

# MIHDB Developer Application Process

Housing and Neighborhood Revitalization  
Strategy Team

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# Introduction and Summary

## Background

On May 11, 2022, City Council approved amendments to Chapter 51A-4.1100, Chapter 20A, and the Comprehensive Housing Policy (CHP) to allow developers using the Mixed Income Housing Development Bonus (MIHDB) to choose whether to provide the reserved (affordable) units on-site or to pay a fee in lieu of on-site provision.

Sec. 20A-23.1 of the Dallas City Code outlines alternative methods of provision. Developments seeking an MIHDB bonus may: (1) provide the required units on the same building site as the market rate units; (2) provide the units as part of a phased development as provided in Section [51A-4.1105\(e\)](#); or (3) pay a fee in lieu of on-site or phased development.

The City of Dallas Department of Housing and Neighborhood Revitalization (Housing) accepts applications for the Mixed Income Housing Development Bonus (MIHDB).

The instructions below start with determining a project's eligibility for the program and zoning. Instructions to access and submit the application begin on page 3.

## Determining Eligibility

- A. The Developer can assess existing zoning at the planned development site at <https://developmentweb.dallascityhall.com/publiczoningweb/>
- B. Development bonuses can be applied to the following developments by right:
  1. Type One Developments
    - a. MF-1(A), MF-2(A), and MF-3(A) Multifamily Districts
    - b. MU-1, MU-2, and MU-3 Mixed Use Districts
    - c. MF-1(A), MF-2(A), and MF-3(A) Multifamily Districts with public deed restrictions,
    - d. MU-1, MU-2, and MU-3 Mixed Use Districts with public deed restrictions,
    - e. Planned Development districts that default to MF-1(A), MF-2(A), MF-3(A), MU-1, MU-2, and MU-3 Districts as base zoning and do not alter the yard, lot, and space or parking regulations.
  2. Type Two Developments
    - a. Planned Development districts that specify mixed-income development bonuses or that reference compliance with amended 51A-4.1100. as [amended](#)
  3. Type Three Developments
    - a. Planned Development districts that reference compliance with amended 51A-4.1100 as [amended](#) and expressly reference compliance with Section 51A-4.1106(f). If there is a conflict between the standards in a planned development district and this division, the planned development district conditions control.
- C. Available bonuses and requirements are dependent upon the MVA category of the development. The MVA category can be determined using the map available [here](#) by selecting the MVA for Incentive Zoning link on the left and searching for the development address using the search button at the top left of the map. The MVA data may take a few minutes to load.
- D. Using the identified MVA Category, refer to the Developer Guidebook to identify the bonuses and requirements available for the current zoning at the location of the development.

- E. If the development is not in any zoning districts where a bonus is available by right, or if the bonus alone does not support the planned development, the Developer will need either to modify the planned development or request [a zoning change](#).

## MIHDB-Related Zoning Changes

- A. There are two zoning change options that a developer may choose to pursue when intending to participate in MIHDB.
  - 1. A developer may opt to rezone to multifamily or mixed-use zoning (MF-1(A), MF-2(A), MF-3(A), MU-1, MU-2, or MU-3) and use the Type 1 Bonus. For example, a developer may apply to rezone an Industrial (IR) lot to base MF-2(A) zoning and use MIHDB to reach the required total development rights. Similarly, a developer wanting to do a mixed-use project could request to rezone from MF-1(A) to an MU-2 district and use the by right bonus.
  - 2. A developer may opt to rezone to a Planned Development district and negotiate bonus rights and affordability requirements via either Type 2 or Type 3 methods. This option may take longer than a standard zoning change.
- B. Additional information on zoning changes can be found at:
  - 1. <https://dallascityhall.com/departments/pnv/Pages/current-planning.aspx>
  - 2. <https://dallascityhall.com/departments/pnv/Pages/zoning.aspx>, and
  - 3. [https://dallascityhall.com/departments/sustainabledevelopment/planning/DCH/Documents/April\\_2019\\_combined.pdf](https://dallascityhall.com/departments/sustainabledevelopment/planning/DCH/Documents/April_2019_combined.pdf)
- C. Zoning changes are not handled by Housing, but a Housing staff member is typically in attendance at all zoning meetings and will monitor the progress of MIHDB cases. In addition, Housing staff tracks zoning change requests that involve MIHDB.

## Neighborly Application Instructions

### Background

- A. Every project intending to use MIHDB, whether providing on-site affordable units or paying a fee-in-lieu, submits an application to Housing prior to any predevelopment or Q-Team meetings and prior to submitting an application for a construction permit.
- B. Throughout this document, the word “representative” broadly applies to anyone working on the MIHDB application on behalf of the developer and/or property owner.

### MIHDB Application in Neighborly

- A. To apply, a representative of the developer/owner (the “representative”) can access and register for the Neighborly platform located [here](#) using the following instructions.
  - 1. If the development is electing to pursue a bonus and is using zoning approved prior to 2019, the representative may register using their own email address and start a new Mixed Income Housing Development Bonus (MIHDB) application.
  - 2. If the development has gone through the zoning change process after 2019 with an intent to use MIHDB, the representative listed in the zoning change application will have received an

- email from Housing staff directing them to register for Neighborly and assigning them an existing case number.
- a. The representative will register using the email address included on the zoning change application.
  - b. If a different person will be responsible for the application, or if the original email was lost, not received, or otherwise not available, the representative may submit a request to Jessica MacKinnon at [jessica.mackinnon@dallas.gov](mailto:jessica.mackinnon@dallas.gov). The email should include the housing case number (if known), zoning case number, developer/owner name, development name, development address(es), the name and email address of the person who will fill out the application and any other pertinent information. Housing staff will add the new representative as a user on the case.
  - c. Once the representative is registered and logged in to Neighborly, there will be a section near the top of the page titled “View / Continue an Existing Application.” Under this section will be a list of all cases that the user has been assigned to. The representative may refer to the Case ID and Name to identify the appropriate application. If the intended application is not listed, the representative may reach out to Jessica MacKinnon at [jessica.mackinnon@dallas.gov](mailto:jessica.mackinnon@dallas.gov).
- B. Once a new application has been started or an existing application has been opened to edit, there will be two primary sections of the screen. On the left, the representative can navigate between pages of the application. On the right, the representative can see and edit the content of each page.
- C. At the end of each page of the application, there are two buttons – “Save” and “Complete & Continue.”
1. The “Save” button can be used when progress has been made but the page is incomplete, needing changes, or is otherwise not ready to submit.
  2. The “Complete & Continue” button should only be used when all required fields have been filled out and the page is ready for submission. A page can be reopened prior to submitting the application, but once it has been finalized, signed, and submitted, these pages will become locked for editing.
- D. The first page of the application is a Program Overview, which will provide further details regarding the program and application. The representative should read this information, along with the information in this application process document and the Developer Guidebook. The representative should ensure that the development meets all requirements and that the developer/owner is prepared to follow the schedule and additional requirements throughout the development process and the affordability period as applicable.
- E. *Section A – Project Info* includes basic information about the development including the project name, address, and lot/block legal description, as well as the area surrounding the development such as the zoning and census tract. If this development pursued a zoning application after 2019, some of this information may have been filled out already. All representatives should confirm or correct any existing data and fill out any applicable blanks.
- F. *Section B – Developer and Contact Info* includes basic information on the primary developer contact, the developer’s representative, the authorized signatory, the current property owner, and the project owner (if different from the landowner). If an alternate representative is filling

out the application, they do not need to provide their own information if Housing will not need to speak with them regularly.

G. *Section C – MIHDB Info* includes information required to qualify for and complete documentation relating to MIHDB.

1. **C.1. *What Bonuses are being requested?***

Under City Code, participation in the MIHDB program allows a developer to obtain zoning bonuses as described in the applicable zoning district and in Sec. 51A-4.1100. In the future, developments may also qualify for an expedited plan review and additional funding (subject to an additional application and feasibility analysis). This MIHDB application is only for zoning bonuses and future expedited reviews.

2. **C.2.-C.3. *Total/Affordable Units in Development***

Representatives should provide the total number of units in the development and the total number of units that will be reserved (set aside) for affordable housing. If the development will be paying a fee in lieu of (instead of) onsite units, representatives should list the reserved units as 0.

3. **C.4. *Will this development provide onsite affordable housing (reserved units) or a fee in lieu?***

Developers must decide **prior to application** if they will be providing onsite affordable units or a fee in lieu of onsite units. The response to this question will unlock additional applicable fields.

a. If on site affordable units is selected, Neighborly will provide a checklist of different AMI options. The representative should select the AMI options that their zoning or PD requires the development to provide for the requested bonus. A breakdown of bedroom types will open beneath each checked box. The representative will fill out the number of units at each bedroom size and for each AMI that will be included in this development.

**Note:** If the representative selects on site affordable units and opts to switch to fee in lieu prior to submitting the application, they should delete any information included in the bedroom fields and uncheck any AMI boxes.

b. If fee in lieu is selected, Neighborly will request the number of stories in the development, the estimated square footage of residential floor area, and the estimated square footage of non-residential floor area. Housing will use these numbers to calculate the estimated fee in lieu. Housing understands that plans may not be finalized at this point and will confirm final measurements later in the process.

4. **C.5. *Amenities, partnerships, and programs***

The representative should list any special features, partnerships, or programs that will be provided as part of the development. This may include standard amenities such as granite countertops, gyms and pools, and a business center, or additional features such as, but not limited to, job training classes, childcare, transportation, or food pantries.

5. **C.6. *MVA Category***

The MVA category is used to determine requirements and benefits of the MIHDB.

Representatives can find the MVA category of their development [here](#) by selecting “MVA for Incentive Zoning” in the menu on the left and using the search feature (the magnifying glass) to find the location of the development. When a development is near the border between two MVA categories, it is imperative that the representative ensure that the search feature places their location in the correct place.

The representative should take a screenshot of the map showing the location of the development and the popup showing the MVA category. Upload that screenshot as documentation.

6. **C.7. Project Description**

This description will be included, word-for-word, in the MVA Verification documentation required by City Code and submitted to Building Inspection. Representatives may provide a description such as:

*“A <new/renovated> <market rate/mixed-income/low-income> project consisting of approximately <number> units of <multifamily/single family> residential including <add additional improvements, if any>.”*

7. **C.8. Bonuses Used**

The representative should include any parts of the development that will use the bonus provided through MIHDB. This explanation will be included, word-for-word, in the MVA Verification documentation required by City Code. Representatives may provide a simple explanation such as “The development will be built to 8 stories and utilize the reduction in minimum parking.” If some portions of the development are using the bonus and some are not, such as in a multi-building large development, the representative must make that clear in the application.

8. **C.9. Additional Restrictive Covenants**

This description will be included, word-for-word, in the MVA Verification documentation required by City Code. The representative should list any existing or anticipated restrictive covenants, other than the one required by MIHDB, including exhibit names and each document’s affordability terms. Additional restrictive covenants may be produced through other City of Dallas programs, tax incentives, housing authorities, or other sources.

9. **C.10. The above review is:**

The application also includes the following text above the question:

*“If a development using a mixed-income development bonus reserves more than 50 percent of the dwelling units in the development for households at or below 80 percent of Area Median Family Income, the development should request the Office of Equity and Inclusion to conduct a Fair Housing Review and determine that the development affirmatively furthers fair housing.”*

If the development is reserving fewer than 50 percent of the dwelling units, the representative should select *Not Required*. If the development is reserving more than 50 percent of the dwelling units but has not yet completed the review, the representative should select *Pending*. If the development has already been assessed by Fair Housing, the representative should select *Complete*.

10. **C.11. Other Notes**

This space is for the representative to provide additional notes on the development not listed in the spaces above that the Developer wishes to provide to Housing for consideration of the application.

- H. [Section D – Proposed Timeline](#) allows the representative to estimate a development timeline. This estimate will allow Housing to assess the feasibility of the MIHDB application timeline with the developer’s intended timeline. Housing will also use this timeline to provide reminders of

additional requirements throughout the development process, and representatives will be able to update the timeline as needed.

- I. [Section E – Documents](#) allows the representative to upload the attachments required with the application. There are four documents required to submit the application listed in **E.1.**
  1. *CAO Worksheet*

This document is used to create the restrictive covenant and is required for all developments providing on-site affordable units. A blank copy of the CAO worksheet is available on this page. The developer should fill out this document for MIHDB-related information only, then upload the signed document.
  2. *Legal Description*

The application must include a metes and bounds legal description of the property. If the property is already platted, then use the field notes. The lot/block information is not sufficient. Upload a Word document (not a .pdf or .jpg) containing that information here.
  3. *Survey, Plat Map, or Other Documentation of Project Site Boundaries*

The application includes a property survey or plat map. This can be a preliminary site plan, a preliminary plat (with the property boundary outlined) or a survey.
  4. *Title Commitment*

The application includes a title commitment or other evidence of site control
  5. **E.2.** – Do **not** submit any documents listed below E.2. with your initial application. A staff member may ask for the documents later in the development process.
- J. Once sections A through E have been filled out and the Complete & Continue button has been selected on each, the representative will gain access to the Submit step. The submit page requires the representative to check boxes through a series of statements to acknowledge that each has been read, and then electronically sign below. These statements ensure that that the person signing and submitting the application has been authorized to submit the document.

**Note:** An authorized signatory is not required for this step, only a person who has been authorized by the developer to submit the application. The application will be used to produce the MVA Verification documentation that will allow the development to proceed to the building permit process.
- K. After submission, Housing staff will review the application and reach out to the primary representative with any questions, concerns, or necessary changes.
- L. Until the project is completed or the fee in lieu has been paid, Housing will reach out to all developers on a quarterly basis to request updates on the project timeline. Housing will reopen *Section D* to allow developers to update their timeline. It is best for the developer to provide the most accurate timeline possible as Housing staff will use these dates to track progress and send reminders.

## Pre-Development Meetings and Q-Team for Developments Using MIHDB

- A. The developer must have a completed and signed MIHDB application, formerly known as the “MVA Verification” to proceed with predevelopment meetings, Q-team, or permit application.



- B. Once Housing has reviewed the submitted application, a representative will reach out to the developer’s representative with the required form pre-populated with data from the online application.
  - 1. The developer representative will review the form for completeness and correctness, and the form is signed by the developer’s authorized signatory.
  - 2. The signed form should be returned to Housing staff via email.
  - 3. Once Housing staff has obtained all signatures, they will route a final signed copy to the representative and to Development Services.
- C. The developer may proceed with Pre-Development meetings, Q Team, and permit applications as soon as a signed copy of the MIHDB Application has been received.
  - 1. More information about Pre-Development meetings can be found [here](#).
  - 2. More information about Q Team may be found [here](#)
- D. With the MIHDB application, Housing staff will send an invoice for the application fee. This fee applies to developments using the onsite option and developments using the in-lieu fee option
  - 1. For more information about required fees, see the Developer Guidebook and [Sec. 20A-34](#).
  - 2. The developer may pay through personal or business check, money order, certified funds, or similar tender. The payment should be made payable to City of Dallas, Housing Department.
  - 3. Payment should be sent to City Hall via a courier service or service such as FedEx or UPS with signature required to ensure the payment is not lost. Housing recommends *against* sending checks via USPS. Please send checks to:
    - MIHDB Program Payments
    - Department of Housing & Neighborhood Revitalization
    - City of Dallas
    - 1500 Marilla St. #6CN
    - Dallas, TX 75201
  - 4. The developer may continue permit review and other processes prior to paying this fee, but the MIHDB process will not move forward and the development will not receive a permit without confirmation from Housing that this fee has been paid.

## MIHDB Building Permit Application Process

- A. All developments, whether providing on-site affordable housing or paying a fee in lieu, may submit a building permit application once Housing has provided a final signed copy of the MIHDB Application. The developer should apply online via the [ProjectDox](#) platform, but may, instead, apply in person at the City of Dallas permit center located at 320 E Jefferson Blvd. Room 118.
  - 1. Development Services can begin the permit review process while the fee in lieu is still being calculated or processed and while the restrictive covenant process is underway
  - 2. Development Services cannot issue a permit until all fees are paid and either the restrictive covenant or the fee in lieu acknowledgement letter is fully executed, filed on the property’s deed records, and uploaded to the project’s files in POSSE.
    - a. Instructions for how to submit a permit application can be found [here](#)
    - b. Instructions on how to manage the application can be found [here](#)

- c. Drawing Sheet Filename and Plan Set Index Standards can be found [here](#)
  - d. Requirements for Sign Permits can be found [here](#)
- B. An application for a building permit using a development bonus must include the following:
  1. the date, names, addresses, and telephone numbers of the applicant and all property owners
  2. the legal description, the current zoning classification, the market value analysis category, and the census tract of the building site for which the development bonus is requested
  3. the total number of dwelling units proposed, the number of reserved dwelling units provided, and the number of reserved dwelling units required as a result of receiving the development bonus
  4. the total number of one-bedroom dwelling units, two-bedroom dwelling units, etc. being proposed
  5. the certified verification of the building site's MVA category, the reserved dwelling unit verification, and the certified verification of participation in the mixed income housing development bonus program.
  6. the total floor area as defined by Chapter [51A-2.102](#)(38) and the floor area devoted to residential uses as defined in Section [51A-4.209](#); and
  7. any other reasonable and pertinent information that the building official determines to be necessary for review.
  8. To obtain a development bonus for a phased development, a project plan must be submitted to the building official with the initial building permit application.
  9. For a phased development:
    - a. the first phase must independently qualify for the development bonus
    - b. each subsequent phase combined with all previous phases already completed or under construction must also qualify for the development bonus; and
    - c. the dispersal requirements in Section [51A-4.1106](#) only apply to buildings and phases with reserved units.
  10. A project taking advantage of a development bonus may consist of two or more building sites if they are developed under a project plan. The project plan must include a unit dispersal plan and must be signed by all property owners and approved by the building official.

### Processes for Developments Paying a Fee in Lieu

- A. [Sec. 20A-23.1](#) of the Dallas City Code outlines alternative methods of provision. Developments seeking an MIHDB bonus may: (1) provide the required units on the same building site as the market rate units; (2) provide the units as part of a phased development as provided in Section [51A-4.1105\(e\)](#); or (3) pay a fee in lieu of on-site or phased development.
- B. This process applies only to developments that pay a fee in lieu of on-site development, including phased developments.
- C. The developer determines the number of stories in the development, the estimated square footage of residential floor area, and the estimated square footage of non-residential floor area. Housing will use these numbers to calculate the fee in lieu.
- D. Developments paying the fee:
  1. Should consider Development Requirements and parking reduction in [Sec. 51A-4.1106](#)

2. Shall comply with the design requirements for developments with a bonus as specified in the applicable planned development district and in [Sec. 51A-4.1107](#) and as amended, [here](#).
  3. Shall not discriminate against voucher holders (per Sec. 20A-30)
- E. Once the development plans are complete enough that the architect and zoning plans examiner can determine the final floor area square footage calculation, the developer will submit a request to Housing staff to begin the fee in lieu calculation process.
- F. Housing staff will reopen the Documents page of the application in Neighborly and request the following documents:
1. A drawing sheet (or sheets) with a site plan showing the number of buildings in the development, the maximum number of stories in each building, and the calculation of floor area by residential and non-residential use by building. This drawing sheet should be named following the City's drawing sheet file name format instructions, [here](#).
  2. A letter from the architect certifying the floor area calculations as floor area is defined in Sec. 51A-2.102(38):

**Section 51A-2.102(38)**

(38) FLOOR AREA means the total square feet of floor space in a building measured to the outside faces of exterior walls or to the omitted wall lines, whichever produces the larger area, excluding the following:

- (A) Area used solely for off-street parking.
- (B) Area between an omitted wall line and the structural wall when the area is used solely for foot or vehicular traffic or landscaping.
- (C) Area of a private balcony that is not accessible to the public and does not provide a means of ingress or egress.
- (D) Area of a breezeway or an unenclosed stairway located within the first three stories, excluding any basement, of a residential use

- G. Housing will confirm the documentation and final measurements with the assigned senior plans examiner. If there is a difference or any issues, the plans examiner or housing representative may ask the developer to revise the calculations. If a difference remains, the plans examiner's calculation will control the final fee.
- H. When the final floor area has been determined, Housing will reach out to the developer's representative via email with the invoice for the fee in lieu and instructions for paying the fee via wire transfer.
- I. The developer should include the development name, development address, Neighborly case number, and "HOU-MIHDB fee in lieu payment" in the remittance field so that the City can easily identify the funds when they post to the City's account. The developer should email Housing staff once the wire transfer has been set up
- J. When Housing has received and deposited the fee, Housing staff will email the developer's representative with a draft letter (the "Acknowledgment Letter") confirming that the development has met the affordability requirements of Division 51A-4.1100 to receive a mixed income housing development bonus.
1. This letter indicates that the development sought a bonus under the MIHDB program and paid the correct fee in lieu of providing on site units.
  2. The developer reviews the letter for correctness and confirms with Housing staff.

3. Housing will complete a final copy of the acknowledgment letter, with Director signature, record the letter in the deed records of the county in which the development is being completed, and submit a final copy to Development Services as proof of completeness and to the developer's representative for their records.
- K. Once the acknowledgment letter has been filed, Housing will no longer be involved in the project and the developer may continue with the final phases of permitting and construction as with any other development.
1. The project must comply with the zoning, including the design requirements of the planned development district and/or Sec. 51A-4.1107 as applicable. Development Services ensures this compliance following the same processes as for other multifamily developments.
  2. The project also must not discriminate against holders of housing vouchers. The Office of Fair Housing handles this discrimination review process.

### Processes for Developments Providing Onsite Affordable Housing

- A. MIHDB projects do not have a development agreement or a contract for funding. Instead, the project must remain in compliance with:
1. The portions of the Dallas City Code and the Dallas Development Code regulating the MIHDB program
  2. The filed restrictive covenant which governs the use restrictions imposed upon the property. Sec. 20A-26 regulates the MIHDB restrictive covenant, and subsection (a) requires the restrictive covenant to be for a term of 20 years, with extensions for non-compliance.
- B. *Restrictive Covenant*
1. After the complete application has been signed and the application fee has been paid, Housing submits a request to the City Attorney to complete the restrictive covenant. This process can take up to a month, and the developer should plan on this timing when determining work plans, as a permit will not be issued until the restrictive covenant has been completed and filed.
  2. When the City Attorney has completed the draft document, Housing staff sends the draft restrictive covenant to the developer. The developer should review the restrictive covenant, all terms and conditions contained within, and any legal names, addresses, and descriptions.
  3. The developer should work with Housing and the City Attorney to finalize the restrictive covenant. Questions or changes may add significant time to the process.
  4. Once a final draft has been determined, Housing will send the developer a copy with required initials from City of Dallas representatives.
    - a. The developer will route the restrictive covenant for the authorized signatory's signature and the landowner's signature, if required.  
The developer will bring the original signed document to Housing in person or send it by courier or by services such as FedEx or UPS. Courier and Services should be sent to  
 MIHDB Program  
 Department of Housing & Neighborhood Revitalization  
 City of Dallas  
 1500 Marilla St. #6CN  
 Dallas, TX 75201

- b. Housing will gather the final signatures and file the restrictive covenant on the deed records for the applicable county.
    - c. Housing will provide a copy of the recorded document to the developer, the City Secretary, the City Attorney, and Development Services.
  - 5. While the restrictive covenant is being routed for signature, Housing staff will issue a second invoice for the remainder of the program fees.
- C. *Pre-Construction Meeting*
- 1. Separately, prior to permit issue, a Housing representative will request the developer attend a pre-construction meeting with other Housing representatives to discuss and outline additional requirements for the MIHDB process.
  - 2. Prior to the meeting, the HOU representative will ensure that the developer has:
    - a. The Developer Guidebook
    - b. The portions of the City Code that regulate the MIHDB program
    - c. The draft or template restrictive covenant
    - d. Any materials produced by Compliance to help guide developer and management company participation in the program
  - 3. The topics will include:
    - a. Unit dispersion and finish out requirements
    - b. Questions related to the restrictive covenant
    - c. Upcoming pre-occupancy requirements and timing, such as the Affirmative Fair Housing Marketing Plan (AFHMP), inspections, tenant-related policies and requirements, voucher registration, etc. See the sections on pre-occupancy meetings and compliance/monitoring for details.

## Additional Requirements and Monitoring

### Introduction

Before the issuance of a final certificate of occupancy for a multifamily or retirement housing use, the owner must submit to the Housing and/or the building official any additional information needed to ensure compliance with the terms of the building permit and the mixed-income restrictive covenant, including:

- A. The approved affirmative fair housing marketing plan described in Section 20A-31(g). [Chapter 20A](#)
- B. A letter from the director of housing and neighborhood revitalization certifying that the development complies with the mixed-income restrictive covenant.
- C. A letter documenting that the development has registered with one or more local providers of housing vouchers and has acknowledged that the development must pass the provider's required inspections.

### Pre-Occupancy Meetings

- A. Once a property management company has been selected for the development, the developer will notify their Housing representative.

- B. A draft affirmative fair housing marketing plan (AFHMP) is required at least 90 days before the project starts marketing units. See below for details.
- C. Housing will reach out to the developer and the property manager to schedule a Pre-Occupancy meeting with representatives of Housing’s Inspections and Compliance teams. This meeting will cover the following compliance and monitoring information:
  - 1. Affirmative Fair Housing Marketing Plan (AFMP) (Sec. 20A-31(g))
    - a. The AFHMP describes the advertising, outreach, community contacts, and other marketing activities that inform potential renters of the existence of the reserved dwelling units. It is submitted to the administrator of the Fair Housing division of the Office of Equity and Inclusion. Housing will provide the correct contact for this submission.
    - b. The management company will submit the AFHMP in writing at least 90 days before an owner starts marketing a unit in the property for initial occupancy.
    - c. The administrator will approve or deny the affirmative fair housing marketing plan within 60 days after a complete plan is submitted to the director.
    - d. The management company will receive approval at least 30 days prior to beginning marketing the property and shall follow the AFHMP at all times, including submitting all required reports.
  - 2. Rent, income, and eligibility
    - a. In general, the management company provides reserved units and conduct eligibility in accordance with the program manual and with 24 CFR Part 5, "General HUD Program Requirements; Waivers." See Sec. 20A-27 for exceptions to HUD regulations and additional requirements.
    - b. Eligible households are eligible based on income or because they are voucher holders. Affordable rent is either the rent in the rent/income limits published by the department or the voucher payment standard for voucher holders. The voucher payment standard varies by ZIP code and can be close to market rate
    - c. Rent and income limits –
      - i. HOU uses incomes published for the Dallas Metro Fair Market Rent Area and rents from the 9% tax credits published by TDHCA.
      - ii. Reserved units must be reserved for households within the required income band, those making less than the income band, or voucher holders.
      - iii. The listed rent includes an allowance for utilities, which must be subtracted out to determine the amount of rent due from the tenant each month.
      - iv. The rent must include all mandatory charges or fees.
    - d. The reserved unit must be the household’s only residence and the household must not sublease the unit. The unit must not be a short-term rental or similar.
  - 3. Vouchers
    - a. The owner shall not discriminate against voucher holders (Sec. 20A-30) and shall register as a vendor with one or more local providers of housing vouchers (Sec. 51A-4.1105(f)(3)).
    - b. “Affordable rent” is defined as: (i) a monthly rental housing payment, in compliance with a rent and income schedule produced annually by the department, or (ii) the voucher payment standard for voucher holders
  - 4. Tenant selection, annual certifications, and other requirements.

- a. The owner will conduct an annual certification of household income and composition for each eligible household in accordance with the program manual. (Sec. 20A-27(g))
  - b. Tenant selection and other policies – The owner will create the following written policies and retain written records related to the following topics:
    - i. reasonable accommodations
    - ii. affirmative marketing
    - iii. applicant screening criteria
    - iv. tenant selection criteria – See Sec. 20A-28 for wait lists, priority for voucher holders, etc.
    - v. policies for opening and closing the waiting list
    - vi. waiting list preferences, if any
    - vii. procedures for rejecting ineligible tenants
    - viii. occupancy standards
    - ix. non-renewal and termination notices
    - x. unit transfers
5. Management policies and record keeping – See Sec. 20A-31
- a. The owner is responsible for compliance with the requirements of this program and must ensure that all employees and third-party workers are aware of all requirements.
  - b. Documentation is required.
6. Start of rental affordability period (the start of the 20 years)
- a. The rental affordability period begins on the date the first reserved dwelling unit is occupied by an eligible household and continues until the expiration of the term of years stated in the mixed-income restrictive covenant unless the term has been tolled and extended due to the owner's substantial noncompliance with the mixed-income housing program. (See Sec. 20A-26)
  - b. The rental affordability period runs for a term of 20 years with one-year automatic renewals (to allow for periods of noncompliance until the full 20-year term is met) and is terminated by terminating the deed restrictions.
7. Quarterly reports - An owner is required to submit quarterly status reports on a form provided by the director, as described below, in January, April, July, and October on or before the 10th day of each month. The reports include property information and rent-roll information for reserved dwelling units. See Sec. 20A-31 for details.
- a. The first quarterly report is due the 10th day of the month following the end of quarter in which the affordability period started
  - b. The owner agrees to notify the city within 30 days of any change in ownership, default, foreclosure, or bankruptcy. (See Sec. 20A-26)
8. Audit and inspection
- a. The department may review and audit as needed to ensure compliance. See Sec. 20A-31(h)
  - b. The department will conduct regular inspections and monitoring in accordance with the published program manual. (See Sec. 20A-27(h)(4))
    - i. The asset manager requests and reviews files for the first few reserved unit tenants to ensure compliance with City Code and the restrictive covenant.

- c. The director will give an owner written notice any time the director determines that an owner is not in compliance with the mixed-income housing program or the mixed-income restrictive covenants. (See Sec. 20A-32)
  - d. For a violation other than a violation that poses an imminent hazard or threat to health and safety, the director provides written notice of a reasonable corrective action period for failure to file a quarterly unit status report and a reasonable corrective action period for other violations.
  - e. If an owner fails to resolve all violations of this article during the corrective action period, the director may issue citations, seek relief provided in the deed restrictions, extend the mixed-income restrictive covenants term for the period equal to a term of non-compliance, and take any other actions allowed by law.
9. End of the affordability period
- a. The owner will submit the final quarterly status report on the 20th anniversary of the beginning of the rental affordability period, or a date determined by the director due to the tolling of and extension of the rental affordability period. The director verifies that the owner has completed all applicable requirements of this division. If all requirements are completed, the director signs the submitted final quarterly status report before it is filed with the building official.

### Pre-Completion Inspections and Project Management

- A. As needed, Housing repeats the pre-occupancy meeting with the on-site management team, particularly related to income verification, marketing requirements, and quarterly reports.
- B. Before the issuance of a final certificate of occupancy for a multifamily or retirement housing use, the owner submits to the building official any additional information needed to ensure compliance with the terms of the building permit and the mixed-income restrictive covenant, including:
  - 1. The approved affirmative fair housing marketing plan described in Section 20A-31(g).
    - a. Housing provides contacts to submit this form via email and during the pre-occupancy meeting.
  - 2. A letter from the director of housing and neighborhood revitalization certifying that the development complies with the mixed-income restrictive covenant.
    - a. Prior to final certificate of occupancy, Housing's compliance team reviews the following:
      - i. Lease terms of market and reserved units to ensure compliance with the restrictive covenant
      - ii. Files for all reserved unit tenants (but not all market rate tenants)
      - iii. All items covered in the pre-occupancy meeting
      - iv. The first executed lease for a reserved unit. This lease (with move-in date) marks the beginning of the 20-year affordability period.
    - b. Once all documents are satisfactory, Housing issues the in-compliance letter and sends copies to the developer, the property manager, and Development Services.
  - 3. A letter documenting that the development has registered with one or more local providers of housing vouchers and has acknowledged that the development must pass the provider's required inspections. Housing will provide contacts or send a letter of introduction to the



Housing authority for the developer or property manager to complete the process of registration.

- a. Housing provides contacts or an introductory email to the developer and property manager to assist in completion of this step.

## Record Retention

- A. The owner retains all quarterly reports for five years after the end of the affordability period. Each quarterly report contains the information required in the Dallas City Code as well as:
  1. The complete unit mix showing the total number of residential units in the project, with the number of bedrooms and the square footage of each unit, including all market rate units. Specialty units must be designated as such.
  2. The number of households occupying reserved dwelling units and for each reserved dwelling unit:
    - a. the applicable income bands
    - b. the current affordable rent, utility allowance, and any fees charged
    - c. the occupancy status as of the last day of the previous month for the reporting period. For example, the report due October 10th should report occupancy as of September 30th of the same year
    - d. the income of the eligible household leasing and occupying the unit
    - e. the most recent eligibility date for the eligible household leasing and occupying the unit
    - f. the number of occupants in each unit
    - g. the number of disabled households assisted
    - h. the number of formerly homeless households assisted
    - i. the vacancy history to date of the affordable units and when and to whom the next available unit was rented
- B. The owner retains income certifications for each household and sufficient documentation to support the certification.

## Ongoing Monitoring

- A. Onsite and remote monitoring
  1. Immediately before the certificate of occupancy is issued and every six years thereafter during the rental affordability period, Housing staff conduct an on-site field-monitoring visit.
  2. Housing staff attempt to provide written notice at least 14 days in advance of the scheduled visit. The scope of the on-site monitoring review should be as comprehensive as possible taking into consideration all applicable contractual, program, and state and federal requirements.
  3. Every year Housing staff will conduct remote monitoring.
  4. If a project needs follow-up, then Housing staff will conduct onsite monitoring more frequently as needed to bring the development back into compliance.
- B. Follow up monitoring letter:
  1. Housing staff complete and mail out a follow-up monitoring letter as soon as possible, but no later than 30 days from the date of the visit. If concerns, deficiencies, or findings are identified, the owner is asked to take steps to resolve these and to respond by letter within 30-60 days.

- C. Violations, corrective action period, and penalties
  - 1. Sec. 20A-32 of the Dallas City Code regulates violations and corrective actions.
  - 2. If an owner receives a notice of noncompliance the owner has up to 30 days to correct the finding, except in the case of a missed certification, where the cure period is 10 working days.
  - 3. The owner sends documentation to allow the noncompliance to be corrected during the corrective action period.
- D. Noncompliance
  - 1. If an owner fails to resolve all violations of Art. 20A-II during the corrective action period, the director may issue citations, seek relief provided in the deed restrictions, extend the mixed-income restrictive covenants term for the period equal to a term of non-compliance (not less than one year), and take any other actions allowed by law.

### Termination of the Restrictive Covenant

- A. Housing will process restrictive covenant termination requests as requested by the project owner according to the requirements in the Dallas City Code.
- B. The restrictive covenant may not be terminated until the end of the rental affordability period, which begins on the date the first reserved dwelling unit is occupied by an eligible household and continues until the expiration of the term of years stated in the mixed-income restrictive covenant, unless the term has been tolled and extended due to the owner's substantial noncompliance with the mixed-income housing program.
- C. The restrictive covenant may only be amended or terminated by a subsequent written instrument that is:
  - 1. Signed by all owners of the property and all lienholders, other than taxing entities
  - 2. Approved by the director
  - 3. Approved as to form by the city attorney, and
  - 4. Recorded and made a part of the deed records of the county or counties in which the property is located.