher standard on their projects beyond minimum legal requirements.

The applicant would be responsible for complying with all Better Builder requirements:

1. All construction contractors and subcontractors must follow all applicable local, state, and federal laws; Some laws that must be considered include, but are not limited to the following:
  - City of Austin Rest Break Ordinance (<http://www.austintexas.gov/department/rest-break-ordinance>)
  - Fair Labor Standards Act (<https://www.dol.gov/general/topic/wages>)
  - Occupational Safety and Health Administration (OSHA) Regulations (<https://www.osha.gov/workers/index.html>)
2. All construction workers must receive, at minimum, a living wage of \$13.03 per hour, as defined by the City of Austin, which may increase from time-to-time. This wage applies to regular and temporary city employees as well as construction workers on all City projects. (<https://www.austintexas.gov/faq/what-citys-living-wage>)
3. All construction workers must receive the OSHA-10 Hour Construction Industry training which provides an entry-level construction worker with general awareness on recognizing and preventing hazards on a construction site. Safety supervisors must receive OSHA-30 Hour Construction training that introduces construction industry employees to the basic practices of identifying, reducing, eliminating and reporting hazards associated with their work.
4. All construction workers must receive workers' compensation insurance coverage that does not include alternative plans. The Texas Department of Insurance details that employees covered by worker's compensation receive benefits based on the type and severity of their injuries and include:
  - Medical benefits for medically necessary treatment of work-related injuries and illnesses;
  - Income benefits for a specified period of time up to a certain dollar limit set by law;
  - Compensation for burial expenses for employees killed on the job; and
  - Death benefits for dependents of employees killed on the job.

If employers choose to provide workers' compensation, they must do so in one of the following ways:

  - Buy a workers' compensation insurance policy from an insurance company licensed by the Texas Department of Insurance (TDI);
  - Be certified by the TDI Division of Workers' Compensation to self-insure workers' compensation claims;
  - Join a self-insurance group that has received a certificate of approval from TDI, or be a self-insured governmental entity (<http://www.tdi.texas.gov/pubs/consumer/cb030.html>).
5. The project owner must recruit 30% of its total labor hours from local, United States Department of Labor-registered apprenticeship programs or local bilingual craft training programs that offer instruction at minimal cost to the worker. The apprenticeship and craft training programs are limited locally. Owners may contact the Worker's Defense Project or the Central Texas Building Trades Council for information on how to meet compliance.

6. The project owner must agree to allow independent, on-site monitors onto the construction site once per pay period until the project has reached substantial completion. The monitors will resolve wage and safety issues and interview construction workers during rest and lunch breaks to ensure the requirements and standards listed above are upheld throughout the contracting chain. The project owner must make best efforts to work with Better Builder monitors to mitigate any potential violations of the standards above found within the construction contracting chain.

For a standard project, two (2) on-site monitors would be required. The monitors will be bilingual and OSHA-certified. The average number of hours spent monitoring a project varies depending on the project's size. Generally, between travel, actual site visits, interviews, documentation, follow-up, and corrective action plans for potential violations, each monitor can be expected to spend approximately 20 hours per month, per project to perform tasks related to the duties and responsibilities listed above. The schedule of on-site visits should be mutually agreed upon by the monitors, the project owner, and the general contractor.

# APPENDIX B – SMART HOUSING PROGRAM REQUIREMENTS



## S.M.A.R.T. Housing™ Policy

Safe • Mixed Income • Accessible • Reasonably Priced • Transit Oriented

### Resource Guide



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## **S.M.A.R.T. HOUSING™ POLICY**

### **A. Overview**

The **S.M.A.R.T.™** (Safe, Mixed-Income, Accessible, Reasonably-priced, Transit-Oriented) **Housing Policy Initiative** is designed to stimulate the production of housing for low and moderate income residents of Austin. The housing meets the City's Green Building standards and is located in neighborhoods throughout the City of Austin.

**S.M.A.R.T. Housing™** staff work with developers and builders of single-family, multi-family, and mixed-use developments that meet **S.M.A.R.T. Housing™** standards. The City of Austin provides fee waivers and **S.M.A.R.T. Housing™** development review, typically significantly faster than conventional review. This initiative includes not only larger developments but also infill construction.

The goals of **S.M.A.R.T. Housing™** include:

- ◆ Provide waivers of development fees (including Permit, Capital Recovery, Construction Inspection, and Parkland Dedication) to promote the development of **S.M.A.R.T. Housing™**
- ◆ Use public resources to leverage private investment
- ◆ Stimulate the development of housing on vacant lots in new and existing subdivisions
- ◆ Promote the use of existing City infrastructure and services
- ◆ Promote the creation of alternative funding sources for the development of **S.M.A.R.T. Housing™** (Safe, Mixed-Income, Accessible, Reasonably-Priced, and Transit-Oriented)



*(Left: Southwest Trails, the first **S.M.A.R.T. Housing™** development in West Austin, has 160 units which rent to families from 80% to 50% Median Family Income, or lower. Center: One of the beneficiaries of **S.M.A.R.T. Housing™** stands in the bedroom of her family's new East Austin home, shown at right.)*

Thank you for your interest in **S.M.A.R.T. Housing™**. For more information on this policy and other incentives for the new construction of reasonably-priced housing in Austin, please visit our website at <http://www.ci.austin.tx.us/ahfc/smart.htm> or contact the **City of Austin, Neighborhood Housing and Community Development, S.M.A.R.T. Housing** staff at (512) 974-3100 or [NHCD@ci.austin.tx.us](mailto:NHCD@ci.austin.tx.us).

## B. S.M.A.R.T. Housing™ Policy Initiative

The **S.M.A.R.T. Housing™** Policy Initiative has the following eight components:

1. It names the Austin Housing Finance Corporation (AHFC) as the lead agency to foster partnerships with neighborhoods and the home building industry to develop, finance,, rehabilitate, relocate, and operate **S.M.A.R.T. Housing™** in the City of Austin.
2. It designates the Neighborhood Housing and Community Development Department (NHCD) as the lead agency on housing policy issues and the single point of contact to facilitate **S.M.A.R.T. Housing™** developments. The single point of contact designation empowers NHCD to assume a leadership role in working with other City departments to assist in the successful development of **S.M.A.R.T. Housing™** projects.
3. AHFC has a right of first refusal for receiving any City-owned surplus property for development as **S.M.A.R.T. Housing™**, except for land with an adopted master plan.
4. It allows full or partial fee waivers for up to 1,500 service units<sup>1</sup> annually in developments in which a portion of units are “reasonably priced” and all units meet **S.M.A.R.T. Housing™** standards. A sliding scale creates incentives for mixed-income developments. A list of fees waived is included in this Guide.

“Reasonably-priced units” are those units rented or sold to families who earn no more than 80% of median family income<sup>2</sup> and who would spend no more than 30% of their family income on housing, or up to 35% if a household member receives City-approved homebuyer counseling).

A builder provides:	The City of Austin provides:
10% S.M.A.R.T.™ Reasonably Priced	25% Fee Waivers & Fast-Track Review
20% S.M.A.R.T.™ Reasonably Priced	50% Fee Waivers & Fast-Track Review
30% S.M.A.R.T.™ Reasonably Priced	75% Fee Waivers & Fast-Track Review
40% S.M.A.R.T.™ Reasonably Priced	100% Fee Waivers & Fast-Track Review

5. Requires NHCD to catalogue opportunities for improvement identified during the review, construction, and inspection of **S.M.A.R.T. Housing™** developments and requires collaboration among city departments in implementing these suggested improvements.



*Shown at left: the interior of the clubhouse at the **Riverside Meadows Apartments**, completed in 2002. This development serves as a unique development model, as the subdivision and site plan reviews were completed and building permits issued in a record 29 days. Generally, a development can be expected to take at least 90 days to receive building permits. The expedited building permits were made possible through special S.M.A.R.T. Housing™ review and advocacy through the development process.*

<sup>1</sup> While a single-family unit is counted as one service unit, a multi-family unit is counted as only a fraction of an service unit. Also, service units within the Robert Mueller Municipal Airport redevelopment do not count towards the annual cap.  
<sup>2</sup> Different income standards may apply for certain policy initiatives. See the “Related Policy Initiatives” section.

### C. S.M.A.R.T. Housing™ Certification Standards

The S.M.A.R.T. Housing™ Fee Waiver Initiative involves an application and certification process. S.M.A.R.T. Housing™ certification is available for the new construction of single-family and multi-family developments that meet the S.M.A.R.T. Housing™ standards of **safe, mixed-income, accessible, reasonably priced, transit oriented and compliance with Green Building minimum standards**. The following section discusses each of the criteria for S.M.A.R.T. Housing™.

#### 1. Safe

Safe means that the development complies with the Land Development Code and the adopted Building Codes for the City of Austin. For more information on development in Austin visit the City’s website at <http://www.cityofaustin.org/development>.

#### 2. Mixed Income / Reasonably Priced Standards

S.M.A.R.T. Housing™ is a mixed-income strategy to encourage the production of reasonably-priced housing throughout the City. Mixed-income means that the development includes at least 10% “reasonably-priced” housing units and all units meet applicable S.M.A.R.T. Housing™ standards.

Reasonably-priced means that a percentage of the units in the development must be rented or sold to families who earn no more than **80% of the median family income (MFI)** for the Austin metropolitan statistical area as determined by the NHCD director, and who spend no more than 30% of their family income on housing or up to 35% if a household member receives City-approved homebuyer counseling. Households that comply with other federal, state, or local income eligibility standards also are considered to meet S.M.A.R.T. Housing™ “reasonably priced” standards.

Some related policy initiatives – including Vertical Mixed Use and CBD/DMU – establish a different maximum income threshold for housing units. For more information, see the Related Policy Initiatives section of this document.

A unit that is occupied by a family that meets the “reasonably priced” standard remains in compliance as long as an eligible family remains in the unit for the duration of the affordability period.

Type of Housing Unit	Affordability Requirement
For “reasonably-priced” <b>rental</b> units (single- or multi-family)	Units must be “reasonably-priced” for at least <b>5 years</b> (unless another funding source requires a longer affordability period)
For “reasonably-priced” <b>home-ownership</b> units (single-family or condominium)	Units must be “reasonably” priced for at least <b>1 year</b> (unless another funding source requires a longer affordability period)
City-approved affordable housing <b>Land Trust</b> or similar entity	Affordability period to be established by Land Trust.
Other policy initiatives	Some policy initiatives have requirements that exceed <b>S.M.A.R.T. Housing™</b> affordability periods, such as the University Neighborhood Overlay and Vertical Mixed Use initiatives, described in greater detail in the Related Policy Initiatives section.
For <b>all</b> designated “reasonably-priced” units	Units must be “reasonably-priced” at initial occupancy and for the full affordability period. Failure to meet this requirement will require repayment of waived fees and other penalties.

Compliance for rental units may be monitored in accordance with tax credit or bond rules or state/federal monitoring standards. An increase in an eligible occupant's household income subsequent to original occupancy does not preclude the unit from being counted as one of the "reasonably-priced" units unless this income increase is a result of additional occupants with income moving into the unit.

**For single-family or condominium units, staff recommends pricing the "reasonably-priced" homes at no more than \$125,000,** in order to qualify buyers at or below 80% MFI. (Figure may vary depending on family size, interest rates, and other factors). While it is possible to qualify a family for a more expensive home using down payment assistance, a lower price will facilitate locating qualified families who can afford the home. Also, a lower purchase price will protect the family from increases in property taxes associated with incremental increases in appraisals over time.

Depending on the percentage of the units that will be reasonably priced, development fees are waived according to the sliding scale below, as follows:

**A builder provides:**

10% S.M.A.R.T.<sup>TM</sup> Reasonably Priced Units  
20% S.M.A.R.T.<sup>TM</sup> Reasonably Priced Units  
30% S.M.A.R.T.<sup>TM</sup> Reasonably Priced Units  
40% S.M.A.R.T.<sup>TM</sup> Reasonably Priced Units

**The City of Austin provides:**

25% Fee Waivers & Fast-Track Review  
50% Fee Waivers & Fast-Track Review  
75% Fee Waivers & Fast-Track Review  
100% Fee Waivers & Fast-Track Review

Developments in which at least 5-10% of the dwelling units are reasonably-priced and are transferred to a City-approved affordable housing land trust or other similar entity are eligible for 100% fee waivers:

**A builder provides:**

5% S.M.A.R.T.<sup>TM</sup> Reasonably Priced **Land Trust** units, located **within** Austin's urban core;

OR

10% S.M.A.R.T.<sup>TM</sup> Reasonably Priced **Land Trust** units, located **outside of** Austin's urban core

**The City of Austin provides:**

100% Fee Waivers & Fast-Track Review  
  
100% Fee Waivers & Fast-Track Review

The Owner/Applicant/Developer may be required to execute an agreement and restrictive covenant or other binding restriction on land use that preserves affordability in accordance with the **S.M.A.R.T. Housing<sup>TM</sup>** program. The agreement may include:

- Terms that require a defaulting applicant to pay the otherwise applicable fees;
- Liquidated damages in an amount up to twice the amount of fees waived, being such an amount that will fairly compensate the City for (a) administrative costs incurred; and (b) any breach that results in the loss of reasonably-priced dwelling units during the affordability period.

For more information about available programs (such as Down Payment Assistance or the Housing Smarts homebuyer counseling program) targeted to families who earn 80% of median family income or less, visit the Austin Housing Finance Corporation website at <http://www.cityofaustin.org/ahfc>. AHFC's programs can make it easier for income-eligible homebuyers to afford homes in Austin.

### **3. Accessibility and Visitability Requirements**

The federal government, the Texas Legislature, and the Austin City Council provide funding and other forms of assistance for reasonably priced housing. In addition, they have established standards when public funding or assistance is provided for housing for low- and moderate-income families. Some of these standards are different than the development and occupancy standards that an owner or applicant would be required to meet if the development is funded only with private dollars.

#### *Accessibility Standards for Persons with Disabilities*

Federal and state requirements provide for people who are mobility-impaired, hearing-impaired, visually impaired, or who have been diagnosed with Acquired Immune Deficiency Syndrome (AIDS) to have access to housing. These regulations are found in the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and the Texas Accessibility Standards and the adopted International Building Code. Please be aware that Federal, State, and City accessibility standards will continue to change.

Multi-family accessibility standards are influenced not only by federal and state requirements, but also the City's adopted Building Code and its **S.M.A.R.T. Housing™** standards. Single-family accessibility standards are outlined in the City's Visitability standards (Chapter 5-1 of the City Code, Article 3, Division 2). Multi-family and single-family accessibility standards are described in the following pages.

#### *Multi-Family Accessibility Standards*

Multi-family site and building plans must be reviewed for compliance with accessibility, transit-oriented, and green building standards prior to submittal for building permit approval.

The Building Code creates accessibility standards for multi-family apartments and common facilities on the site. **S.M.A.R.T. Housing™ creates additional standards.** Together, these standards include the following regulations:

- All ground-floor-level units or units accessible by elevator must be adaptable (a Fair Housing Act requirement)
- 10% of all multi-family units must be accessible, but grab bars do not need to be installed until a prospective or current resident requests installation
- An accessible route is required to connect the accessible parking spaces to the accessible and adaptable first floor units and the common areas
- Accessible entrances, doorways, and bathrooms are required in the accessible first floor units;
- Safe refuge areas are required for accessible units that are located above the first floor (particularly in buildings with elevators).
- Removable cabinet doors may be installed on cabinets for kitchen and bathroom sinks.
- The Building Code and Fair Housing Act require 2% of total parking spaces to be accessible. If tenants request additional accessible parking spaces, owners must install signage and restripe at no cost to the tenant. Applicants are not required to make more than 10% of spaces accessible.

Consult **S.M.A.R.T. Housing™** staff to discuss which standards would apply to your development.

*Visitability Standards (Single-family, Duplex, Triplex)*

The Visitability Ordinance (Chapter 5-1 of the City Code, Article 3, Division 2) requires new single-family homes, duplexes, or triplexes that receive federal, state, or city assistance – including **S.M.A.R.T. Housing™** – must meet the following standards:

1. A first-story accessible entrance door with a minimum width of 32 inches of *net* clear opening is required, when there is habitable space in a dwelling unit located on the first story. (Most builders use a 36 inch door). The door must be served by a ramp or a no-step entrance, and must connect to an accessible route - such as a garage, carport, driveway, or sidewalk; or a public right-of-way within 200' of the no-step entrance. The maximum distance between the interior floor level of the building entrance and the adjacent walking surface level may be no greater than one-half inch. If ramps or handrails are required, these must comply with the adopted International Residential Code (**See “How to Design and Build a No-Step Entrance”, next page**).
2. Interior doorways on the first story must have a minimum *net* clear opening of 30 inches (except doors leading into closets less than 15 square feet in area). A 32 inch door or standard six foot sliding patio door assembly usually complies with this requirement.
3. Lever handle hardware on first story interior doors and the accessible entrance door is required.
4. Hallways on the first story are to be at least 36 inches wide and have ramped or beveled changes at each door threshold.
5. A dwelling unit located on the first story must be designed and constructed with a toilet room on the first story that contains a toilet and a lavatory. The room's walls are to be reinforced with wood blocking that is two inches by six inches or larger in nominal dimension, and the center line of the blocking must be 34 inches from and parallel to the interior floor level. Blocking is not required in the portion of the wall located directly behind the lavatory.
6. Each light switch, thermostat, or plug receptacle located on the first story of a dwelling unit must be at least 15 inches but not more than 48 inches above the interior floor level.
7. The main electrical disconnecting switch or breakers for a dwelling unit must be no higher than 48 inches above the interior floor level, walking surface, or adjacent grade and at least 30 inches above the interior floor level, walking surface, or adjacent grade.

The adopted Residential Code adds the following features:

- Maximum 1 ½ inch between top of a threshold required at any exterior door and the landing below.
- Maximum 2% slope for landings adjacent to exterior doors.
- Standards for ramp construction with handrails and guardrails.

In areas with extreme topography, waiver of the no-step entrance requirement may be possible. The Appendix includes a no-step entrance waiver request form. Also included is a checklist that staff will use when inspecting **S.M.A.R.T. Housing™** single-family, duplex, or triplex units for Visitability.

*Communicate These Standards to Your Architect and Contractors!*

**It is your responsibility to bring these standards to the attention of your architect and contractors.** Some architects and contractors are unaware of **Federal accessibility standards that apply to any multi-family construction**, or the additional standards that apply to projects that receive federal funds. Many architects and contractors are not familiar with the City's Visitability standards described in this Guide, which applies to new single-family homes, duplexes, or triplexes that receive federal, state, or city assistance.



**Ensure your architect, engineer and contractors are aware of these Visitability and Accessibility standards.** For more information, contact **S.M.A.R.T. Housing™** at (512) 974-3100.



*How to Design and Build a No-Step Entrance or Ramp for Visitability*

**Why is there a No-Step Entrance / Ramp requirement for single-family homes and duplexes?**

The intent of this requirement is that any person can move from their parking space and enter the first story of a dwelling unit from an accessible route.

**Is a ramp always required?**

No. Staff recommends that applicants grade lots so that the garage, alley, or parking space is relatively flat, allowing a sidewalk to be poured that will constitute an accessible route leading to a no-step entrance.

**What exactly does a No-Step Entrance mean?**

A no-step entrance is one in which the gap between the doorway and adjacent walking surface is no greater than ½ inch, allowing a disabled person to enter a house, without using a ramp. The entrance may be in the front, side, rear, or from a garage, provided the entrance is served by an accessible route.

**What constitutes a “ramp”?**

Ramp requirements are included in the current adopted version of the International Residential Code (IRC). A ramp is a walking surface that has a running slope steeper than 1 unit vertical in 20 units horizontal (5% slope). The maximum slope of a ramp is one unit vertical in 8 units horizontal (12.5% slope). If ramps or handrails are required, these must comply with the IRC.



This lot was graded so a flat sidewalk could connect driveway and front door with a no-step entrance instead of a ramp.

**In what cases do handrails need to be provided on ramps?**

Handrails must be provided on at least one side of all ramps that have a slope exceeding 1 unit vertical in 12 units horizontal (8.33% slope).

**What are the standards for installing handrails?**

Handrails must be located between 34 and 38 inches above the walking surface, run the full length of a ramp, and terminate in newel posts or safety terminal. Handrails adjacent to a wall must have a space of 1½ inches between rail and wall. The handgrip portion of a handrail must have a circular cross section of at least 1¼ inches and no more than 2 5/8 inches. Edges must have a minimum radius of 1/8 inch.

**Where are landings and guardrails required for ramps?**

A landing that is at least 3 feet x 3 feet is required at the top and bottom of ramps; where doors open onto ramps; and where ramps change direction. Guardrails are required where the ramp or landing is more than 30 inches above the floor or grade below.

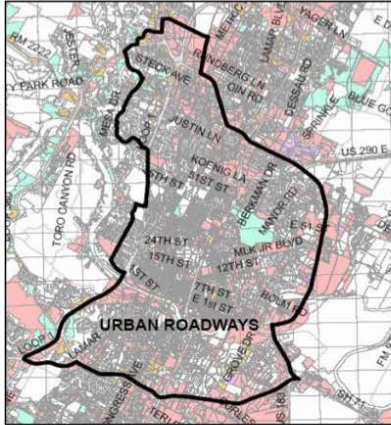
**Are there other International Residential Code (IRC) requirements to be aware of?**

The 2006 IRC requires that each exterior door have a floor or landing on each side of the door, that the floor or landing at the exterior door can not be more than 1 1/2" lower than the top of the threshold at the exterior door, and the maximum cross-slope of the landing is 2% (¼" rise in 12" of run).

**Please contact S.M.A.R.T. Housing™ staff at 512/974-3100 for further information about no-step entrance and ramp requirements of the City’s Visitability standards.**

#### **4. Transit-Oriented Standards**

##### **Developments Located Within the Urban and Suburban Roadways Boundary**



1. Transit Access – Must have a bus route located within ¼ mile of the development (or ½ mile for single-family) by the time of full occupancy; **OR**
2. Must secure approval from **S.M.A.R.T. Housing™** staff (in consultation of Capital Metro) of a strategy to provide alternative access to transit. This could include STS, Vanpool, Service Routes for seniors and persons with disabilities, or access to a nearby park-and-ride within a defined distance. It could also include direct access to several land uses that service residential customers, such as food sales, financial services, general retail sales and other services.

##### **Developments Located Outside of the Urban and Suburban Roadways Boundary**

1. Transit Access – Must have a bus route located within ½ mile of the development by the time of full occupancy; **OR**
2. Must secure approval from **S.M.A.R.T. Housing™** staff (in consultation of Capital Metro) of a strategy to provide alternative access to transit, as described above, **OR**
3. Must present documentation from Capital Metro that future service plans may establish a bus route located close to the site. (Please note that letters from Capital Metro are not considered by NHCD to be binding commitments.) Subject to NHCD approval, future service plans may in some cases constitute adequate transit access.

NHCD reserves the right to not certify for participation in **S.M.A.R.T. Housing™** a proposed development that is determined to not have sufficient transit access.

For a map of current Capital Metro services, see [www.capmetro.org](http://www.capmetro.org).

**Additional Design Standards: Single Family, Duplex, and Triplex**

1. Porches – Covered porches should be at least four feet deep and four feet wide and should be included on the street side of the house. While four feet is the minimum *required* depth, a porch area of 100 square feet with a depth of 6 feet is *recommended*.
2. Street Orientation – The front door of the house should face the street, unless the location of the front door must be changed to meet visitability requirements. For duplexes, at least one front door should face the street.

**Additional Design Standards: Multi-family**

1. Accessible routes to transit – Accessible sidewalks must connect the complex to nearby transit stops.

2. Transit Amenities (*recommended*) – For multi-family and mixed-use developments, Capital Metro bus stops serving the development should include shelters. Where new sidewalks are installed along a transit route, the applicant should coordinate with Capital Metro to include space(s) appropriate for a future bus shelter. Where roads are installed, widened, or improved, the applicant should coordinate with Capital Metro to produce a transit improvements plan.



3. Site Layout and Building Design (*recommended*) – Where possible, applicants should utilize the standards in the Design Standards and Mixed Use Ordinance, or “Commerical Design Standards.” The ordinance is available at <http://www.ci.austin.tx.us/planning/designstandards.htm>, and addresses Sidewalks; Building Placement; Internal Circulation Routes; Pedestrian, Bicycle, and Vehicular Connectivity; Exterior Lighting; Building Design; Private Common Open Space and Pedestrian Amenities.



*Example of a multi-family development that includes many recommended design features:*

- ✓ *Street presence*
- ✓ *Wide sidewalks*
- ✓ *On-street parking*
- ✓ *Active façade*
- ✓ *Landscaping*
- ✓ *Mixed uses*

*Example of a senior housing development that includes open space for residents.*



## 5. Green Building Program Rating Requirements

**S.M.A.R.T. Housing™** requires that all units meet Austin Energy Green Building Program (GBP) minimum standards and obtain GBP approval of plans prior to submittal of plans for permits, and obtain final inspection prior to occupancy. Contact GBP staff (below) for detailed information about GBP standards, better known as a Green Building Program Rating.

### The following steps are crucial to obtaining a GBP Rating:

**1. Contact the Green Building Program:** Set up a meeting with the GBP to determine which GBP Rating is appropriate for the project out about the GBP requirements. Do this as early in the planning process as possible, so the design team can more easily incorporate GBP strategies into the development's design and specifications with the least cost and difficulty.



Single-Family: Dick Peterson Phone (512) 482-5372 [dick.peterson@austinenergy.com](mailto:dick.peterson@austinenergy.com)  
Multi-Family: Katie Jensen Phone (512) 482-5407 [katie.jensen@austinenergy.com](mailto:katie.jensen@austinenergy.com)

**2. (for multi-family development) Letter of Intent:** Meet with the Green Building Program and sign a Letter of Intent (necessary for site development permit approval).

**3. Conditional Green Building Approval:** Using the Green Building Program Rating as a guide throughout design and construction planning can be advantageous to the project. Green Building Program staff are available to participate in early design team meetings and to review design development documents for multi-family developments.

- When design is complete, submit construction documents (including specifications), GBP Rating, Load Calculations (Manual J) and Code Compliance forms (REScheck) to GBP Staff for review.
- Reviewers will ensure documents demonstrate intent to achieve the required GBP Rating, so include Rating measures throughout.
- A successful review will result in a GBP Conditional Approval (required for building permit approval). The GBP will notify applicant and **S.M.A.R.T. Housing™** staff upon approval.
- **Please note** that Green Building standards require that **units meet standards for all codes in effect** in the City of Austin at the time of building permit submittal. Also note that **recycling** is mandatory for multi-family developments of 100 units or more. For information, call 512/974-9043 (or 494-9400).

**4. Construction Process and Green Building Inspections:** Upon groundbreaking, notify the projects' GBP contact. will make inspections as needed to verify progress toward achieving a GBP Rating. Contact the GBP at any time during construction with questions about the Rating or green building strategies in general. At a minimum, each building must be inspected at the following points:

1. Inspection after air handlers have been installed, but before wall board is installed.
2. Inspection as the condensing units are being installed.
  - If the project's GBP Rating criteria have changed since Conditional Approval, make changes and resubmit at this time.
3. Inspection as initial punch list begins (prior to project receiving its first Certificate of Occupancy).
  - A successful GBP final inspection is required to secure a Certificate of Occupancy and is separate from any other inspections required by the City of Austin and Austin Energy.

The Green Building Program will send a notice of Final Approval to **S.M.A.R.T. Housing™** staff and mail the applicant an official GBP Rating Certificate for each project that achieves a GBP Rating. This Certificate will serve as proof of the applicant's fulfillment of the Green Building component of S.M.A.R.T Housing. If the project does not meet GBP standards, the applicant will be notified.

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## **6. Standards for Projects Using HB 1704**

Projects claiming HB 1704 exemptions should be reviewed by the 1704 Committee to confirm the 1704 status of the subject property. This determination should be complete before the pre-submittal meeting with **S.M.A.R.T. Housing™** staff, development review staff, and the applicant. For more information about the 1704 Committee, contact the Development Assistance Center at (512) 974-6370.

Applicants seeking certification for fee waivers and expedited review for **S.M.A.R.T. Housing™** developments in the Drinking Water Protection Zone must receive City Council approval if they request either an environmental variance or HB 1704 exemption. **S.M.A.R.T. Housing™** developments in the Drinking Water Protection Zone that do not require environmental variances or HB 1704 exemption may be approved administratively.

In the Desired Development Zone, **S.M.A.R.T. Housing™** developments requiring environmental variances may be processed administratively if the variance is supported by the Environmental Officer, the Environmental Board, and the Planning Commission. Single-family **S.M.A.R.T. Housing™** subdivisions may claim HB 1704 exemptions in the Desired Development Zone. Site plans requiring HB 1704 exemption will not receive certification unless they receive City Council approval.

Because the number of fee waivers are limited on an annual basis as are the resources available for expedited review, the Director of the Neighborhood Housing and Community Development Department will not support HB 1704 exemptions in the Drinking Water Protection Zone or HB 1704 exemptions for multi-family developments in the Desired Development Zone.

## **7. Other Requirements**

**Viable Land within City Limits:** Developers must have site control of land/lots located within the city limits of Austin. If zoning is not in place, the applicant must contact registered neighborhood associations and address neighborhood concerns prior to filing a zoning application.

For a development on land that lies within a **Municipal Utility District within a limited purpose annexation area**, the City Council must approve fee waivers.

**Completed on Schedule:** Single-family units on infill lots receiving fee exemptions must be completed, sold, and occupied within 15 months of the execution of a contract with the City and/or AHFC. Multi-family units and single-family units in new subdivisions must be completed, sold, and/or occupied within 24 months.

## D. S.M.A.R.T. Housing™ Benefits for Builders

### 1. Fee Waivers

The City of Austin waives fees for developments that NHCD has certified as **S.M.A.R.T. Housing™**.

**How much does the average project receive in fee waivers?** While the total fees waived will vary depending on the project (e.g. whether a rezoning is required), fees generally add up to:

**Single-family Infill:** Approximately \$1500 per unit

- Permit Fees – Approximately \$400 for a 1500 square foot home (fee varies by square footage)
- Water/Wastewater Capital Recovery Fees – Approximately \$1100 per unit.

**Single-family Subdivisions:** Approximately \$2650 per unit

- Permit Fees – Approximately \$400 for a 1500 square foot home (fee varies by square footage)
- Water/Wastewater Capital Recovery Fees – Approximately \$1100 per unit.
- Construction Inspection Fees – Up to \$500 per unit.
- Parkland Dedication Fees – Up to \$650 per unit for reasonably-priced units.

**Multi-Family:** Approximately \$1250 per unit

- Waived amounts for Permit Fees, Water/Wastewater Capital Recovery Fees, and Construction Inspection Fees have averaged approximately \$600 per unit.
- Parkland Dedication Fees – Up to \$650 per unit for reasonably-priced units.

The following page shows a full list of fees waived for **S.M.A.R.T. Housing™** developments.

Please note that fee waivers are *not* available for owners with outstanding Housing Code violations or violations on accessibility issues on units or projects on which they are affiliated with the owning entity.

### 2. S.M.A.R.T. Housing™ Review

**S.M.A.R.T. Housing™** developments are eligible for special **S.M.A.R.T. Housing™** review, which is typically faster than the review time for conventional development projects. City staff will work with applicants to move projects through review and inspection as quickly and efficiently as possible.

However, the speed of the review also depends on the applicant's performance. Providing corrections, responding to comments, and ultimately securing an approval in a timely manner is a **shared responsibility** of both staff and the applicant. Expedited review may be discontinued if the applicant's design team fails to respond to comments in a timely manner. Applicants are **strongly encouraged** to design projects that do not require **variances and waivers**, which can add costly time to a development.

### 3. Advocacy

**S.M.A.R.T. Housing™** staff will assist you in resolving development-related issues with other City Departments. Staff is available to facilitate discussions and to find solutions.

**4. S.M.A.R.T. Housing™ Fees Eligible for Waiver**

On April 20, 2000 the Austin City Council adopted Ordinance No. 000420-77<sup>3</sup> creating the **S.M.A.R.T. Housing™ Policy** and authorizing the administrative authority to waive fees for **S.M.A.R.T. Housing™** developments. Fees listed in the ordinance are:

City Department		Fee Types	
Water and Wastewater		Capital Recovery (Impact) Fee	
Parks and Recreation		Parkland Dedication Fee <sup>4</sup>	
Public Works		Construction Inspection Fee	
Watershed Protection and Development Review		Development Assessment Fee	
		Traffic Impact Analysis Fee	
		Traffic Impact Analysis Revision Fee	
	Zoning Fees	Regular Zoning Fee	
		Interim to Permanent Zoning Fee	
		Miscellaneous Zoning Fee	
		Zoning Verification Letter Fee	
		Board of Adjustment Fee	
		Managed Growth Agreement Fee	
		Planned Development Area Fee	
		Subdivision Fees	Preliminary Subdivision Fee
			Final Subdivision Fee
	Final Without Preliminary Subdivision Fee		
	Miscellaneous Subdivision Fee		
	Site Plan Fees	Consolidated Site Plan Fee	
		Miscellaneous Site Plan Fee	
		Site Plan Revision Fee	
		Site Plan – Construction Element Fee	
	Building Plan Review, Permit, and Inspection Fees	Building Review Plan Fee	
		Building Permit Fee	
		Electric Permit Fee	
		Mechanical Permit Fee	
		Plumbing Permit Fee	
		Concrete Permit Fee	
		Demolition Permit Fee	
		Electric Service Inspection Fee	
		Move House Onto Lot /	
		Move House Onto Right-of-Way Fee	

<sup>3</sup> Amended November 29, 2007, Ordinance 20071129-100.

<sup>4</sup> Parkland Dedication Fees are waived for reasonably priced units only. Waiver established by separate ordinance.

## E. The S.M.A.R.T. Housing™ Process

### 1. Process Overview

**For all projects**, to begin the process, contact **S.M.A.R.T. Housing™** staff to have a preliminary discussion about your project. Afterward, meet with **Green Building Program (GBP)** staff to secure conditional approval for your project. The next step is to submit a completed **S.M.A.R.T. Housing™** application with all required attachments. If your application is approved, staff will provide a letter stating that your project has been certified for **S.M.A.R.T. Housing™** and is eligible to receive fee waivers and expedited review, if the project continues to meet **S.M.A.R.T. Housing™** standards. In most cases, staff meets with the applicant again to review the process and anticipate possible issues.

**For single-family and duplex review**, the applicant submits a **S.M.A.R.T. Housing™** residential checklist, permit application, and attachments to the Residential Review staff of the Watershed Protection and Development Review Department, who will request corrections as needed. Submit documentation required by GBP separately to the project's GBP contact for review and to receive Conditional Approval. Building permits are issued, construction begins.

**For multi-family site-plans and single-family subdivisions**, **S.M.A.R.T. Housing™** staff will schedule a Pre-Submittal meeting with the applicant, the applicant's design team and the **S.M.A.R.T. Housing™ Review Team** in the Watershed Protection and Development Review Department. At this meeting, staff and applicant establish the **S.M.A.R.T. Housing™** review timeline (typically faster than review times for conventional projects), including the design team's response timeline. The pre-submittal meeting covers general drainage, detention, floodplain, water quality, environmental, transportation, site plan, compatibility and subdivision requirements. For multi-family developments, the applicant signs a Green Building Letter of Intent with GBP staff, and submits plans to **S.M.A.R.T. Housing™** staff for accessibility review, and revises plans as necessary.

After the pre-submittal meeting, the applicant submits the project, and review process for subdivision, site plan, and building plan begins. City reviewers provide initial comments and the applicant returns comments within the time periods established during the pre-submittal meeting. Applicant submits required documents to GBP Staff for review. GBP Conditional Approval is required prior to receiving a building permit.

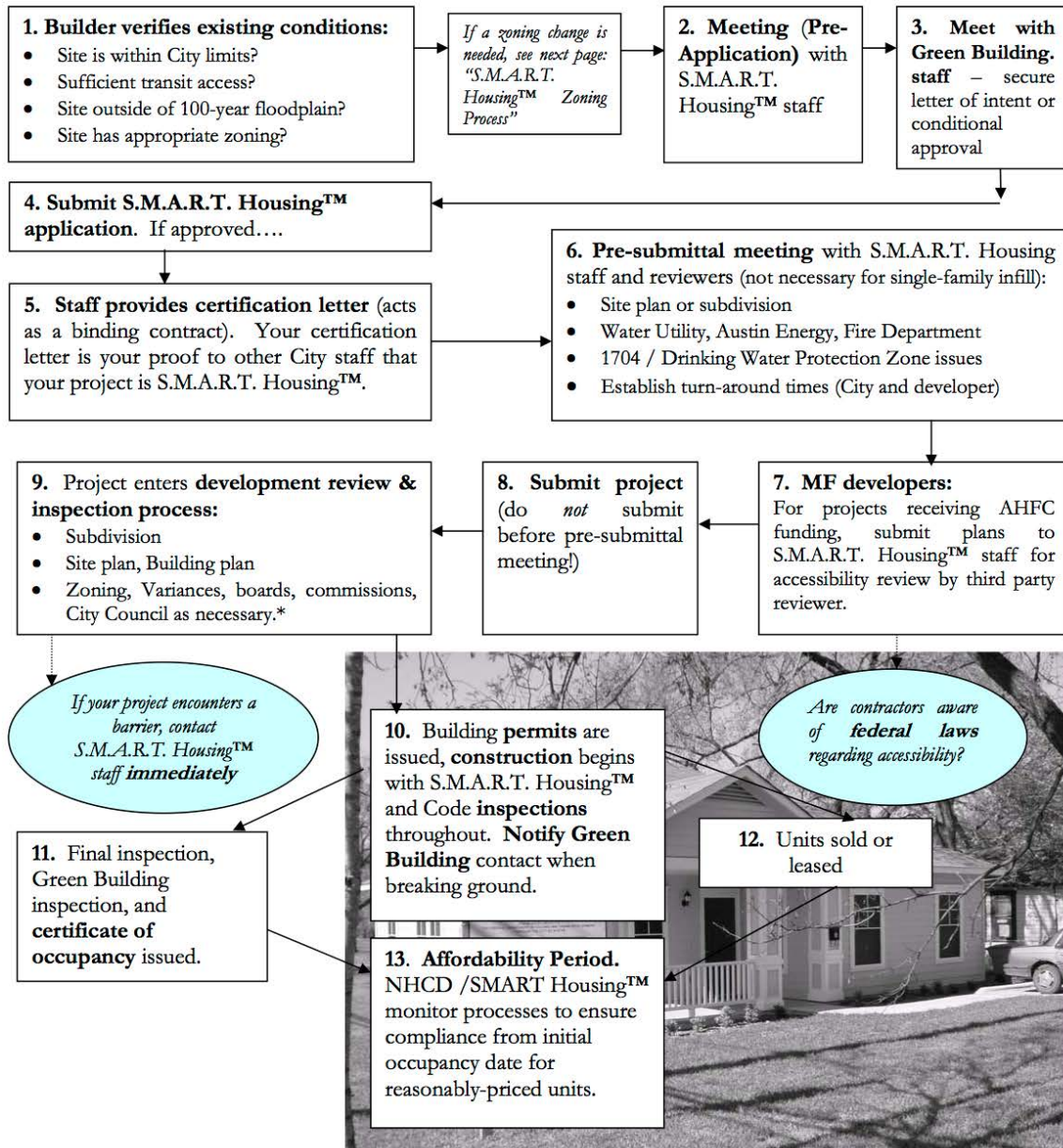
For all developments, notify GBP staff upon breaking ground and to schedule required inspections (see "Green Building" section of this Guide). Prior to certificate of occupancy, the applicant must contact GBP staff to obtain final inspection for Green Building Program Rating.

At the time a unit is ready for occupancy, the **S.M.A.R.T. Housing™** applicant must demonstrate compliance with "reasonably-priced" criteria. **S.M.A.R.T. Housing™** staff will review income verification data for the eligible families at the initial stage of occupancy and throughout the affordability period following initial occupancy. Failure to meet the income eligibility standards throughout the affordability period will result in the applicant being required to return fee waivers and possibly face a zoning rollback if a zoning change was associated with the **S.M.A.R.T. Housing™** application.

Depending on a project's circumstances, other processes may be necessary, such as annexation, zoning, or variances. Applicants are encouraged to select land that is already has the required zoning and does not require a neighborhood plan amendment, and to design projects in such a way as to **avoid the need for variances**.



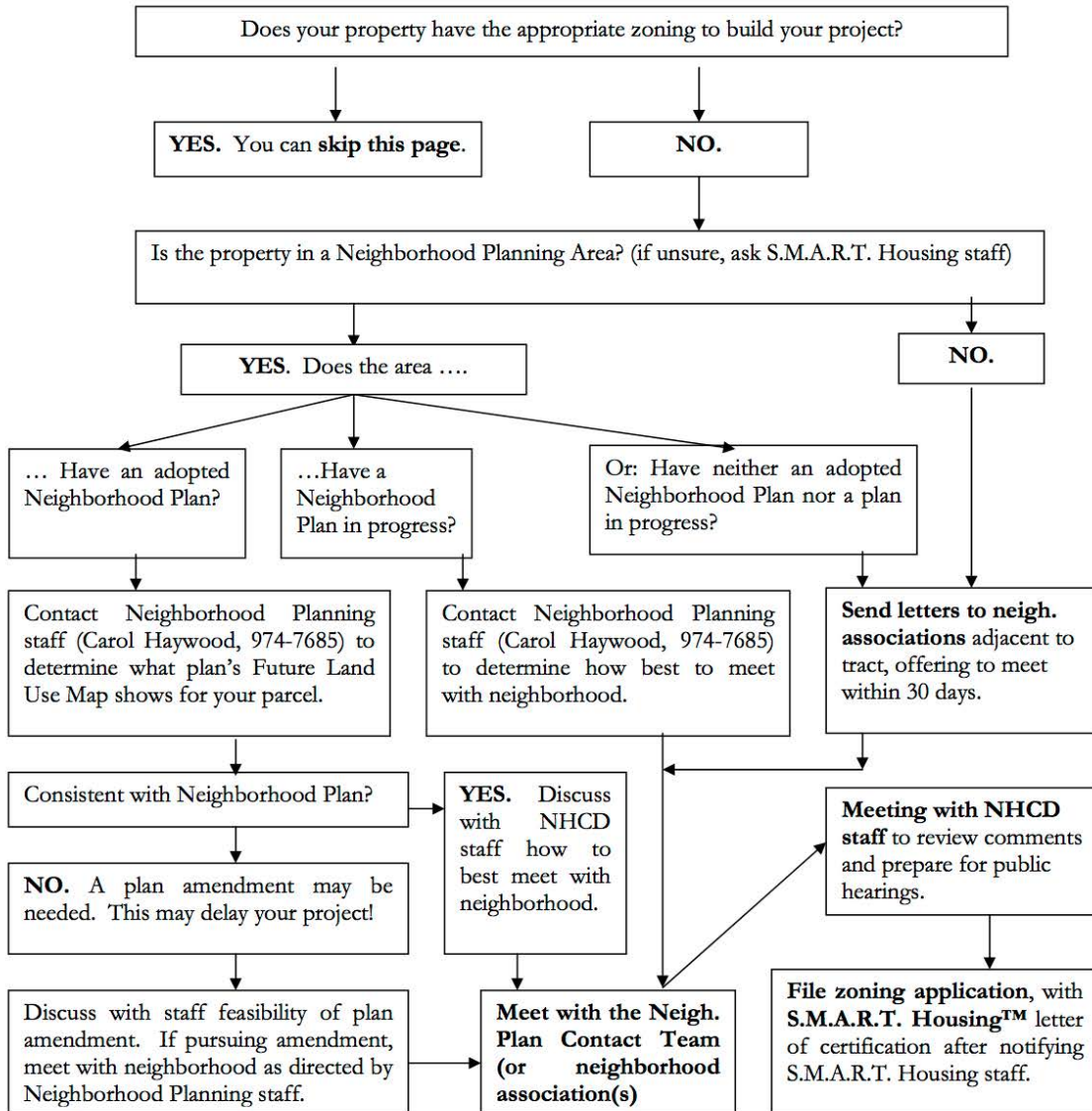
**2. S.M.A.R.T. Housing™ Process Flowchart**



*\* Staff's experience has been that variances can be a costly delay to projects. Applicants are strongly encouraged to design projects in such a way as to **avoid the need for variances.***

### 3. S.M.A.R.T. Housing™ Zoning Process

S.M.A.R.T. Housing™ staff will authorize the waiver of the zoning application fee and the 45-day processing of the zoning change request only after verifying that the applicant has responded to the legitimate concerns of the neighborhood residents. A project for which a zoning application is filed without S.M.A.R.T. Housing™ staff authorization will not receive fee waivers for the zoning application or the 45-day processing, and may be decertified from S.M.A.R.T. Housing™.



#### **4. S.M.A.R.T. Housing™ Review and Building Permit Process**

All new buildings must comply with all codes in effect on the day the building permit application was filed. Building permit applications and other information can be found at <http://www.cityofaustin.org/development>. City staff can assist you in determining the viability of your project: for single family and duplex development; contact the Residential Zoning Review staff at 974-2380. For multi-family development, contact the Permit and License Center at 974-2747.

##### ***a. S.M.A.R.T. Housing™ Single-Family Building Permit Process***

Participation in **S.M.A.R.T. Housing™** provides the applicant with **S.M.A.R.T. Housing™** review times (typically faster) and fee waivers. Requirements for **S.M.A.R.T. Housing™** single-family building permit review are as follows:

1. The **S.M.A.R.T. Housing™** Residential Completeness Checklist should be completed, signed, and attached to your building permit application and plans.
2. A copy of the **S.M.A.R.T. Housing™** certification letter should be attached to the Checklist.
3. The following standard notes for compliance with the Visitability standards (Chapter 5-1 of the City Code, Article 3, Division 2) must be placed on one page of the building plans you submit with your application for building permit:
  - ◆ A first-story accessible entrance door with a minimum width of 32 inches of *net* clear opening is required, when there is habitable space in a dwelling unit located on the first story. (Most builders use a 36 inch door). The door must be served by a ramp or a no-step entrance, and must connect to an accessible route - such as a garage, carport, driveway, or sidewalk. The maximum distance between the interior floor level of the building entrance and the adjacent walking surface level may be no greater than one-half inch. If ramps or handrails are required, these must comply with the adopted International Residential Code.
  - ◆ Interior doorways on the first story must have a minimum *net* clear opening of 30 inches (except doors leading into closets less than 15 square feet in area). A 32 inch door or standard six foot sliding patio door assembly usually complies with this requirement.
  - ◆ Lever handle hardware on first story interior doors and the accessible entrance door is required.
  - ◆ Hallways on the first story are to be at least 36" wide and have ramped or beveled changes at each door threshold.
  - ◆ A dwelling unit located on the first story must be designed and constructed with a toilet room on the first story that contains a toilet and a lavatory. The room's walls are to be reinforced with wood blocking that is two inches by six inches or larger in nominal dimension, and the center line of the blocking must be 34 inches from and parallel to the interior floor level. Blocking is not required in the portion of the wall located directly behind the lavatory.
  - ◆ Each light switch, thermostat, or plug receptacle located on the first story of a dwelling unit must be at least 15 inches but not more than 48 inches above the interior floor level.
  - ◆ The main electrical disconnecting switch or breakers for a dwelling unit must be no higher than 48 inches above the interior floor level, walking surface, or adjacent grade and at least 30 inches above the interior floor level, walking surface, or adjacent grade.
4. Austin Energy will review and approve your plans for compliance with Green Building standards prior to building permit issuance. Their staff will perform site inspections to verify that the home meets the standards of your approved plans.
5. Your plans should demonstrate compliance with the Transit-Oriented standards of **S.M.A.R.T. Housing™**.

- Compliance with Green Building and the Visitability standards (above) will be required prior to receiving a certificate of occupancy.

Following the above steps will allow the City to process your single-family permit application in an expedited manner.

S.M.A.R.T. Housing™ Residential Completeness Check		CITY OF AUSTIN RESIDENTIAL PERMIT APPLICATION	
Address: _____		BP Number _____	Building Permit No. _____
Name of development/S.M.A.R.T. Housing™ Applicant: _____		Plan No. _____	Date: _____
Neighborhood Planning Area (if applicable): _____		Reviews _____	
Zoning District (i.e. SF-2, SF-3, SF-4a, etc) for this site is: _____		<b>PRIMARY PROJECT DATA</b>	
Subsets		Service Address _____	Tax Parcel No. _____
	Requested	Legal Description _____	Lot _____ Block _____ Subdivision _____ Section _____ Phase _____
	Exempt	If in a Planned Unit Development, provide Name and Case No. _____ <small>(attach approved copies of subdivision and site plans)</small>	
		If this site is not a legally subdivided lot, you must contact the Development Assistance Center for a Land Status Determination.	
		Description of Work _____	Remodel (y/n) _____
		— New Residence _____	— Addition (y/n) _____
		— Duplex _____	— Change attached/detached _____
		— Carport attached/detached _____	— Other (y/n) _____
		— Pool _____	
		Zoning (e.g. SF-1, SF-2, ...) _____	Height of building _____ ft # of floors _____
The following items are included in this submittal:		On lots with LA zoning, the approved septic permit must be submitted with the Residential Permit application for zoning approval. (LDCD 20-2-500(B)(6))	
	___ Completed Residential Permit Application (find at <a href="http://www.ci.austin.tx.us/development/permits.htm">www.ci.austin.tx.us/development/permits.htm</a> )	Does this site have a Board of Adjustment ruling? Yes ___ No ___ If yes, attach the B.O.A. documentation.	
	___ Copy of S.M.A.R.T. Housing™ Certification Letter for the development.	Will this development require a cut and fill in excess of 4 feet? Yes ___ No ___	
	___ Visitability Standards appear on one page of the building plans.	Does this site front a paved street? Yes ___ No ___ A paved alley? Yes ___ No ___	
	___ Full legal description (including amends d or resubdivision, section and phase number)	<b>VALUATIONS FOR REMODELS ONLY</b>	<b>DATA FOR NEW CONSTRUCTION OR ADDITIONS ONLY</b>
		Building \$ _____	Lot Size _____ sq ft
			<b>PERMIT FEES</b> <small>(See also see-010)</small>
			REGULATIONS REMODELS

The **S.M.A.R.T. Housing™ Residential Completeness Checklist** is available in the Appendix of this Guide and on the AHFC website at <http://www.ci.austin.tx.us/ahfc/smart.htm>. The City of Austin **Residential Permit Application** is available at One Texas Center, 505 Barton Springs Road, Austin TX 78704, or on the City's website at [http://www.ci.austin.tx.us/development/downloads/res\\_app.doc](http://www.ci.austin.tx.us/development/downloads/res_app.doc).

### b. S.M.A.R.T. Housing™ Multi-Family Development Process

In **S.M.A.R.T. Housing™**, a multi-family development that has received zoning approval may require subdivision, site plan, and building plan approval before building permits are issued. At the pre-submittal meeting with subdivision and site plan reviewers, the review team establishes the **S.M.A.R.T. Housing™** review timeline and the design team response timeline. If City site plan or subdivision review is required within 14 working days, then the applicant is required to submit revised plans within 14 working days as well. If City staff is required to review corrected plans within 7 working days, then the design team is required to submit revisions to rejected plans within 7 working days. Failure to meet these deadlines can result in loss of the expedited review incentive.

For building plan review, City reviewers return comments on the original plans within 7 working days. The City's building plan review team will not begin its review unless the building and site plans incorporate the review comments from Austin Energy's Green Building reviewer, the **S.M.A.R.T. Housing™** accessibility reviewer, and the **S.M.A.R.T. Housing™** Guide's transit-oriented requirements. The applicant's design team must submit corrected plans within 7 working days of when the customer receives building plan review comments. City building plan reviewers will review corrected plans within two working days, and the design team is required to submit final corrections within two working days. Failure to meet these deadlines can result in loss of the special **S.M.A.R.T. Housing™** review times.

Because your proposed **S.M.A.R.T. Housing™** multi-family development has been certified to receive **S.M.A.R.T. Housing™** incentives, please ensure that your design team understands its responsibility to respond in a timely manner.

## F. Related Policy Initiatives

### 1. University Neighborhood Overlay (UNO)

The purpose of the University Neighborhood Overlay (UNO) district is to promote high density redevelopment in the area generally west of the University of Texas Campus, provide a mechanism for the creation of a densely populated but livable and pedestrian friendly environment, and protect the character of the predominantly single-family residential neighborhoods adjacent to the district.

The UNO district offers an alternative set of site development standards that developers can choose to utilize, including height bonuses. These standards allow greater densities and also establish requirements for affordable housing, green building, accessibility, and design. **All UNO developments are eligible for S.M.A.R.T. Housing™ incentives.**

Affordable housing requirements for developments opting to use UNO site development standards:

- A. Affordable units
- i. 10% of all units must be occupied by persons with household income of less than 80% of Austin's median family income level (MFI). Units must remain affordable for 15 years.
  - ii. An additional 10% of all units must be occupied by persons with household income of less than 65% MFI, for 15 years, or must pay into the UNO Housing Trust Fund as described below.
  - iii. For developments utilizing an additional 15' height bonus, (ii) above does not apply, but an additional 10% of all units must be occupied by persons with household income of less than 50% MFI, for 15 years, with no option to pay into the Trust Fund in lieu of these units.



- B. Housing Trust Fund contribution
- i. Instead of complying with (ii) above, a developer may pay into the University Neighborhood Overlay Housing Trust Fund a fee of \$0.50 per square foot of net rentable floor area in a multi-family development.
  - ii. The UNO trust fund can be used in the UNO area for those rental housing developments in which at least 20% of the units serve households at or below 50% MFI, and in which the assisted units remain affordable for at least 20 years.

## **2. Vertical Mixed Use (VMU)**

The Austin City Council adopted the Design Standards and Mixed Use Ordinance in January, 2007. The ordinance allows Vertical Mixed Use (VMU) buildings to utilize dimensional and parking standards exemptions, including relaxed floor-area ratio and site area standards, and also establishes the following affordability requirements for VMU buildings developed under these standards:



- A. Affordability Requirements for Owner-Occupied Units
  - i. 5% of residential units reserved for ownership / occupancy by households earning no more than 80% of Austin's Median Family Income (MFI) level.
  - ii. 5% of residential units reserved for ownership / occupancy by for households earning no more than 100% of Austin's MFI level.
  - iii. Units to remain affordable for 99 years from date of Certificate of Occupancy.
- B. Affordability Requirements for Rental Units
  - i. 10% of residential units reserved for rental by households earning no more than 80% MFI.
  - ii. As part of Opt-In / Opt-Out process a neighborhood may request that the rental affordability requirement be reduced to as low as 60% MFI.
  - iii. Units to remain affordable for 40 years from date of Certificate of Occupancy.
  - iv. City may elect to subsidize an additional 10% affordable units for any MFI level.
- C. Fee for Upper-Level Nonresidential Space
  - i. Developers of VMU buildings with non-residential uses above the ground floor shall pay a fee - to be established by the City Council – for all climate-controlled non-residential space above the ground floor.

The **S.M.A.R.T. Housing™** ordinance establishes that VMU developments are eligible for **S.M.A.R.T. Housing™** incentives.

### **3. Downtown (CBD / DMU)**

In 2008, the Austin City Council adopted an ordinance relating to provision of density bonuses for development in CDB (Central Business District) and DMU (Downtown Mixed Use) zoning districts, which have traditionally been limited to Downtown Austin. The ordinance includes requirements for affordable housing.



#### **A. Incentives for CBD / DMU Developments**

Development on a site may exceed the floor-area-ratio limitations of the Land Development Code, and, in a DMU district may exceed the maximum height of the district as determined by the City Council

All qualifying developments are eligible for **S.M.A.R.T. Housing™** fee waivers, in addition to fee waivers for water meters, sewer taps, and right-of-way closure and licensing.

#### **B. Requirements**

Developments in CBD and DMU zoning districts are eligible for the incentives above, if the developer complies with certain design standards and provides affordable housing or community benefits by:

- a) providing affordable housing in 10% or more of the “bonus” gross floor area; or
- b) for a residential use, paying into the Housing Assistance Fund a fee established by ordinance for each “bonus” square foot (currently \$10, adjusted annually); or
  - 1) for a commercial or mixed use building, paying a fee-in-lieu as described above (in this case the fee is divided between the Housing Assistance Fund and the Community Benefits Fund.

Developments must comply with the **S.M.A.R.T. Housing™** initiative. However, to allow for flexibility in developments in Downtown Austin, where land prices and development costs create a challenging environment for the development of affordable units, the **S.M.A.R.T. Housing™** Ordinance creates a different eligibility standard for **S.M.A.R.T. Housing™** ownership developments located in a Downtown Mixed Use (DMU) or Central Business District (CBD) zoning district. In addition to the applicability of other **S.M.A.R.T. Housing™** standards, a reasonably-priced owner-occupied unit may be occupied by a household with income of up to 120% MFI. (Affordable rental units are limited to households with income at or below 80% MFI).

Reasonably-priced dwelling units in a CBD or DMU base zoning district have a required affordability period of at least 99 years for owner-occupied units, and a period of at least 40 years for rental units.

APPENDIX

**S.M.A.R.T. Housing™ Process Checklist**

- All Projects
- Read the **S.M.A.R.T. Housing™** Guide. Does project meet **S.M.A.R.T. Housing™** standards?
  - Verify existing conditions:
    - Does the property have the zoning needed for your project?
    - Is the property within City limits? If not, talk to **S.M.A.R.T. Housing™** staff about voluntary annexation process.
    - Will the development meet **S.M.A.R.T. Housing™** standards for Transit access?
    - Is the property in the Drinking Water Protection Zone?
    - Are you claiming HB 1704 exemptions? If so, have you met with the City's 1704 Committee?
  - Have a Pre-Application Meeting with **S.M.A.R.T. Housing™** staff, to identify any major issues related to subdivision or site plan approval
  - Have a meeting with Green Building staff and secure Conditional Approval.
  - Submit **S.M.A.R.T. Housing™** fee waiver application.
  - City staff reviews the application for completeness and verifies whether a zoning change is required for the proposed development.
  - City staff will provide the applicant a Certification Letter stating that certain fees will be waived.
  - Have a post-certification meeting with **S.M.A.R.T. Housing™** staff to discuss **S.M.A.R.T. Housing™** process and identify any potential issues.

- Single-Family and Duplex
- Single-Family and Duplex Plan Review:** The applicant submits the following information to City residential permit review staff for review and approval.
    - A completed **S.M.A.R.T. Housing™** Residential Completeness Check Form
    - All of the attachments listed in the **S.M.A.R.T. Housing™** Residential Completeness Check Form
    - A copy of the **S.M.A.R.T. Housing™** Certification Letter
    - A Green Building Conditional Approval from Austin Energy
    - Plan details demonstrating compliance with transit-oriented and visitability standards
  - City residential permit staff will approve or reject **S.M.A.R.T. Housing™** applications within two working days of receipt. Applicants are expected to submit all corrections within two working days after requested by zoning review staff. Corrected plans are reviewed within two working days, and the applicant must correct rejected plans within two working days. Applicant failure to respond in a timely and complete manner will result in the discontinuation of **S.M.A.R.T. Housing™** review, and review times will revert to a conventional pace.

- Subdivisions and Multi-Family
- Subdivision and Site Plan Approval:** NHCD will schedule a Pre-Submittal Meeting between the applicant and City reviewers after the applicant has prepared conceptual plans and is preparing to enter completeness check stage of review. At this meeting, staff and applicant establish the review timeline, including the design team's response timeline.
  - Submit project (not before pre-submittal meeting and multi-family accessibility review!). Development review & inspection process begins.
  - (Multi-Family only): Provide a copy of building and site plans to **S.M.A.R.T. Housing™** staff for accessibility review. Revise plans based on review (and re-confirm Green Building approval) before submitting project.
  - Variances, boards, commissions, Council as necessary. Applicants are strongly encouraged to design projects in such a way as to **avoid the need for variances.**



Subdivisions and Multi-Family

- If the applicant has not secured zoning, the subdivision or site plan approval must wait until the zoning is approved and the plans conform to any conditional overlays that may have been attached to the zoning approval.
- Respond to the review comments for **S.M.A.R.T. Housing™** accessibility, transit-oriented standards, and Green Building.
- City reviewers provide initial comments within 14 working days, and the applicant is expected to resubmit fully corrected plans with 14 working days. The City will review corrected plans within seven working days, and the applicant must resubmit final corrections within seven working days. The following circumstances may result in the removal of the application from the fast track review process, until issues are resolved:
  - A pending request for a zoning or parking variance before the Board of Adjustment
  - A request for an environmental variance not supported by the City's Environmental Officer
  - A pending request for a conditional use permit, compatibility waiver or environmental variance before the Planning Commission or the Zoning and Platting Commission
  - A claim of House Bill 1704 exemption for the development
  - A Service Extension Request to the Austin Water Utility
  - Failure of the applicant to respond in a complete and timely manner to the comments generated by City reviewers, or to comments related to **S.M.A.R.T. Housing™** accessibility or Green Building review
- Building Plan Review (Multi-family only):** Building plan reviewers return comments to the applicant within seven working days of initial submittal. The applicant is expected to resubmit corrected plans within seven working days. The corrected plans will be reviewed within two working days, and additional corrections must be resubmitted to City reviewers within two working days.

All Projects

- Building permits are issued, construction begins.
- If your project encounters a barrier, contact **S.M.A.R.T. Housing™** staff immediately.
- Ensure that contractors build from approved plans, especially regarding accessibility/visitability standards. For multi-family, some accessibility standards are **federal law for all projects**.
- Notify Green Building staff when breaking ground.
- Notify Green Building staff when project complete.
- Final inspection.
- Certificate of Occupancy issued.
- Lease or sell units.
- Affordability period begins. At the time a home or rental unit is ready for occupancy, the **S.M.A.R.T. Housing™** applicant must demonstrate compliance with "reasonably-priced" criteria. Applicants must not only make their income verification data available for City staff review at the initial stage of occupancy, but also throughout the affordability period after initial occupancy. Applicant failure to meet the income eligibility standards throughout the affordability period will result in the applicant being required to return fee waivers and possibly face a zoning rollback if a zoning change was associated with this **S.M.A.R.T. Housing™** application.

## Building in Austin: Federal, State, and Local Requirements

### Local Standards

When a development is funded only with private dollars, the owner and contractors are required to comply with development standards based upon whether the development is a new home or a multi-family building site; an addition; a relocated building; or a building that is repaired, rehabilitated or replaced. For developments located within the city, these development standards include land use regulations, building codes, and utility connection requirements.

**Land Use Regulations** prohibit construction if the zoning is not appropriate. A zoning change approved by the city council is required before plans can be approved, permits issued, and construction activity begins. If the site is in certain flood-prone areas, the housing may be required to be elevated, or not built at all unless the city council grants a variance. If the site is over a former landfill, special testing and design review and approval by a state agency may be required before the city approves the development plans. Subdivision regulations may establish minimum lot sizes, minimum house size, setbacks, height restrictions, use restrictions, or sidewalk location requirements that are different than those found elsewhere in the Land Development Code. These are not the only land-use issues that may surface, but they may delay a project until they are addressed.

**Building Codes** establish minimum standards for new and existing buildings that may be used for housing. In single-family housing, these include the structural, electrical, mechanical (heating and air-conditioning), plumbing, exiting, and energy conservation features of the building. In multi-family housing, accessibility for mobility-impaired persons, fire-resistance and early-warning systems become part of plan preparation, reviews construction, and inspection processes.

**Utility Connection Requirements** link the land use and building code regulations to safety requirements for supplying electricity, natural gas, water, and sewer service when a building is ready for occupancy. The City of Austin provides electrical, water and wastewater services to most people who live inside the city limits; however, some residents receive service from other providers or on-site systems. The owner and contractor need to be aware of the service provider to the property and follow the regulations that may be unique to that particular utility.

**Review Requirements for Historic Buildings and Historic Districts:** The city reviews proposed demolitions, relocations, alterations or modifications, and new construction of buildings in historic districts and of those buildings designated as historic landmarks or if the building to be relocated or demolished is listed on a survey of historical resources. The City Historic Preservation Officer reviews all proposed demolitions, relocations to determine if the affected buildings are potential historic landmarks. If these are existing or potential landmarks, the Historic Landmark Commission, the Planning Commission, and the City Council may review the proposal as well.

**Demolition:** The City of Austin requires that you or your demolition contractor secure a permit before the demolition may begin. You may want to verify whether you can build your project before you tear down a building that cannot be replaced. For more information contact the Development Assistance Center at 974-6370 or visit the web site at: <http://www.cityofaustin.org/development>.

Before beginning, ensure that the building to be demolished is not a historic building or in a historic district. To find out the zoning on any property in the City of Austin or to determine if the property is in a historic district, contact the Map Sales Division at (512) 974-2213, -3347, or -2297.

### **Federal and State Standards**

In addition to City of Austin standards, federal and state agencies enforce additional requirements. Some of these standards govern all housing, while others are limited to specific types of development. Federal and state agencies may require compliance with additional environmental standards if federal or state funding is used.

The City of Austin has established purchasing, contract administration, and monitoring systems that include compliance with applicable regulations as well as standards of performance included in specific contracts. Regulatory requirements for publicly funded developments may include compliance with standards in the following areas: labor standards; payment for relocation of current residents; fair housing and equal opportunity; accessibility for persons with disabilities; property maintenance; historic preservation; environmental protection; and applicant eligibility based upon income. The City offers training for contractors and applicants on regulatory and performance requirements. This training is designed to eliminate problems that have arisen in the past when owners, contractors or applicants were not fully aware of their responsibilities. The City of Austin monitors compliance with all applicable regulations.

#### **Labor Standards**

Labor standards include federal and state workplace safety standards as well as provisions for minimum wages and other conditions of employment. Different funding sources bring with them specific labor standards, and these labor standards may be triggered when a development builds or rehabilitates a certain number of units or when a certain amount of federal funding is provided for the development. Contracts should include language that clarifies which labor standards govern a particular project, and provide details about when the owner or contractor will have to submit reports that establish compliance with the applicable labor standards.

#### **Acquisition and Relocation Standards**

Federal regulations establish the basis for fair treatment of residents who may be displaced or relocated when a property is bought, sold, or rehabilitated with federal funds. These standards supplement the City of Austin policies that may govern these activities if city funds are used in this activity as well.

#### **Fair Housing and Equal Opportunity Standards**

Federal regulations allow all people to have access to available services and assistance regardless of their race, color, religion, national origin, age or sex. The City of Austin investigates complaints of discrimination and takes appropriate action when violations are identified.

#### **Environmental Protection**

If the proposed **S.M.A.R.T. Housing** development receives federal assistance, the applicant must secure environmental approvals from both the City review staff and the agency supplying the funding prior to building permit issuance. These reviews may include review for compliance with floodplain regulations, redevelopment standards for former landfills, setbacks from pipelines and easements, noise mitigation and other environmental standards.

## All Building Projects: Before You Begin...

Applicants are strongly encouraged to contact the City of Austin Development Assistance Center (512/974-6370, on the ground floor of One Texas Center at 505 Barton Springs Rd) prior to submitting a **S.M.A.R.T. Housing™** application, in order to confirm the feasibility of a proposed development.

Some of the basic questions to answer are:

- Is the property in or near a floodplain or a Critical Water Quality Zone?
- What requirements for stormwater detention or water quality treatment would apply to the development?
- What parking requirements would apply to the development?
- Does the zoning on the lot allow for the proposed development or would a zoning change be required? If so, would a neighborhood plan amendment be required? (To determine the current zoning, contact the Map Sales Division at (512) 974-2213, -3347, or -2297.)
- Is the property adequately served by water and wastewater utilities to serve the proposed development?
- Would the proposed development be far enough away from the front property, the rear property line; the side yards, easements, and protected trees?
- Would the proposed development be within the building coverage limits and impervious cover limits established for the zoning district and/or for the watershed?
- Would the proposed development meet the height limitations of the zoning district, including any height setbacks for compatibility standards?
- Does the lot meet the minimum width and area requirements?
- Is there a Board of Adjustment decision that governs construction on this site?
- Is the lot historically significant, located in a historic district, listed in a city historic inventory, or recognized as historically significant by the state or federal government?

Other issues to consider are that there may be notes on the subdivision plat, a restrictive covenant, or deed restrictions that provide additional limitations on how a property can be used. A title company or real estate appraiser can secure this information, and it is important to know this before submitting plans for City review.

Other requirements are triggered if the building is located in the 100-year flood plain or the 25-year flood plain. The Development Assistance Center can assist in determining options if the property is wholly or partially in a flood plain. To determine (generally) the location of floodplains, access the Web site for the Development Process <http://www.cityofaustin.org/development> and click on “GIS – Geographic Information.”

Most lots have standard legal descriptions such as “Lot 1, Block 2, Smith Subdivision”. Others are described with less conventional descriptions that will raise questions about whether the tract complies with subdivision standards. The Development Assistance Center determines whether the lot or tract was legally subdivided or “grandfathered” (i.e. can receive a landstatus determination), or whether it would be necessary to apply for and receive a subdivision approval administratively or from the Planning Commission before proceeding with the proposed development. Like zoning, if a subdivision approval is needed, it must be obtained prior to the issuance of any building permits.

**MFI Chart: HUD Income Limits by Household Size**

**NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT OFFICE**

City of Austin

HUD Income Limits by Household Size

Effective Date: February 13, 2008

*FY 2008 Area Median Family Income*

*For Travis County, Texas*

*\$69,100*

*MSA: Austin – Round Rock, TX.*

Household Size	1	2	3	4	5	6	7	8
<b>30% Median Income</b> <i>(50% of median defined by HUD)</i>	14,950	17,100	19,200	21,350	23,050	24,750	26,450	28,200
<b>40% Median Income*</b>	19,900	22,750	25,600	28,450	30,750	33,000	35,300	37,550
<b>50% Median Income</b> <i>(very low income defined by HUD)</i>	24,900	28,450	32,000	35,550	38,400	41,250	44,100	46,950
<b>60% Median Income*</b>	29,850	34,150	38,400	42,650	46,050	49,500	52,900	56,300
<b>65% Median Income*</b>	32,350	36,950	41,600	46,200	49,900	53,600	57,300	60,500
<b>80% Median Income</b> <i>(low-income defined by HUD)</i>	39,850	45,500	51,200	56,900	61,450	66,000	70,550	75,100
<b>100% Median Income*</b>	48,370	55,280	62,190	69,100	74,628	80,156	85,684	91,212
<b>120% Median Income*</b>	58,030	66,320	74,610	82,900	89,532	96,164	102,796	109,428

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

**S.M.A.R.T. Housing™ Income Verification Sheet - Homeownership**

*Please submit one copy of this sheet, with income documentation attached (see below), for each S.M.A.R.T. Housing™ reasonably-priced unit. Please send to: S.M.A.R.T. Housing™, City of Austin, NHCD, PO Box 1088, Austin TX 78767; Fax:# 512/974-3161.*

Date \_\_\_\_\_ Name of S.M.A.R.T. Housing™ Development \_\_\_\_\_

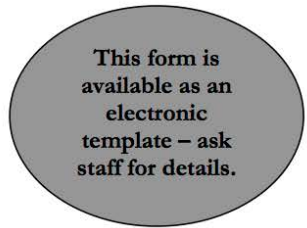
Address of Unit \_\_\_\_\_

Date of Closing \_\_\_\_\_ Family size is \_\_\_\_ persons

Maximum income allowable based on family size (from chart) \_\_\_\_\_

Household residents generating income (wages and other sources)\*:

Name: _____	Income	_____
Name: _____	Income:	_____
Name: _____	Income:	_____
Name: _____	Income:	_____
Name: _____	Income:	_____



Total household income (add lines above) \_\_\_\_\_

Monthly income (divide above total by 12) \_\_\_\_\_

**Maximum allowable monthly Principal & Interest payment<sup>5</sup>:**  
(Multiply monthly income by 28%) \_\_\_\_\_

Monthly mortgage payment for unit \_\_\_\_\_

For documentation of income, applicants must submit either:

- 1) an IRS 1040 form, IRS EZ 1040, or IRS transcript from the previous fiscal year; OR
- 2) any TWO of the following: employer letter(s), W-2 form(s), or last three pay stubs.

Additional materials eligible for consideration include:

- A. Documentation of SSI, disability, retirement or similar periodic payments.
- B. Proof of alimony or child support payments.
- C. Profit & Loss Statement for previous quarter, showing net income from self-employment.
- D. NHCD may also request bank statements to verify information as needed.

\* Includes scholarships, minus tuition payments. However, non-forgivable student loans will not be counted against an applicant's overall eligibility for reasonably-priced units.

<sup>5</sup> Or attach proof of federal, state, or other income restrictions, and/or certificate from homebuyer counseling course.

### S.M.A.R.T. Housing™ Income Verification Sheet - Rental<sup>6</sup>

Please submit one copy of this sheet, with income documentation attached (see below), for each S.M.A.R.T. Housing™ reasonably-priced unit. Please send to: S.M.A.R.T. Housing™, City of Austin, NHCD, PO Box 1088, Austin TX 78767; Fax:# 512/974-3161.

Date \_\_\_\_\_ Name of S.M.A.R.T. Housing™ Development \_\_\_\_\_

Address \_\_\_\_\_

Unit # \_\_\_\_\_

Date lease begins \_\_\_\_\_ Date lease ends \_\_\_\_\_

Family size is \_\_\_\_ persons

Household residents generating income:

Name: \_\_\_\_\_ Income<sup>7</sup>: \_\_\_\_\_

Name: \_\_\_\_\_ Income: \_\_\_\_\_

Name: \_\_\_\_\_ Income: \_\_\_\_\_

Name: \_\_\_\_\_ Income: \_\_\_\_\_

Name: \_\_\_\_\_ Income: \_\_\_\_\_

Total household income (add lines above) \_\_\_\_\_

Monthly income (divide above total by 12) \_\_\_\_\_

Maximum monthly lease (Multiply monthly income by 28%) \_\_\_\_\_

Monthly lease for unit \_\_\_\_\_

For documentation of income, applicants must submit either:

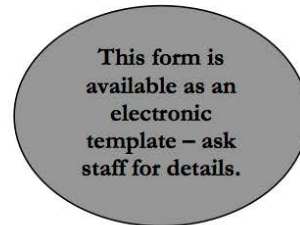
- 1) an IRS 1040 form, IRS EZ 1040, or IRS transcript from the previous fiscal year; OR
- 2) any TWO of the following: employer letter(s), W-2 form(s), or last three pay stubs.

Additional materials eligible for consideration include:

- A. Documentation of SSI, disability, retirement or similar periodic payments.
- B. Proof of alimony or child support payments.
- C. Profit & Loss Statement for previous quarter, showing net income from self-employment.
- D. NHCD may also request bank statements to verify information as needed.

<sup>6</sup> Some policy initiatives such as the University Neighborhood Overlay may have different income standards.

<sup>7</sup> For all household residents, "income" includes wages, student loans/scholarships minus tuition payments, other sources.



### Sample Income Verification Spreadsheet (Homeownership)

For single-family subdivisions (or condominium developments), once units begin to be completed and sold, the applicant must provide to **S.M.A.R.T. Housing™** staff quarterly income information for closings. This will enable verification of the “reasonably priced” standard of **S.M.A.R.T. Housing™**.

Staff will provide an Income Verification Template for the applicant to complete. An example is shown below. (Please remember that, in addition, the applicant should also have completed a **S.M.A.R.T. Housing™** Income Verification Sheet for each “reasonably priced” unit, with the required documentation. This sheet is also available in the **S.M.A.R.T. Housing™** Guide.)

S.M.A.R.T. HOUSING MFI DATA TEMPLATE <i>Johnson Homes</i>														8/31/05 3:42 PM	
Subdivision/Project Name	Address Number	Street Name	Building Permit Number	Building Permit Finished Date	Building Permit Issued Date	Number of Units	Buyer Income	Family Size	Final Sale Price	Maximum Allowable Principal and Interest	Actual Monthly Mortgage Payment	80% HUD MFI	Amount Over/Under 80% MFI (\$)	Qualifies?	Date Closed
SMITH SUBDIVISION	8612	JONES TRL	05006579	30-Aug-05	22-Apr-05	1	\$49,500	3	\$124,500	\$1,155.00	\$1,095.00	\$51,200.00	-\$1,700.00	Yes	2-Feb-06
SMITH SUBDIVISION	8614	JONES TRL	05006587	30-Aug-05	22-Apr-05	1	\$44,300	2	\$94,000	\$1,033.67	\$890.00	\$45,500.00	-\$1,200.00	Yes	3-Feb-06
SMITH SUBDIVISION	8714	JONES TRL	05004074	16-Aug-05	14-Mar-05	1	\$63,400	4	\$175,000	\$1,479.33	\$1,620.00	\$56,900.00	\$6,500.00	No	4-Feb-06
SMITH SUBDIVISION	8707	JONES TRL	05005035	11-Aug-05	29-Mar-05	1	\$37,200	1	\$85,000	\$868.00	\$810.00	\$39,850.00	-\$2,650.00	Yes	5-Feb-06
SMITH SUBDIVISION	8712	JONES TRL	05003310	4-Aug-05	3-Mar-05	1	\$69,000	3	\$159,000	\$1,610.00	\$1,450.00	\$51,200.00	\$17,800.00	No	6-Feb-06
SMITH SUBDIVISION	8711	JONES TRL	05004877	4-Aug-05	28-Mar-05	1				\$0.00			\$0.00		7-Feb-06
SMITH SUBDIVISION	8713	JONES TRL	5004071	28-Jul-05	14-Mar-05	1				\$0.00			\$0.00		8-Feb-06
SMITH SUBDIVISION	8717	JONES TRL	5004067	26-Jul-05	14-Mar-05	1				\$0.00			\$0.00		9-Feb-06
SMITH SUBDIVISION	8720	JONES TRL	5003308	25-Jul-05	3-Mar-05	1				\$0.00			\$0.00		10-Feb-06
SMITH SUBDIVISION	8721	JONES TRL	5003307	22-Jul-05	3-Mar-05	1				\$0.00			\$0.00		11-Feb-06
SMITH SUBDIVISION	8716	JONES TRL	5004073	22-Jul-05	14-Mar-05	1				\$0.00			\$0.00		12-Feb-06
SMITH SUBDIVISION	8717	JONES TRL	5004069	22-Jul-05	14-Mar-05	1				\$0.00			\$0.00		13-Feb-06
SMITH SUBDIVISION	8715	JONES TRL	5003306	22-Jul-05	3-Mar-05	1				\$0.00			\$0.00		14-Feb-06
SMITH SUBDIVISION	8723	JONES TRL	5004065	21-Jul-05	14-Mar-05	1				\$0.00			\$0.00		15-Feb-06
SMITH SUBDIVISION	8802	SMITH DR DR	5002050	7-Jul-05	9-Feb-05	1				\$0.00			\$0.00		16-Feb-06
SMITH SUBDIVISION	8801	SMITH DR DR	5002033	1-Jul-05	9-Feb-05	1				\$0.00			\$0.00		17-Feb-06
SMITH SUBDIVISION	8803	SMITH DR DR	5002042	1-Jul-05	9-Feb-05	1				\$0.00			\$0.00		18-Feb-06

To ensure that those mortgage companies that provide loans for income-qualified homebuyers will release the data required for the above template, the applicant may want to require a mortgage company to use a “disclosure authorization” form. [See the next page for an example.](#)



### S.M.A.R.T. Housing™ Disclosure Authorization - Example

*[To ensure that those mortgage companies that provide loans for income-qualified homebuyers will release the data required for the above template, the applicant may want to require a mortgage company to use a "disclosure authorization" form.]*

Your subdivision has been approved for participation in the City of Austin's S.M.A.R.T. (Safe, Mixed-Income, Accessible, Reasonably-Priced, Transit Oriented) Housing Policy Initiative, which is designed to stimulate the production of housing for low and moderate income residents of Austin. Through this initiative, the City of Austin provides fee waivers to developers and builders for developments that make a portion of their units "reasonably priced" (rented or sold to families who earn no more than 80% of the Austin area median family income and who spend no more than 30% of their family income on housing, or up to 35% if a household member receives City-approved homebuyer counseling).

To qualify for this initiative and offer "reasonably priced" homes under the program, \_\_\_\_\_ is required to disclose certain information to the City of Austin concerning families who are purchasing homes within your **S.M.A.R.T. Housing™** subdivision. Specifically, \_\_\_\_\_ is required to disclose the following information so that the City of Austin may verify that \_\_\_\_\_ has sold a sufficient number of units within the subdivision to those families that qualify under the **S.M.A.R.T. Housing™** standards:

- Address of unit
- Family size (No. of persons)
- Income generated by these persons
- Date of closing
- Identity of persons generating income
- Total household income
- Documentation to support income:
  - Last three months of bank statements
  - Employer letter OR Last three pay stubs OR Last year's W-2 or 1040 tax return
  - Financial aid statement (students), minus tuition payments (where applicable)
  - Parental support letter (students), minus tuition payments (where applicable)
- Monthly mortgage payment

\_\_\_\_\_ intends to obtain most of this information through your mortgage company with your authorization. Such information will be used for the limited purpose of verifying the **S.M.A.R.T. Housing™** requirements with the City of Austin and will be kept confidential except as necessary to satisfy the purposes stated above.

By signing below, you authorize your mortgage lender to release the information and documentation set forth above to \_\_\_\_\_ for purpose of providing such information to the City of Austin to comply with its **S.M.A.R.T. Housing™** requirements.

\_\_\_\_\_  
Buyer/Borrower

\_\_\_\_\_  
Co-Buyer/Co-Borrower

Date: \_\_\_\_\_

Date: \_\_\_\_\_

### Visitability Inspection Form

*This form is used when inspecting single-family, duplex, or triplex S.M.A.R.T. Housing™ developments for compliance with the Visitability standards of Chapter 5-1 of the City Code, Article 3, Division 2.*

INSPECTION DATE \_\_\_\_\_ ADDRESS \_\_\_\_\_

BUILDER \_\_\_\_\_

PASS  FAIL (CORRECTIONS BELOW)

INSPECTOR'S NAME \_\_\_\_\_ PHONE # \_\_\_\_\_

- \_\_\_ Lack of no-step entrance (greater than 1/2 inch gap between entrance and adjacent walking surface)
- \_\_\_ Accessible route from a public right-of-way exceeds 200 feet (if this is the only accessible route)
- \_\_\_ Building entrance lacks 32 inch net clear opening
- \_\_\_ First floor interior doors lack 30 inch net clear opening
- \_\_\_ Building entrance lacks lever handle hardware
- \_\_\_ First floor doors lack lever handle hardware
- \_\_\_ First floor hallways not at least 3 feet wide
- \_\_\_ Hallways not level or lack ramped or beveled changes at door thresholds
- \_\_\_ Lack of a first floor toilet room with lateral 2 inch by 6 inch nominal blocking with a centerline 34 inches from and parallel to the floor
- \_\_\_ Light switch/thermostat located on first story dwelling is more than 48 inches above floor level
- \_\_\_ Main electrical disconnecting switch or breakers for a dwelling unit is less than 30 inches or more than 48 inches above the interior floor level, walking surface, or adjacent grade.
- \_\_\_ Receptacle/outlet located on the first story of a dwelling unit is less than 15 inches above the interior floor level of the dwelling.

**IF** the slope of the walking surface is sufficient to be considered a “ramp” (has a running slope steeper than 1 unit vertical in 20 units horizontal, or 5% slope):

- \_\_\_ Excessive slope of ramp (exceeds 1 in 8)
- \_\_\_ Required landings for ramp are not at least 3 feet by 3 feet
- \_\_\_ Guardrails not installed for ramps and landings located more than 30 inches above grade
- \_\_\_ Lack of required handrails on ramp (required when ramp slope exceeds 1 in 12)
- \_\_\_ Handrails are less than 34 inches above the ramp
- \_\_\_ Handrails are greater than 38 inches above the ramp
- \_\_\_ Handrails do not terminate in newel posts or safety terminals
- \_\_\_ Handrails adjacent to a wall lack 1 1/2 inch space for grip
- \_\_\_ Handgrip portion of the handrail cross section is less than 1 1/4 inches or greater than 2 5/8 inches

**NOTE:**

1. The grade away from foundation walls shall fall a minimum of 6 inches within the first 10 feet. (IRC Section R401.3)
2. Concrete and masonry foundation walls shall extend above the finished grade adjacent to the foundation at all points a minimum of 4 inches where masonry veneer is used and a minimum of 6 inches elsewhere. (IRC Section R404.1.6)
3. Dwellings shall have a controlled method of water disposal from roofs that will collect and discharge all roof drainage to the ground surface at least 5 feet from foundation walls or to an approved drainage system. (IRC Section 801.3)



**S.M.A.R.T. Housing™ Application for Certification**

**DEPARTMENT OF NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT**

**APPLICATION FOR EXEMPTION FROM PAYMENT OF CAPITAL RECOVERY FEE, DEVELOPMENT REVIEW AND INSPECTION FEES, PARKLAND DEDICATION FEE, AND CERTAIN CONSTRUCTION INSPECTION FEES**

I, the undersigned duly authorized representative of \_\_\_\_\_ (the “Applicant”), the owner of the proposed residential development called \_\_\_\_\_ (the “Development”) and described in this **S.M.A.R.T. Housing™** Application, do hereby make application to the Neighborhood Housing and Community Development Department (NHCD) as administrator of the City’s **S.M.A.R.T. Housing™** Program in accordance with the program guidelines for a total of \_\_\_\_\_ residential units to be exempted from payment of Capital Recovery Fees and other applicable fees, and I do hereby declare and represent as follows:

The Applicant intends to: Construct \_\_\_\_\_ Single-family units, and/or  
Construct a \_\_\_\_\_ unit Multi-family residential development  
to be located within the City of Austin, Texas, and desires that the City exempt the Development from payment of Capital Recovery Fees and other applicable fees in accordance with the **S.M.A.R.T. Housing™** Ordinance.

The Applicant has received a copy of the **S.M.A.R.T. Housing™** Guide (available at <http://www.cityofaustin.org/ahfc/smart.htm>) and having read this document, hereby agrees to comply with all terms of the rules including meeting the minimum Green Building standards, the Accessibility and Visitability standards required by the **S.M.A.R.T. Housing™** Ordinance, and the Transit-Oriented standards.

The Applicant has submitted herewith a completed copy of the **S.M.A.R.T. Housing™** Application. To the best of the Applicant’s knowledge, the information contained therein is true and correct.

The Applicant, if awarded the exemptions, hereby agrees to execute a contract with NHCD for the receipt of the exemptions. The Contract will contain such provisions as are necessary to carry out the requirements of the Programmatic exemption included in the Land Development Code.

Before issuance of the Certificate of Exemption, the Applicant may be asked to execute an agreement and restrictive covenant, surety bond, deed of trust, promissory note, or other binding restriction on land use that preserves affordability in accordance with applicable requirements.

Please indicate the person who will on a regular basis provide income verification information to NHCD staff:

Name	Title and Organization	Phone	Email address

If the unit does not meet income standards or other **S.M.A.R.T. Housing™** standards, the Applicant will pay the waived fees to the respective City departments due the fees, including liquidated damages up to twice the amount of fees waived to compensate the City for administrative costs incurred and any breach that results in the loss of reasonably-priced dwelling units during the affordability period.

WITNESS MY HAND THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

BY: (NAME OF OWNER) \_\_\_\_\_

TITLE: \_\_\_\_\_

### S.M.A.R.T. Housing™ Application for Certification

1. Name and contact information for the Applicant; i.e., the entity that currently has site control and will build the units for which exemption from payment of Capital Recovery Fees; development review and inspection fees; and certain subdivision construction inspection fees are requested (referred to hereinafter as the "Development").

Name:	Telephone: (office) (mobile)
Organization:	Fax:
Address and Zip:	Email:

2. Form of Organization of the Applicant:

Corporation       Limited Partnership       General Partnership  
 Sole Proprietor       Nonprofit Corporation (list type: 501(c)\_\_\_\_\_)

3. If the Applicant is a corporation, identify its officers and indicate their titles. If the Applicant is a partnership, identify its general partner or general partners (**Please attach** contact information for all principals). (Attachment No. 1)
4. Contact information for the representative of the Applicant, available for regular communication with staff regarding development issues, Visitability / Accessibility, Green Building compliance, etc.

Name:	Telephone: (office) (mobile)
Organization:	Fax:
Address and Zip:	Email:

5. **Attach** a brief summary of prior development experience of the Applicant or its principals, indicating date of project, size of project, type of project, and location of project. If a nonprofit, include name and experience of contractor who will build the units.

(Attachment No. 2: Experience and/or track record of developer – **may be omitted** if Applicant has previously received exemptions under this program)

6. List of street addresses and/or description of the Development site (**Please attach** a legal description of the Development and, if a single-family project, a list of the lots, addresses, and Parcel ID numbers). (Attachment No. 3)

Street #	Street Name (or intersection)	Zip Code

7. Does the Applicant: Presently own the Development site? No  Yes   
 Have an option on the site? No  Yes  expiration date \_\_\_\_\_

Include copy of Title Commitment, Escrow Contract or other document sufficient to show site control. (Attachment No. 4). If the Applicant does not presently own the Development site, please describe any relationship that exists by virtue of common control or ownership between the Applicant and the present owner of the Development site. If none, please write "none."

8. Anticipated buildout schedule (as applicable):

For Single-Family Subdivisions:	For Multi-Family or Mixed-Use Structures:
Final subdivision plat approval: _____	Final subdivision plat approval: _____
Complete subdivision improvements: _____	Site Plan approval: _____
Phase 1: Finish (# of) _____ homes by (date) _____	Phase 1: Finish (# of) _____ units by (date) _____
Phase 2: Finish (# of) _____ homes by (date) _____	Phase 2: Finish (# of) _____ units by (date) _____
Phase 3: Finish (# of) _____ homes by (date) _____	Phase 3: Finish (# of) _____ units by (date) _____

9. Has builder been selected? Yes  No  Company name \_\_\_\_\_  
 Has architect been selected? (if needed) Yes  No  Company name \_\_\_\_\_  
 Has engineer been selected? (if needed) Yes  No  Company name \_\_\_\_\_  
 For Single Family, will homes be: site-built  manufactured  or modular  ?

Note: Green Building standards require that **units meet standards for all codes in effect in the City of Austin at the time of building permit submittal**. For more information, call 512/974-6370.

10. Please attach a map or diagram indicating:  
 (a) The existing legal lot(s) or parcels where the Development is proposed to be built;  
 (b) The Development's proximity to public transportation – this information is available at <http://www.capmetro.org>.  
 (c) If the Development is close to floodplains, pipelines, railroad tracks, or former landfill locations, the map or diagram should indicate this as well.

(Attachment No. 5: Site Map with items listed above)

11. Will any of the following be required:  Service extension  1704 determination  
 Variance or waiver (please describe)  Site Plan Approval  Subdivision  Annexation
12. Is a zoning change needed?  No  Yes, a change from \_\_\_\_\_ (current zoning) to \_\_\_\_\_ (proposed zoning)  
**Note: S.M.A.R.T. Housing™ policy requires applicants seeking a zoning change to offer to meet with surrounding neighborhood associations prior to filing a zoning application. Contact S.M.A.R.T. Housing™ staff for details.**
13. Is the property in a special district?  Mueller  UNO  VMU  Rainey  CBD or DMU  
**Note: Some special districts have affordability requirements in addition to S.M.A.R.T. Housing.**
14. Are you considering applying for gap financing from a NHCD/AHFC program?  Yes  No  
**Note: Some NHCD/AHFC federal funding sources have environmental, labor, and monitoring requirements beyond S.M.A.R.T. Housing™ requirements.**

15. Indicate any loan guarantee, Bond Financing, Issuer of Bonds, Low Income Housing Tax Credit, down payment assistance, or other subsidy for which the Applicant has received a commitment, has made – or intends to make – application. If none, please write “none.”

Subsidy / Bond / Tax Credit Source	Amount	Fund Commitment Status

16. Indicate percentage and number of units to be rented or sold to moderate income (families with incomes at 80% of MFI or below), or very low income (50% of MFI or below).

\_\_\_ % of the units will be sold or rented to families with income at \_\_\_ % MFI or below

\_\_\_ % of the units will be sold or rented to families with income at \_\_\_ % MFI or below

\_\_\_ % of the units will be sold or rented to families with income at \_\_\_ % MFI or below

*(Note: Some policy initiatives such as VMU allow for a percentage of homeownership units to be sold to households with incomes above 80% MFI. Contact S.M.A.R.T. Housing™ staff for details.)*

17. If some units will be reserved for persons with special needs, Section 8 families, etc., please indicate.

18. Provide details of the Development below. (If needed, attach additional pages - Attachment No. 6: Details of the Development.)

\_\_\_ Number of Houses or Units with \_\_\_ bedrooms, \_\_\_ baths, \_\_\_ sq. ft. of living area

Selling Price Range\*: \$ \_\_\_ to \_\_\_ and/or Monthly Rental Rate: \$ \_\_\_ to \_\_\_

\*For single-family or condominium units, staff recommends pricing the “reasonably-priced” homes at no more than \$125,000. **If selling price of reasonably-priced homes will exceed \$125,000, please explain in Attachment No. 6: Details of the Development.**

Please indicate any additional facilities to be included such as laundry, office or recreational facilities:

19. Applicant understands that all reasonably-priced dwellings must be occupied by an income-eligible family for a period of **five years** from the date of initial occupancy (or, **one year** for single-family homeownership units). Developments with some types of assistance or developed as part of some policy initiatives may require a longer affordability period. Applicant will provide annual documentation of income compliance for the duration of the affordability period.  Yes

Applicant hereby submits this completed S.M.A.R.T. Housing™ Application for Certification with the required attachments to Neighborhood Housing and Community Development for consideration.

\_\_\_\_\_  
Owner's Signature

Submitted this \_\_\_ day of \_\_\_\_\_, 20\_\_\_

- Enclosures:
- Attachment No. 1 – Contact Information for Principals
  - Attachment No. 2 – Experience and Track Record of Developer/Contractor (may be omitted if Applicant has previously received exemptions under the program)
  - Attachment No. 3 – Legal Description and List of Lots and Addresses
  - Attachment No. 4 – Proof of Site Control
  - Attachment No. 5 – Site Map
  - Attachment No. 6 – Details of the Development (if necessary)

### S.M.A.R.T. Housing™ Residential Completeness Check

Address: \_\_\_\_\_  
 Name of development/S.M.A.R.T. Housing™ Applicant: \_\_\_\_\_  
 Neighborhood Planning Area (if applicable): \_\_\_\_\_  
 Zoning District (i.e. SF-2, SF-3, SF-4a, etc) for this site is: \_\_\_\_\_

Setbacks:	<u>Required</u>	<u>Proposed</u>
• Front yard	_____	_____
• Rear yard	_____	_____
• Interior side yard	_____	_____
• Street side yard, if applicable	_____	_____
Building coverage limit	_____	_____
Impervious coverage limit	_____	_____

Use this cover sheet  
for each S.M.A.R.T.  
Housing single-family  
permit.

**The following items are included in this submittal:**

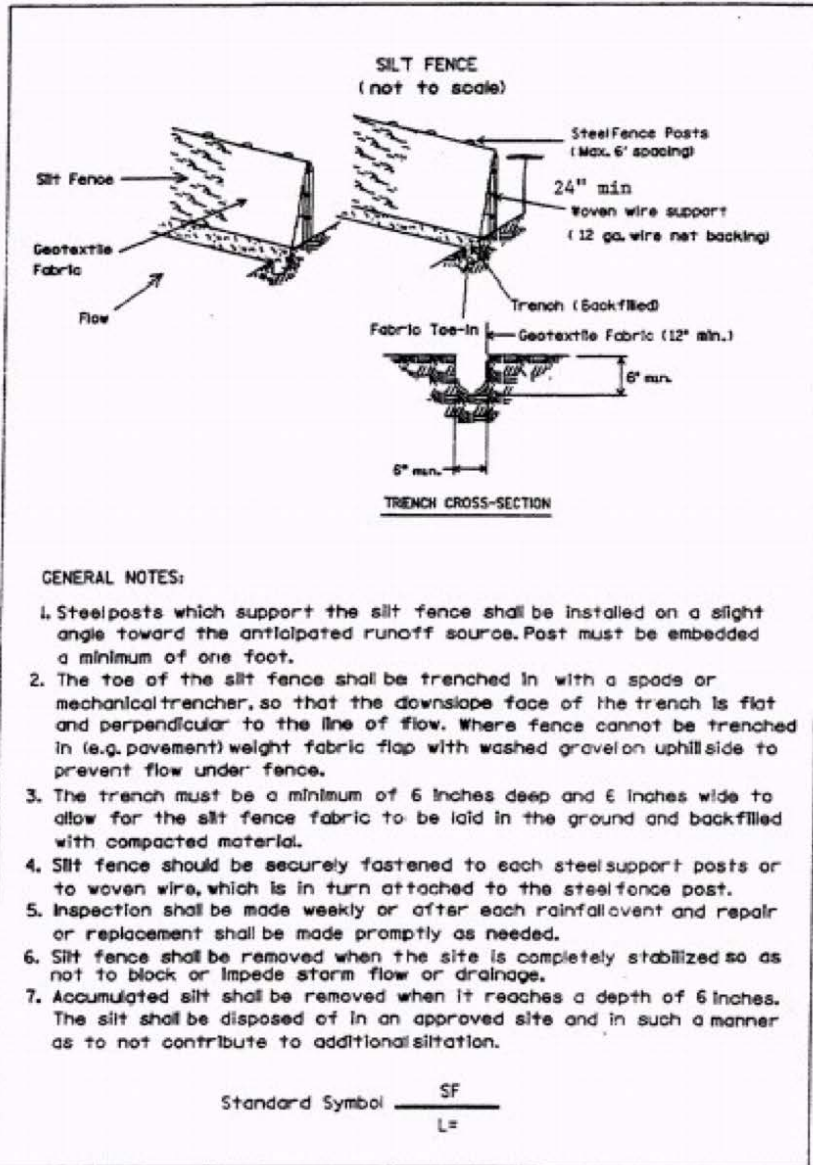
- \_\_\_ Completed Residential Permit Application (find at [www.ci.austin.tx.us/development/bpinfo1.htm](http://www.ci.austin.tx.us/development/bpinfo1.htm))
- \_\_\_ Copy of S.M.A.R.T. Housing™ Certification Letter for the development
- \_\_\_ Visitability Standards appear on one page of the building plans
- \_\_\_ Full legal description (including amended or resubdivision, section and phase number)
- \_\_\_ One original plot plan and 2 copies (no reduced or faxed copies) drawn to engineer's scale showing entire lot dimensions and dimensions of all proposed buildings. **Pages no larger than 8 ½ x 14.**
- \_\_\_ Plot plan shows decks, balconies, exterior stairs, bay windows, overhangs, required sidewalks, all easements (as required by subdivision plat); and
  - Front, street side yard, interior side yard, rear yard setbacks
  - Location of storm sewer inlets (or note if none within 10' of side property lines)
  - Water meter locations
  - Location of manholes, transformers, and pull boxes
- \_\_\_ Floor plans match plot plan (no "flipped" plans).
- \_\_\_ Elevations showing height dimensions of front, side, and rear.
- \_\_\_ Copies of any variances granted, easement releases, or any other approvals granted by City Boards, Commissions, or Council.
- \_\_\_ Septic system permit (if applicable), or waiver form with a copy of the Health Dept. application.
- \_\_\_ Documentation of a joint access agreement (if required to satisfy access requirements).

Signature of owner/agent		Date
Forwarded to Zoning Review by S.M.A.R.T. Housing™	Time	Date



### Single-Family Silt Fence Diagram

For more information, contact the Watershed Protection and Development Review Department at 512/ 974-2278.





**The Economic Impact of Accelerating Permit Processes  
on Local Development and Government Revenues**

*Prepared for*

**American Institute of Architects**

**December 7, 2005**

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National Economic Consulting

**NEC**

## **The Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues**

Delays in local permit processes have been costly and frustrating for architects, engineers, developers, general contractors, local governments, and building occupants for many years. Numerous budgetary and institutional constraints have limited the ability of government officials to adopt meaningful reforms. In the interest of addressing some of these concerns, the American Institute of Architects funded this ground-breaking report by PricewaterhouseCoopers LLP to study the relationship between permit processes, local economic activity, and government revenues. The study finds opportunities to increase local development activity and government revenues through the implementation of more efficient permit processes.

While any changes must be made at the local level, the potential benefit for the nation is substantial. The Bureau of Economic Analysis in the Department of Commerce reports that in 2004, new investment in privately-owned structures totaled \$960 billion, or 8 percent of GDP. Of this amount, \$295 billion was for nonresidential structures and \$665 billion was for residential structures. Total new investment in structures grew by 14 percent in 2004, with nonresidential investment growing by 7 percent and residential investment growing by 18 percent. Even modest efficiency gains affecting new investment in structures will contribute to economic growth.

This study examines the economic development and government revenue implications of an acceleration in permit processes. Because such opportunities will vary from locality to locality, local government officials, in cooperation with local business, are best positioned to determine the details of how such changes may be accomplished. We note that such changes have been successfully implemented in both large and small localities.

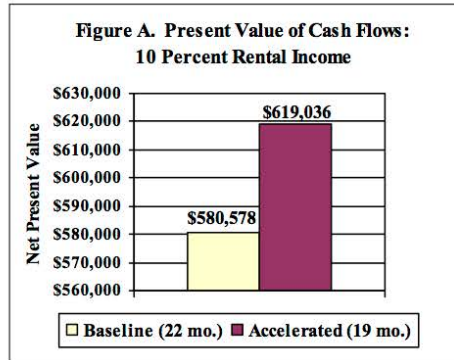
The findings are based on PricewaterhouseCoopers' Permit Acceleration Calculator. This calculator compares cash flows and rates of return under a "baseline" case that reflects the existing permitting system to an "accelerated" alternative case that assumes a 3-month reduction in total development time. This acceleration leads to improved rates of return for individual projects and increased local tax collections. Increased tax collections can provide a revenue source that can help finance the costs of the systems and procedural improvements needed to accelerate permit approval.

Consistent and efficient regulatory processes will encourage new development by reducing the direct costs associated with permit processes and the indirect costs associated with delays that affect all subsequent scheduling. Because these indirect costs are believed to be the largest, the study focuses on measuring their importance.

- 1. Reduced permitting times will encourage economic development.** Permitting delays increase costs and reduce returns on investment. When permitting delays are a routine and expected part of doing business within a community, some investors will look elsewhere to develop their projects. Conversely, if a

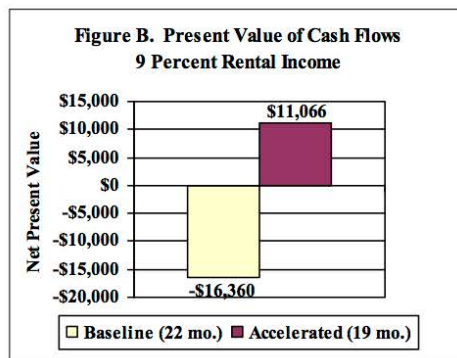
community is known to have efficient permitting systems, investors will be encouraged and more local economic development will follow.

We analyze the effect of these changes using a representative investment. Figure A illustrates how accelerating permit processes can affect the attractiveness of an investment. Under the baseline case, a \$7.5 million facility takes 22 months to complete, at which point the building would begin generating rental income (assumed to be 10 percent annually of the cost of the building). Over the assumed 15-year holding period of the investment and taking into account the time value of money, total revenues exceeds total outlays (i.e., the present value of cash flow is positive) by \$580,578.



Alternatively, if permit processes could be accelerated so that the building takes 19 rather than 22 months to complete, cash flow would increase to \$619,036. The investment becomes more attractive, and more likely to occur, under a more efficient permitting process.

Under the example presented in Figure A, an investor earns a positive return under either alternative. However, under certain assumptions, the efficiency of permitting processes will determine whether the investor makes or loses money on a project. If annual rents were 9 percent rather than 10 percent of the building value, the present value of cash flow will be a negative \$16,360 (see Figure B). On that basis, an investor should not finance the project because other



investments are more economically attractive. If permitting processes are accelerated and the total project time is reduced to 19 months, the project generates a positive cash flow of \$11,066.

Very simply, these examples assume that the investment starts generating cash flows three months earlier than otherwise. By providing a more rapid return on investment, the building

becomes a more attractive opportunity for the investor and should be built. As this example illustrates, accelerating permit processes increases the financial return on projects and encourages new investment.

Based on PricewaterhouseCoopers' calculations for this example, the internal rate of return would increase by around 0.6 percent as a result of a 3-month reduction in development time. If greater permitting efficiency similarly benefits other development, the increased return on investment should raise the overall level of development activity.

- 2. Permitting delays raise costs for all tenants.** When permitting delays are the norm in a community, the increased costs and delayed returns on investment will be built into rents paid by all tenants. That is, the demand for new space in the locality must be sufficiently high so that rents will be bid up to provide an adequate return to the investor. Without these higher expected rents, buildings will not be constructed. These higher rents will affect not only tenants of the new buildings, but also the rents paid on existing buildings.

Basic supply and demand principles are at work. If permitting delays discourage investment, there will be fewer buildings than otherwise and a tighter real estate market. As a result, rents will be higher. These higher rents must be sufficient to overcome the costs of delays for those buildings that are constructed.

By limiting development, permitting delays increase the cost to current users of the existing building stock. Permitting delays effectively limit the supply of new developments; new development would lower the average price to users. Various economic studies have confirmed that onerous permit processes drive up the cost of the building stock.<sup>1</sup>

These higher rents will affect the cost of doing business in a community and will tend to push economic activity to other communities. This includes not only development activity, but also all tenants, including residential, who must pay these higher rents.

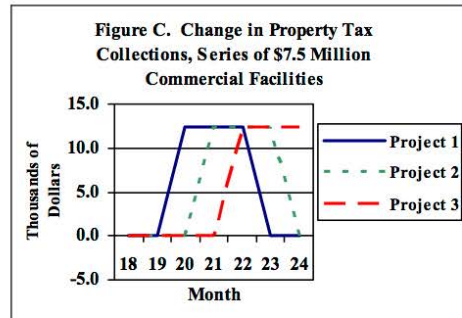
- 3. Accelerating permit processes can permanently increase local government revenues.** For a single project, accelerating permit processes by 3 months will temporarily accelerate property tax collections. That is, after the first three months on the tax rolls, property taxes for that project are at the same level as they would have been. Once the new processes are implemented, all subsequent projects will benefit. As a result, for a series of projects beginning after the date of implementation these increased property tax collections, that are temporary for individual projects, accumulate and result in permanent increases in government tax revenues. Figure C illustrates how this works using three projects that begin

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<sup>1</sup> See, for instance Edward Glaeser, Joseph Gyourko, and Raven Saks, "Why is Manhattan so Expensive? Regulation and the Rise in House Prices," NBER Working Paper 10124, November 2003.

at one month intervals following the date on which process improvements first are implemented.

The acceleration in permit processes for Project 1 causes property taxes to be collected three months earlier than the baseline case. Thus, collections jump in month 20 (the first month of operation under the accelerated case) rather than in month 23 as under the baseline case. From that month on, property taxes are unchanged. This change effectively becomes permanent as property taxes are collected three months earlier on Project 2 in months 21 through 23, on Project 3 in months 22 through 24, and on each subsequent project. That is, a permanent acceleration in permitting times results in a permanent increase in property tax collections.<sup>2</sup>



Once improvements are made in permit processes, a projection of projects initiated monthly over the next 5 years, shows that property taxes on the new development increase by 16.5 percent. This effect occurs before taking into account any increase in overall building activity and solely represents timing changes.

While achieving a reduction in permitting times is not costless (i.e., it may require one-time costs for implementing systems changes and potentially ongoing costs for the hiring of additional staff), these changes have the potential to be self-financing. The additional tax collections from more efficient permit processes could offset the investment made to achieve the improvements.

- 4. With competition between jurisdictions for new development dollars, more efficient permit processes can attract investment from other areas.** Local governments compete with one another for new developments. In addition to inducements such as preferential tax rates or regulatory relief, permit processes are a tool that localities can use to attract new investment. A municipality with efficient and predictable permit processes will attract investors because the risk of scheduling delays and cost overruns are reduced. All else equal, investment dollars will be attracted to these municipalities.

A jurisdiction with onerous or uncertain permit processes may not be aware of missed opportunities. Few notice the buildings not built, the jobs not present, or the local tax revenues not received or delayed. In most cases, these consequences are impossible to observe directly because the lack of a viable return on

<sup>2</sup> Other taxes and fees imposed by a jurisdiction not estimated in the calculator also may increase in the same way as property tax collections.

investment in a locality results in opportunities never being identified. Other localities with more efficient regulatory processes are the beneficiaries.

- 5. Acceleration of construction industry spending has broader economic consequences.** Local governments should consider the full economic impact of increased development. Construction-related materials and services will be purchased from local suppliers, local jobs will be created, these workers will spend the income they earn at local establishments yielding not only additional income for the community but also tax revenues, and local developers will reinvest earnings in more local development. Based on economic multipliers derived from U.S. Department of Commerce data, we estimate that for every 10 workers employed on a new project, there will be an additional 8 local jobs from these auxiliary effects.<sup>3</sup> Similarly, for every \$100 in wages paid to construction workers, another \$80 in wages is paid to other local workers. Accelerating permit processes also would accelerate these indirect economic effects. Thus, improved permit processes can result both in direct and indirect local benefits.

In conclusion, improvements in permit processes can help a community promote economic development, lower business costs, and create jobs both within the construction sector and throughout the local economy. Increased tax collections can provide a revenue source that can help finance the costs of the systems and procedural improvements needed to accelerate permit approval.

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<sup>3</sup> Economic multipliers come from the IMPLAN economic model, which is maintained by the Minnesota IMPLAN Group.

# APPENDIX D – ZUCKER ANALYSIS OF EXPEDITED PERMITTING

**Figure 4  
Austin’s Development Process**

**DEVELOPMENT PROCESS**

	Development Assessment (Optional)	Zoning	Subdivision	Site Plan	Building Plan	Inspection
<b>Regulation Review Elements</b>	Pre-Application Review  Explanation of Procedures and Requirements for all Processes  Fee Estimates  Potential Issues  Exemptions  Corrections  Land Status	Land Use Appropriateness  Development Intensity Density Height  Traffic Impact  Environmental Impact	Park Land Design Layout Lot/Tract Size Circulation Street Drainage/Grading Flood Plain  Environmental Water Quality Tree/Vegetation Habitat Critical Features  Utilities Transmission Distribution Service	Design Intensity Density Height Setbacks Compatibility  Transportation Drivesways Parking/Circulation Traffic Impact  Construction Drainage Grading Flood Plan  Environmental Landscaping/Tree Water Quality Utility (Service) Fire (Site)	Health Taps Electric Service Industrial Waste Construction Occupancy Access/Exiting Structural Mechanical Electrical Plumbing Energy Fire Zoning Review  Signs Barricades Underground Tanks	Site & Building Plan Compliance  Code Enforcement of existing structures
<b>Notice</b>		Property Owners and City of Austin Utility Customers within 500', Registered Neighborhood Organizations, Sector Groups at time of Application, and for Public Hearings <ul style="list-style-type: none"> <li>• Signs Posted</li> <li>• Newspaper Ads</li> </ul>	Property Owners and City of Austin Utility Customers within 500', Registered Neighborhood Organizations, Sector Groups at time of Application, and for Public Hearings (Preliminary Only)	Property Owners and City of Austin Utility Customers within 500', Registered Neighborhood Organizations, Sector Groups at time of Application, and for Public Hearings (If any...)		
<b>Approval Authority</b>		City Council	<ul style="list-style-type: none"> <li>• Zoning &amp; Platting Commission</li> <li>• Watershed Protection &amp; Development Review</li> </ul> Final w/o Prelim. < 4 lots Amended Plats	<ul style="list-style-type: none"> <li>• Watershed Protection &amp; Development review</li> <li>• Zoning &amp; Platting Commission</li> </ul> Conditional Use, Hill Country	Watershed Protection & Development Review	Watershed Protection & Development Review  Neighborhood Planning & Zoning
<b>Appeal</b>			Watershed Variances to City Council	Waivers to Planning Commission w/Appeals to City Council Zoning & Platting Commission Approval w/Appeal to City Council	Building Official Trade Boards Zoning Variances to Board of Adjustment Sign Variances to SRB	Building Official Trade Boards
<b>Product</b>	Assessment Report	Zoning Ordinance	Preliminary Plan Final Plat	Released Site Plan	Building Permit	Certificate of Occupancy

## E. EXPEDITED PERMITS

### Background

The contract for this study and City Council Resolution No. 20130214-051 requested a report on possible expedited review. This would include any new fees or new positions necessary to implement such a service.



## Theory

Applicants and developers throughout the country have two key issues. They want shorter timelines and more consistency and clarity as to requirements. Expedited permits primarily address the timing issue. There are several schools of thought on expedited permits.

1. **Why Expedite:** One suggestion is that if the process works well with reasonable timelines, then there would be no need for expedited permits. While this has some merit, many communities have trouble either having a good process or sustaining it over time. However, even with a good process, some developers may still want to expedite a process for even faster timelines. In many ways, the worse the process, the more the need for expedited permits.
2. **Just Correct Deficiencies In The Current Process:** If the recommendations of this review of PDRD and Austin's development process are implemented, Austin will have a well working permit process. However, realistically this will take time and an expedited process could help to bridge the gap. It could also test out and demonstrate ideas that could be used in the non-expedited processes.
3. **Costs for Expediting:** Most developers are more than willing to pay extra fees for shorter timelines. The cost for any extra fee is often minimal compared to savings related to the shorter timeline. We have proven this many times in all of our studies.
4. **Impact on Non-Expedited Permits:** Applicants who do not want to pay the extra fees and use expediting are generally concerned that an expediting program may add time to the normal process. This is a reasonable concern that we share. Thus, any expedited program needs to be designed to not impact the normal processes.
5. **What Is a Process:** A good process provides adequate time for review against the city's standards and also time for interested parties and citizen input. It should be clear that excessive timelines add to the cost of a project and this added cost can actually work against achieving city goals.

## Key Features

### Staffing

In order to avoid impacting current processes, it is normally necessary to add extra staff or resources. Options include:

1. **Overtime**

Existing staff work overtime extending the day or week-ends to work on expedited projects. This works well when the demand for expedited projects is low and many

staff even welcome the opportunity for extra pay. However, if overtime becomes too extensive it can impact the normal work. As such, most communities would set a limit to the amount of allowed overtime per employee.

## 2. Retired Employees

Some retired employees often welcome the opportunity to work part time and periodically. The advantage is that these employees may already know the functions and codes they would be using. They would need to be briefed on any changes since they retired.

## 3. Experts Out Of The Workforce

In today's society, there are many people who do not want to work full time or work a routine schedule. Many people also may prefer to work at home. They often find it difficult to find jobs that fulfill their desires for flexibility. Government has not been particularly well equipped to work with these people. These are often women (but could be men) who do not want to work full time while raising young children and need lots of flexibility as well as a desire to work out of the house. We have seen this work particularly well with some highly qualified people like engineers.

## 4. Consultants

The use of consultants has worked well in many communities for expediting permits. We have also used them for what we call a blended staff. The organization has a base staff and whenever performance standards cannot be met, consultants are hired to help out. This can be a benefit during a down cycle in development to avoid laying off permanent employees. This options is a frequently used option in California for building plan reviewers, building inspectors, engineers, and even planners.

In discussing this with PDRD staff, they raised the following points to be considered:

- Many of Austin's processes involve multiple departments and divisions. It doesn't do much good to have expedited staff for one division if the other functions cannot meet the same timeline. We agree with this point and all departments or divisions could utilize the various approaches to staffing, whichever works best for their function. We also recommend that many of the review functions from these departments be turned over to PDRD.
- Austin's processes are so complex that it takes a year to understand or get proficient in the process. It was even suggested that for some of the engineering and environmental positions it may take as much as three years. To the extent that this is true, it is a real indictment of Austin's codes, policies, procedures, and rules. In our current study, we found much of this to be true. This would mean that staffing options 1 and 2 would work better for Austin than options 3 and 4. However, another approach would be for managers to segment the work and find

aspects where training is less extensive. This means that existing staff might be used for some expediting and other staff and consultants used to back up their positions. Finally, consultants doing a review could have their review audited by experienced staff. This will add cost, but would help establish consistency.

### **Timelines**

For expediting, processing timelines would need to be set for every process. As a rule of thumb we suggest that expedited timelines be half or less of all the non-expedited timelines we have suggested elsewhere in this report. In some cases it may be possible to make them much shorter. As an example, we are told that Fire Inspection may take 5 to 7 days for an inspection but for a fee, Fire will expedite to next day inspection. As a rule of thumb we believe all inspections should be made the next day after requested, however, when not possible, then a next day expedited approach should be available. This could even include after-hours inspections or weekend inspections. Keep in mind that some timelines may be set by code to ensure adequate opportunity for public input and unless the code is changed, these timelines would need to be respected. Both we and the stakeholders support adequate public notice and involvement in many of the processes.

### **Fees**

The expedited fees should be set to cover all direct cost, indirect cost, plus a premium to the extent allowed by Texas law. This would not only be a benefit to the applicant but can also be used as one more revenue source for PDRD. This would need to be established so as not to violate any State laws. The beauty of any fee schedule, is that once it is set, the decision to pay the expedited fee is made by the applicants and private enterprise, not the government.

One of the more successful examples we have experienced is a system used by Los Angeles for subdivision approvals. The process was taking 3 to 6 months or longer. The expedited process set a target of 45 days. The applicants paid the normal subdivision fee for the non-expedited process. Then, the cost of any staff who worked on the project plus expenses were billed back to the applicant. This billing also included a charge for overhead. The process was very successful with a high percent of applications being expedited. This was accomplished with a major expansion of staff. The City Council approved 40 positions with the understanding that the City Administrator could release positions for hiring as needed to correspond to the demand. A similar approach would be needed in Austin using any of the four staffing approaches outlined above. The only difference is that the decision on adding staff or consultants should be left with the relevant managers.

### **What Could Help To Make Expediting Work In Austin**

Many of the recommendations in this report will assist and in some cases be essential for an Austin expediting approach. These include:

- **Standards:** All construction standards need to be up to date. In Recommendation 42 we suggest these be the responsibility of the operating departments and be completed within four months.
- **Number of Reviewers:** In Recommendation 43 we suggest that all plan reviews and inspections be the responsibility of PDRD and no longer involve the operating departments. Fire reviews may be an exception to this approach.
- **Operational Policies and Procedures:** In order to supplement staff for expediting it will be necessary to have the operational policies and procedures up to date.

### **Will Expediting Work In Austin**

The answer to this question is yes, at least for some functions. It is already working for Fire Inspections. The approach we suggest has the following features:

1. The City Council should set as a policy direction the desire for staff to work on expediting approaches for all processes;
2. Expediting should be phased in slowly as time and experience dictate;
3. Timelines should be at least half or less than the new performance standards recommended in this report; and
4. The fee should be the normal fee plus the full cost of anyone actually involved in processing the permit or inspection plus an administrative charge.

**13. Recommendation:** Austin should begin a phased in expediting process for all functions.

## **F. FINANCES/BUDGET**

The City's fiscal year starts 10/1 and ends 9/30.

### **Budgets/Revenues**

**Budgets:** The budgets for the Planning and Development Review Department are shown in Table 4.

APPENDIX E – RESOLUTION NO. 20130808-063

**RESOLUTION NO. 20130808-063**

**WHEREAS**, major investments in multi-family projects as well as commercial projects help the Austin economy and add inventory to the City of Austin’s tight housing and office markets; and

**WHEREAS**, the City strives to complete permit reviews in a timely manner, but due to the complexity of larger projects and difficulties with inter-departmental coordination, many commercial plan reviews are behind the code-mandated deadlines for completing review; and

**WHEREAS**, the City of Dallas has developed a program called The “Q-Team,” which is an alternate plan review process that allows small or large project applicants to pay for an accelerated or expedited plan review that includes pre-qualification fees and Q-Team fees; and

**WHEREAS**, the City of San Antonio has the Minor Plans Team, which provides customer consultations on the plan review and submittal process and performs expedited plan review services, such as “walkthroughs” and “10-Day Review,” for projects that fall within a prescribed set of criteria for an additional fee; and

**WHEREAS**, the City of El Paso Building Permits & Inspections Division offers fast-track plan review alternatives, such as Customized Plan Review (CPR) and Permit by Appointment (PBA), to provide a streamlined cost and time effective option for permit issuance; and

**WHEREAS**, the City of San Jose has the Coordinated Expedited Review for Planning Applications (CER) process, which is an optional, fee-

based service offered to select small project applicants that meet specific eligibility requirements; and

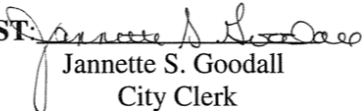
**WHEREAS**, all City of Austin departments that have responsibility for reviewing plans and permits are instrumental in the timeliness of developments; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to:

1. Consider what types of projects are eligible for expedited review in the Austin community, and whether the Planning and Development Review Department needs to implement any new fees and any new positions deemed necessary to implement and offer such a service.
2. Integrate the research and analysis requirements of this resolution within the department's impending scope of services that seeks to hire a consultant to conduct an organizational and operational analysis in an effort to increase process efficiency, and improve customer service and accurate delivery of timely services, based on processes and performance measures that ensure interdepartmental coordination and responsiveness.

**ADOPTED:** August 8, 2013

**ATTEST:**   
Jannette S. Goodall  
City Clerk

APPENDIX F – RESOLUTION NO. 20150402-014

**RESOLUTION NO. 20150402-014**

**WHEREAS**, development review and permitting are essential elements of an effective and efficient land development process, affecting everything from small home or business renovations to large commercial development; and

**WHEREAS**, the working draft of the Analysis of the Planning and Development Review Department by Zucker Systems (Zucker Report) confirms persistent delays in development review and permitting, a complex land development code, inconsistent code applications, and other serious organizational and process challenges and inefficiencies; and

**WHEREAS**, the delays and inconsistencies of Austin’s development review and permitting process increase the cost and delay of small business expansion, and other desirable development, and inhibit the city’s ability to respond to growing demand for housing, thus contributing in part to Austin’s current affordability crisis; and

**WHEREAS**, the draft Zucker Report recommends numerous short-term and long-term actions to improve Austin’s development review and permitting process; and

**WHEREAS**, the Austin City Manager has already taken some steps to resolve Austin’s development review and permitting issues, including commissioning the Zucker Report, initiating the Code NEXT process, initiating organizational changes to the Planning and Development Review Department, and making progress toward acceptance of online payments; and

**WHEREAS**, the City of Austin currently provides an expedited permitting process through the S.M.A.R.T. Housing program, and as the permitting process is

being reviewed, the City Council would like to explore expanding and improving permitting programs that provide community benefits; and

**WHEREAS**, the Austin City Council desires even higher priority and greater attention given to fixing the challenges presented; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The Austin City Council directs the City Manager to provide within 30 days a plan to eliminate the citywide backlogs in the Planning and Development Review Department and other departments involved in, and sharing responsibility for, the development review and inspections process.

**BE IT FURTHER RESOLVED:**

The Austin City Council directs the City Manager to provide within 60 days from the date of the finalized Zucker Report, but no later than June 30, 2015, a detailed response to the Zucker Report and a recommended implementation plan to address the development review and permitting challenges identified therein. The plan should address, but not be limited to:

1. Improving the utility of the One Stop Shop to improve customer service, communication, and responsiveness of all involved divisions and departments;
2. Improved engagement with neighborhoods and their associations, environmental community, small business interests and other stakeholders;
3. Recommended metrics for performance goals and objectives so as to measure success; and
4. Recommended policy and budget changes, and any new tools necessary to ensure reforms are implemented expeditiously, effectively, and successfully.



5. Explore options for expanding and modifying our expedited permitting process to achieve more affordability and other community benefits.
6. Alignment with the Code Next process, timelines, and consulting team efforts.
7. Timelines.

**BE IT FURTHER RESOLVED:**

The City Manager shall provide the council with detailed reports on the progress of development and permitting process reforms on a regular basis, but not less frequently than every 60 days.

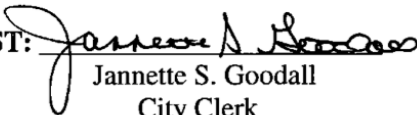
**BE IT FURTHER RESOLVED:**

The metrics for measuring success for all divisions and departments involved in, and sharing responsibility for, the development review and inspections process, will include, but not be limited to:

1. Those related to the number and backlog of pending requests for development review and permit applications;
2. The time required for development review and permit application processing;
3. The consistency of rule and ordinance application by staff;
4. Strengthening the culture of customer service and assistance; and

5. Providing a positive experience for development and permit applicants.

ADOPTED: April 2, 2015

ATTEST:   
Jannette S. Goodall  
City Clerk

**RESOLUTION NO. 20160616-029**

**WHEREAS**, the City of Austin is considering a revamped expedited permit review system that allows developers to pay premium fees in exchange for expedited permit review, and the Council may fund such a program in the 2016-2017 budget; and

**WHEREAS**, if the City of Austin funds an expanded expedited permit review system, then such a voluntary program should be available to project developers that pay for the cost of the City service of expedited reviews and also provide specific community benefits; **NOW, THEREFORE**,

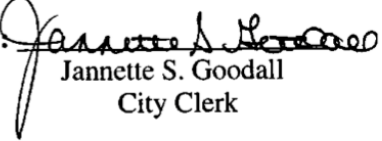
**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to draft policy options, to be presented to Council, that include minimum requirements for developers wishing to voluntarily participate in the City of Austin’s expedited permit review process. City staff should consult with stakeholders in the development of the policies. Such policies, when presented to Council, should include program participation requirements that further the City’s goals and policies for housing, such as:

- For projects that are primarily residential in nature, a requirement that the development participate in the SMART housing program, and agree to require that future residents not be discriminated against based on their source of income;
- For projects that are not primarily residential in nature, a requirement that the development be “Better Builder” certified, or receive an equivalent certification approved by the City Council;

- A reasonable fee to cover the City's expenses for independent monitoring of Better Builder and/or SMART Housing goals and implementation;
- Other measures the City Manager deems appropriate.

ADOPTED: June 16, 2016

ATTEST:   
Jannette S. Goodall  
City Clerk