



S.M.A.R.T. Housing Applicant Guide

Austin Housing

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Contact Information

Thank you for your interest in providing affordable housing through the S.M.A.R.T. Housing program.

For questions about the information contained in this guide, please contact Austin Housing staff at HousingIncentives@austintexas.gov or 512-974-3100.

Information on other programs may be found on the [Development Incentives Webpage](#).

Please note: This guide does not include information for tenants seeking to apply for affordable units. These units are not owned or leased by the City of Austin, and any questions about rental applications for affordable units should be directed to the property's management.



S.M.A.R.T. Housing Overview

S.M.A.R.T. Housing stands for Safe, Mixed-Income, Accessible, Reasonably-Priced, and Transit Oriented Housing.

S.M.A.R.T. Housing is a voluntary incentive program which provides certain incentives for the development of quality affordable housing within the City of Austin. The program offers waivers of certain permitting and development fees along with permit review benefits.

To receive these benefits, S.M.A.R.T. Housing developments must provide housing which meets certain affordability, accessibility, green building, and transit-oriented standards. These requirements are outlined in [Article 15, Division 2 of the City's Land Development Code](#).

The S.M.A.R.T. Housing program is subject to [Chapter § 4-18-25](#) of City Code which has specific order of process requirements, amended [through Ordinance No. 20260521-036](#). **Figure 1** and **Figure 2** show the order of process for S.M.A.R.T. Housing applications. For proposed developments that intend to utilize S.M.A.R.T. Housing, applicants must submit a [Housing Development Incentives Application](#). Austin Housing staff will review the application to ensure the project proposal meets the program requirements for affordability. If the proposed development meets the requirements of the S.M.A.R.T. Housing program, Austin Housing staff will issue a Prequalification Letter allowing the applicant to submit a site plan application. During the site plan, the applicant must execute a Land Use Restrictions Agreement which, once fully executed, will result in the issuance of a Certification Letter. This Certification Letter will confirm the proposed development's eligibility for the DB90 density bonus. First-time applicants should review this guide thoroughly before applying.

Figure 1. Chapter 4-18 Process Order

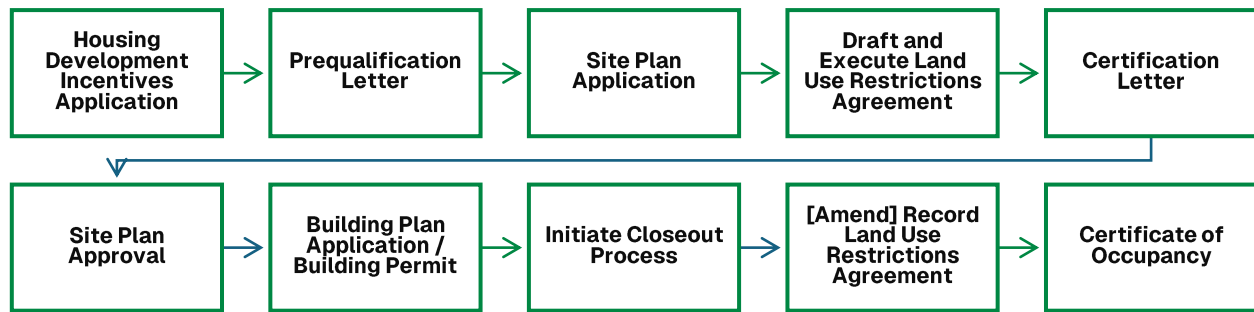
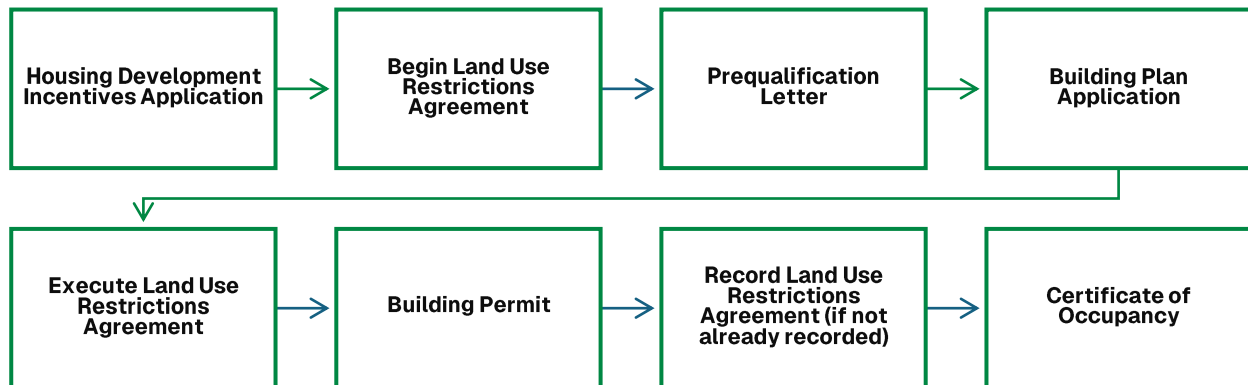


Figure 2. Chapter 4-18 Process Order for Projects which do not Require a Site Plan



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

Safe

S.M.A.R.T. Housing must comply with the Land Development Code and the adopted Building Codes for the City of Austin.

Mixed-Income

At least 10% of the units within a residential development must be reasonably priced to participate in S.M.A.R.T. Housing. Reasonably priced units must serve households whose incomes average to 60% of the median family income for rental or 80% of median family income for ownership. Please review the requirements for “[Reasonably Priced](#)” units below for more information.



The amount of on-site affordable units determines the percentage of fee waivers:

- 10% of units reasonably priced = 25% fee waiver
- 20% of units reasonably priced = 50% fee waiver
- 30% of units reasonably priced = 75% fee waiver
- 40% of units reasonably priced = 100% fee waiver

Rental units must remain reasonably priced for a minimum of 5 years and ownership units must be reasonably priced at the point of initial sale. Longer affordability periods may apply if the applicant is utilizing other affordable housing programs.

Accessible

S.M.A.R.T. Housing requires additional accessibility standards to be met, which may exceed the requirements under the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Texas Accessibility Standards and the adopted International Building Code. Standards from these sources will continue to apply to any proposed development except when exceeded by S.M.A.R.T. Housing requirements.

Developments with four or more units must meet Type A accessibility in at least 10% of the units within the development, as defined by the International Building Code.

The following standards will also apply:

- 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) unless an exception under the International Building Code is met.
- 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.

Developments with three or fewer units must meet the visitability standards outlined in [Chapter 5-1, Article 3, Division 2 of the City's Land Development Code](#).

Please note that changes to the International Building Code or other standards may impact these requirements. S.M.A.R.T. Housing standards are enforced by Austin Development Services. Applicants should schedule an appointment with the [Permitting and Development Center](#), specifically Building Permits and Inspections, to thoroughly review these requirements and current Building Code regulations.

Reasonably Priced

Reasonably-priced units are rented or sold to families who meet certain income qualifications. These income qualifications are based on a percentage of the Median Family Income (MFI) for the Austin-Round Rock-San Marcos metropolitan statistical area. MFI thresholds are updated annually based on data from the U.S. Department of Housing and Urban Development, and updated data will be published annually by Austin Housing.

Reasonably priced units must be rented or sold at affordable prices as determined by the Austin Housing director. Rent limits are set so that households at the designated MFI level would spend no more than 30% of their family income on housing, including utility costs. Sales prices are also set so that eligible buyers spend no more than 30% of their family income, or up to 35% if a household member receives City-approved homebuyer counseling, on housing costs including mortgage payments, HOA fees, property taxes, and insurance. Rent limits and sales prices are updated annually in accordance with the current MFI.

Households that comply with other federal, state, or local income eligibility standards, such as the Low-Income Housing Tax Credit program, also are considered to meet S.M.A.R.T. Housing “reasonably priced” standards.



Transit-Oriented

S.M.A.R.T. Housing must be located within one-half mile walking distance of a local public transit route at time of application, with the following exceptions:

- The development will be located in a high opportunity area as identified by the director and established in the program guidelines;
- The application includes a letter from Capital Metropolitan Transportation Authority that confirms a future route is documented in agency plans;
- The applicant applies for State or Federal Government funds, including the Low Income Housing Tax Credit program, related to this project; or
- The project affirmatively furthers fair housing as determined by the Director and in consideration of the City's Analysis of Impediments.

Green Building Requirements

S.M.A.R.T. Housing requires that all units meet [Austin Energy Green Building \(AEGB\) program](#) minimum standards, obtain AEGB approval of all plans prior to submittal of plans for permits, and obtain final inspection for AEGB minimum standards prior to occupancy. This requirement cannot be waived. Please contact AEGB staff for detailed information about minimum standards.

Jurisdictional Requirements

S.M.A.R.T. Housing developments must be located within the Full Purpose Jurisdiction of the City of Austin, except for developments within Limited Purpose Jurisdiction where participation in S.M.A.R.T. Housing has been explicitly approved by City Council in the ordinance or action connected to the Limited Purpose annexation. S.M.A.R.T. Housing applicants within Planned Unit Developments (PUDs), especially PUDs in Limited Purpose Jurisdiction, should familiarize themselves with the [department's procedures](#) for administering S.M.A.R.T. Housing within PUDs.

Development within the Extra-Territorial Jurisdiction is not eligible to participate in S.M.A.R.T. Housing.

Chapter 4-18

S.M.A.R.T. Housing developments, must meet the following standards established by [Chapter § 4-18](#) (with the exception of legacy certifications and some Planned Unit Developments):

- Affordable units must include interior components that are functionally equivalent to market-rate units.
- Affordable units must be dispersed throughout the residential units.
- Affordable units must have equal access and use of on-site amenities, common areas, and parking facilities.
- Affordable units must have shared access routes with market-rate units.
- Discrimination on the basis of an individual's source of income is prohibited.
- Affordable units are limited in use as a Type 2 or Type 3 short-term rental.
- All affordable units must include a tenant lease addendum approved by Austin Housing.

All affordability requirements must be memorialized in a contractual agreement that will be executed by the applicant/property owner and the City prior to certification. This process is described below in Application and Certification Process.

Application and Certification Process

Important: A site plan application *cannot* be submitted to Austin Development Services until a S.M.A.R.T. Housing application is submitted and Austin Housing staff have issued a Prequalification Letter. (Legacy certifications and some Planned Unit Developments have separate requirements.)

Applicants may request a pre-submittal meeting with Austin Housing staff prior to submission of a Housing Development Incentives Application. To request a meeting, please email HousingIncentives@austintexas.gov with the subject line "Pre-Submittal Meeting Request – S.M.A.R.T. – *PROJECT ADDRESS*".



Austin Housing must ensure that a proposed development meets the requirements of the S.M.A.R.T. Housing program, and Austin Housing must issue a Prequalification Letter, before a development permit application can be submitted to Development Services. **Applicants should submit an Incentives Application at least two weeks before intending to submit a site plan application. Applicants who do not require a site plan should submit a Housing Development Incentives Application at least 6 weeks before intending to submit a building permit application. This is to ensure the required Land Use Restrictions Agreement does not conflict with shorter application cycles for building permits.**

Applicants are encouraged to submit a Housing Development Incentives Application prior to submitting any zoning, subdivision, or permit applications for which they intend to seek fee waivers.

First-time applicants should thoroughly review the S.M.A.R.T. Housing requirements and certification process described in this guide before applying.

1. Apply to Austin Housing

Applicants for S.M.A.R.T. Housing should submit an application to Austin Housing using the [Housing Development Incentives Application](#).

2. Application Review

Upon receipt, Austin Housing staff will acknowledge your application and make every effort to provide initial comments within 5-10 business days.

Initial comments may address ineligible affordability proposals, missing attachments, clarity on site details, or other questions as needed to verify program eligibility.

3. Prequalification Letter

Once all review comments have been addressed and the project proposal meets the program requirements for affordability, including plans for redevelopment (if applicable), Austin Housing staff will issue a Prequalification Letter to the applicant/property owner.



4. Land Use Restrictions Agreement

Applicants must enter into a binding Land Use Restrictions Agreement prior to receiving a Certification Letter. Austin Housing staff will request details necessary for the drafting and execution of this agreement. The form of the agreement is a standard form approved by Austin Law and must be agreed to in order to participate in the program.

5. Certification Letter

Once all review comments have been satisfied and an agreement has been executed, Austin Housing staff will draft, sign, and issue a Certification Letter. The Certification Letter will confirm the development's eligibility for S.M.A.R.T. Housing. The Certification Letter also serves as final evidence that the proposed development meets the program requirements.

6. Site Permit or Building Permit

Once received, the applicant should provide the signed Certification Letter to all permitting and review departments to demonstrate that all program requirements have been met and that the project is eligible to receive the site permit. **A site development permit - or building permits if a site plan is not required - cannot be approved until a Land Use Restrictions Agreement is fully executed and a Certification Letter has been issued.**

We highly recommend obtaining a Prequalification Letter before submitting any zoning, subdivision, or permit application for which you intend to claim fee waivers. A signed Prequalification Letter will be required at Completeness Check for any site plans that list S.M.A.R.T. Housing in the application materials. In addition to fee waivers, S.M.A.R.T. Housing projects have shortened review turnaround times and priority for site plan case management.

Fee Waivers

Only certain development and permitting fees are waived through the S.M.A.R.T. Housing program. Applicants should not expect to receive waivers on all development and permitting fees. Fees which are eligible for a waiver are designated in the City's

annual fee ordinance. Questions about which fees may be eligible for waiver should first be directed to the department which assesses the fee.

Unfortunately, Austin Housing staff are not able to provide comprehensive estimates of the anticipated savings through fee waivers for proposed developments. The complexity of the fee schedule results in highly varied levels of fees depending on project type and site. Applicants are encouraged to speak with their development team to calculate these estimates.

Certain fees are waived for units which comply with separate ordinances or state laws. These include Parkland Dedication Fees, Street Impact Fees, Austin Water Capital Recovery Fees, and Austin Energy Line Extension Fees. Applicants may have to meet additional affordability standards in order to qualify for these waivers. The requirements for these waivers, current as of the time of this guide's publication, are below:

1. AWU Capital Recovery Fees
 - a. Only a subset of affordable units may be eligible for a waiver of Austin Water Utility Capital Recovery Fees (CRFs), sometimes referred to as impact fees. If, and only if, a proposed rental development proposes at least 20% of its total units at or below 50% MFI, then all units at or below 65% MFI are eligible for a waiver. For ownership units, any units at or below 80% MFI are eligible.
2. Parkland Dedication
 - a. Affordable dwelling units certified under the S.M.A.R.T. Housing program are exempt from parkland dedication requirements, per Land Development Code [§ 25-1-601 \(D\)\(3\)](#).
3. Street Impact Fees
 - a. Affordability-related reductions to Street Impact Fees are governed by [§ 25-6-668](#) of the City's Land Development Code. To be eligible for a reduction, an affordable housing unit must 1) be approved for local, state, or federal funding; or 2) be certified under another City of Austin voluntary affordable housing program as affordable at or below 60% MFI for 40 years for rental or 80% MFI for 99 years for ownership. If only a fraction of units meet these criteria, Street Impact Fees will be reduced by that fraction. S.M.A.R.T. Housing does not qualify units for this reduction due to its lower affordability commitments.

4. Austin Energy Line Extension Fees

- a. Line Extension Fees may only be waived in accordance with [Section 1.3.12 of the Austin Energy Design Criteria Manual](#). Fee waivers will only be granted for affordable units, and mixed-use developments will have their fee waivers adjusted based on the percentage of residential floor area in the development.

Austin Housing staff will make every effort to identify all fee waivers for which a certified development is eligible in the S.M.A.R.T. Housing Prequalification Letter and the Certification Letter.

In addition to fee waivers, S.M.A.R.T. Housing projects have shortened review turnaround times and priority for site plan case management.

Decertification

If an applicant is no longer able to meet the requirements of the S.M.A.R.T. Housing program, then the applicant will be required to repay all waived fees before proceeding to the next stage of development approval. Applicants should contact Austin Housing staff to initiate the decertification process.

Project Closeout

After an applicant has executed a Land Use Restrictions Agreement and received a Certification Letter, they are able to receive a site development permit. Once building permits have been approved, Austin Housing staff will apply an administrative hold which will prevent the project from scheduling final inspections and obtaining a Certificate of Occupancy. In order to clear the administrative holds, applicants are responsible for completing the following:

- Provide an architect letter verifying the final constructed details of the development
- Amending the executed Land Use Restrictions Agreement, if necessary
- Recording the Land Use Restrictions Agreement and providing an electronic copy of that recorded instrument to Austin Housing staff

These elements can take time to complete. **Applicants are encouraged to begin the closeout process at least two months before final inspections need to be scheduled.**

Legacy Certifications and Planned Unit Developments

Previous sections of this guide detail the current requirements of S.M.A.R.T. Housing as amended by [Ordinance No. 20250522-063](#) and [Ordinance No. 20260521-036](#). Developments which were certified prior to May 22, 2025 (“Legacy Certifications”) are only subject to the requirements of [Ordinance No. 20141106-124](#).

Additionally, Planned Unit Developments (PUDs) created by ordinance prior to May 22, 2025, which are eligible for the S.M.A.R.T. Housing program, and which contain ordinance terms in conflict with the certification process requirements of [Chapter § 4-18-25](#) (“PUD Exemptions”), are not required to obtain a Prequalification Letter prior to submitting zoning, subdivision, site plan, or building permit applications. Nor are PUD Exemptions required to execute a Land Use Restrictions Agreement prior to a site development permit – or building permits if a site plan is not required. Instead, a recorded Restrictive Covenant will be required before a Certificate of Occupancy is allowed to be issued.

Figure 3 and **Figure 4** show the order of process for Legacy Certifications and PUD Exemptions.

Figure 3. Legacy Certification and PUD Exemption Process Order for Projects Requiring a Site Plan

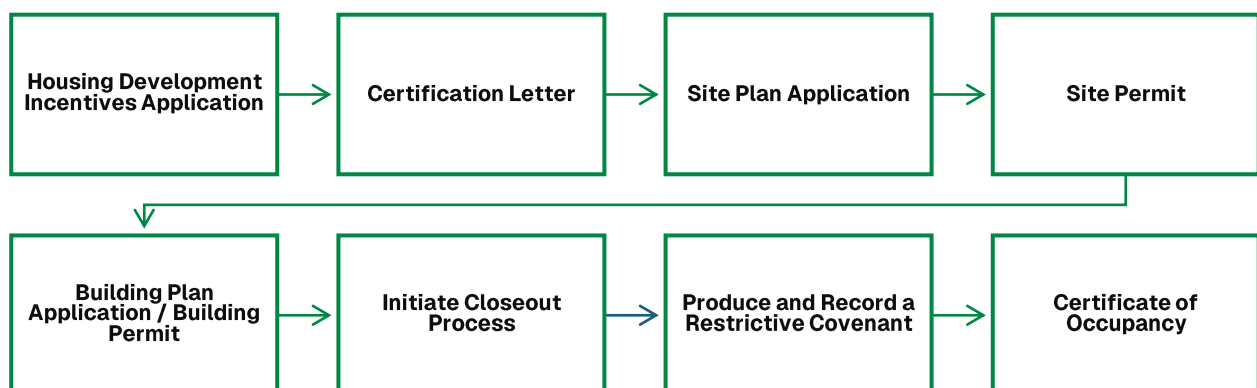
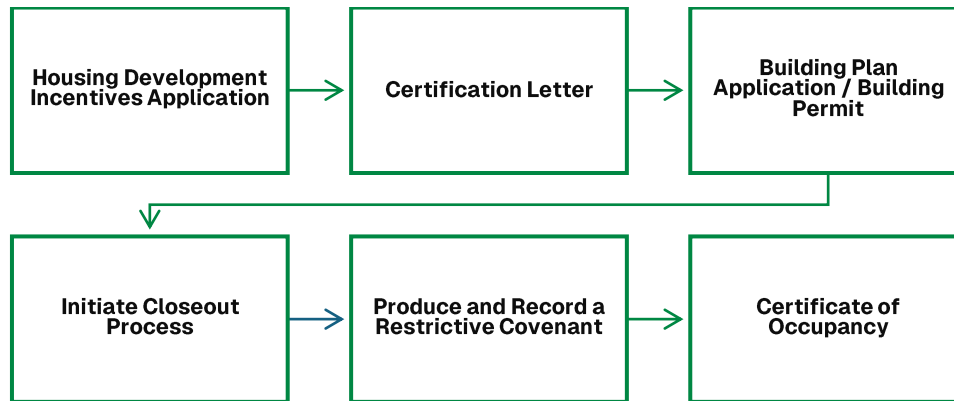


Figure 4. Legacy Certification and PUD Exemption Process Order for Projects which do not Require a Site Plan



Income Limits, Rent Rates, and Sales Prices

Projects developed through the S.M.A.R.T. Housing program are required to use the Income Limits, Rent Rates, and Sales Prices set by Austin Housing. This information is updated annually and is posted on the [Income and Rent Limits webpage](#).

Developments within Planned Unit Developments and developments which were also certified through the University Neighborhood Overlay (UNO) program may have separate Rent Rates and Sales Prices than those set for the Incentive Programs, generally.

Monitoring and Compliance

Owners of projects developed through the DB90 density bonus program must participate in monitoring and compliance functions conducted by City of Austin (or appointed contractor) throughout the duration of the required affordability period.