

Information Sheet

Texas Senate Bill 840

Purpose

Texas Senate Bill 840 (SB 840) is intended to address the state's housing shortage by: (1) allowing mixed-use residential and multifamily residential development in more zoning districts; (2) limiting development regulations for these projects in general; and (3) streamlining the permitting process for the conversion of commercial buildings to mixed-use residential and multifamily residential occupancy.

Applicability and definitions

SB 840 is applicable to permit applications for mixed-use residential and multifamily residential projects submitted on or after September 1, 2025.

The bill defines ***mixed-use residential*** as “the use or development of a site consisting of residential and non-residential uses in which the residential uses are at least 65 percent of the total square footage of the development” and ***multifamily residential***, as “the use or development of a site for three or more dwelling units within one or more buildings.

Mixed-use residential and multifamily residential allowed by right

SB 840 requires the City to allow mixed-use residential and multifamily residential projects by right in all zoning districts that allow office, commercial, retail, or warehouse uses, including planned development districts, conservation districts, historic districts, and districts with public deed restrictions.

This means that the City may not require a zoning change, an amendment to a planned development district or development plan, or any other discretionary approval to allow a mixed-use residential or multifamily residential development in one of these districts.

As an example of applicability, the Chapter 51A zoning districts that do not currently allow multifamily residential but will now allow mixed-use residential or multifamily residential projects by right are listed below:

| Chapter 51A Zoning District* | Applicable because district allows the following uses: |
|---------------------------------------------|--------------------------------------------------------|
| Agricultural [A(A)] | Retail and commercial |
| Neighborhood office district [NO(A)] | Office, retail, and commercial |
| Limited office districts [LO-1, LO-2, LO-3] | Office, retail, and commercial |
| Mid-range office districts [MO-1, MO-2] | Office, retail, and commercial |
| General office district [GO(A)] | Office, retail, and commercial |

| | |
|--------------------------------------------------------|-------------------------------------------|
| Neighborhood service district [NS(A)] | Office, retail, and commercial |
| Community retail district [CR] | Office, retail, and commercial |
| Regional retail district [RR] | Office, retail, and commercial |
| Commercial service district [CS] | Office, retail, commercial, and warehouse |
| Light industrial district [LI] | Office, retail, commercial, and warehouse |
| Multiple commercial districts [MC-1, MC-2, MC-3, MC-4] | Office, retail, and commercial |

*properties zoned PDs, CDs, and HDs can be eligible if office, retail, commercial, warehouse, or mixed-use land uses are allowable. Case-by-case determinations will be made to qualify such properties.

The requirement to allow mixed-use residential and multifamily residential does not apply to: (1) a zoning classification that allows heavy industrial use (the IR Industrial Research District and IM Industrial Manufacturing District and certain PDs); (2) land located within 1,000 feet of a heavy industrial use; (3) land located within 3,000 feet of an airport or military base; or (4) an area designated by municipality as a “clear zone” or “accident potential zone.”

In Chapter 51(A), the heavy industrial uses that are allowed only in the IR Industrial Research and IM Industrial Manufacturing Districts are listed below:

- Industrial (inside) potentially incompatible
- Industrial (outside) not potentially incompatible
- Industrial (outside) potentially incompatible
- Medical/infectious waste incinerator
- Metal salvage facility
- Gas pipeline compressor station
- Municipal waste incinerator
- Outside salvage or reclamation
- Pathological waste incinerator

For planning purposes only, the applicability of SB 840 is shown on the attached map. The district, airport or military base, and clear zone or accident potential zone exclusions will be included in a GIS layer that will be available to the public.

Development standards for mixed-use residential and multifamily residential projects

In accordance with SB 840, the City may not adopt or enforce an ordinance, zoning restriction, or other regulation that imposes certain development standards on any mixed-use residential or multifamily residential project, regardless of the district in which the project is located, including planned development districts, conservation districts, historic districts, and districts with public deed restrictions.

This means that the City may not require a zoning change, an amendment to a planned development district or development plan, or any other discretionary approval to apply the following development standards to a mixed-use residential or multifamily residential development:

Density: The City may not adopt or enforce a density requirement that is more restrictive than the greater of the highest residential density allowed in the City or 36 units per acre.

- In Dallas, some base zoning districts that allow residential uses specify “no maximum dwelling unit density.” Therefore, no maximum density can be applied to a mixed-use or multifamily residential project regardless of zoning classification.
- No direct or indirect restrictions on density may be imposed by zoning regulations. Therefore, existing minimum lot area requirements based on number of bedrooms in a dwelling unit or maximum floor area cannot be enforced.

Height: The City may not adopt or enforce a height that is more restrictive than the greater of the highest height that would apply to office, commercial, retail, or warehouse development constructed on the site or 45 feet.

- This will require a site-by-site analysis to determine the maximum height allowed on a property.
- In no instance may zoning regulations limit the height of a mixed-use residential or multifamily project to less than 45 feet.
- While SB 840 does not remove the Residential Proximity Slope (RPS) as a height-limiting factor for mixed-use residential and multifamily projects, it does alter the application by eliminating the slope.
- When calculating RPS, the highest height that is achieved within the slope of RPS establishes the maximum height across the site for a mixed-use residential or multifamily residential project. However, RPS cannot limit the height to less than 45 feet.

Setback or buffer: The City may not adopt or enforce a setback or buffer requirement that is more restrictive than the lesser of a setback or buffer requirement that would apply to an office, commercial, retail, or warehouse development constructed on the site or 25 feet.

- This will require a site-by-site analysis, but regardless of the zoning, a setback or buffer greater than 25 feet cannot be imposed on a mixed-use residential or multifamily residential development.
- Regulations requiring additional setbacks for upper floors (e.g. urban form setback, tower spacing, etc.) are not enforceable if it results in a setback greater than what is allowed under this provision.

Floor Area Ratio (FAR): The City may not adopt or enforce a ratio of the total building floor area in relation to the lot area of the development.

- This means the City may not impose a maximum floor area ratio on a mixed-use residential or multifamily residential project.

Parking: The City may not adopt or enforce a parking requirement that exceeds one space per dwelling unit or requires a multilevel parking structure for a mixed-use residential or multifamily residential project.

Mixed use: The City may not adopt or enforce requirement that a multifamily residential development not located in an area zoned for mixed-use residential contain a nonresidential use.

- This means that a multifamily residential project is not required to include nonresidential uses unless in a district (e.g. certain planned development districts, shop front overlay area, certain development types in Article XIII, etc.) that requires nonresidential as part of a mixed-use residential project.

Conversions of existing buildings

SB 840 also streamlines the process for the conversion of buildings used for office, retail, or warehouse uses to mixed-use residential or multifamily residential occupancy when constructed at least five-years before the proposed date of the conversion.

Under SB 840, the City cannot require any of the following for qualifying conversions to a mixed-use residential or multifamily residential occupancy:

- A traffic impact analysis or other study relating to the effect the proposed converted building would have on traffic or traffic operations.
- The construction of improvements or payment of a fee in connection with mitigating traffic effects related to the proposed converted building.
- Additional parking spaces, other than the parking spaces that already exist on the site of the proposed converted building.
- The extension, upgrade, replacement, or oversizing of a utility facility except as necessary to provide the minimum capacity needed to serve the proposed converted building.
- A design requirement, including a requirement related to the exterior, windows, internal environment of a building, or interior space dimensions of an apartment, that is more restrictive than the applicable minimum standard under the International Building Code as adopted by the City.

Regulations not affected by SB 840

SB 840 does not affect the City's authority to regulate the following:

Short Term Rentals (STRs): The City may continue to apply regulations on short term rental units in multifamily residential or mixed-use residential developments.

Mixed Income Housing Development Bonus (MIHDB) Program: The City may adopt or enforce density bonus programs (or other voluntary programs) that allow for site development standards that are less restrictive than the standards in SB 840.

While additional height may still be achieved through the MIHDB program, SB 840 allows for mixed-use residential and multifamily residential projects with no maximum density or floor area ratio without a mixed income housing component.

SB 840 will have no effect on existing MIH projects.

Other regulations applicable to development: The City may apply regulations to mixed-use residential and multifamily residential developments that are generally applicable to other developments in the municipality.

- Sewer and water access requirements
- Building codes
- Stormwater mitigation requirements

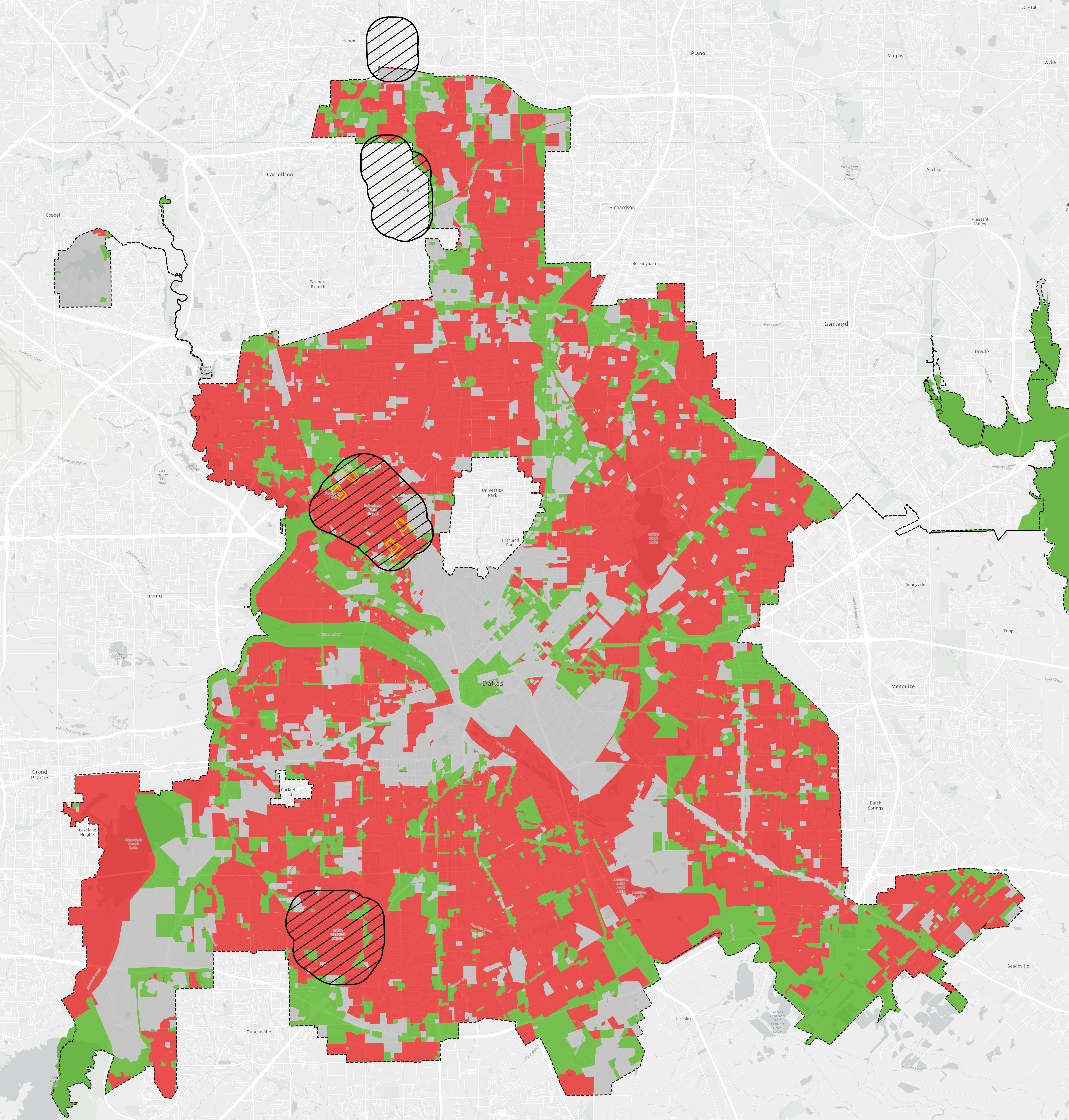
Historic Preservation: The City may apply regulations related to historic preservation, including protecting historic landmarks or property in the boundaries of a local historic district.

Department Processes

To guide applicants through applying for permits, staff is creating checklists, GIS layers, and tracking tools for SB 840 projects. Staff is also working on a process for screening projects for eligibility under SB 840 and is providing internal training on plan review.

Chapters 51 and 51A of the Dallas Development Code must be amended to comply with the requirements of SB 840. In the interim, Chapter 52 will be amended to allow the building official to issue permits for a mixed-use residential or multifamily residential development if it complies with the requirements of SB 840. Additionally, the changes required by SB 840 will be incorporated into the city's comprehensive zoning reform


GENERAL APPLICABILITY OF STATE LAW NO. 840



***THE MAP IS FOR REFERENCE ONLY.** Data provided are derived from multiple sources with varying levels of accuracy. The City of Dallas disclaims all responsibility for the accuracy or completeness of the data shown.

***THE MAP IS NOT FOR PERMITTING OR ANY ENTITLEMENT PURPOSES.**

***CASE-BY-CASE DETERMINATION WILL BE NEEDED FOR ALL APPLICATIONS FOR ALL ZONING DESIGNATIONS TO ENSURE COMPLIANCE WITH STATE LAW 840 AND ALL OTHER APPLICABLE REGULATIONS.**

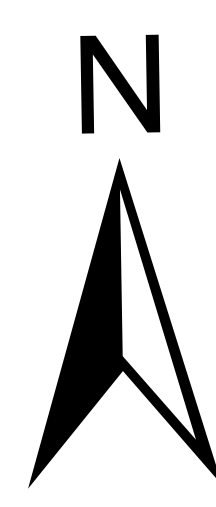


City of Dallas

- City Limits
- Airport Exceptions
- Runway Protection Zones
- Zoning designations where state law applies directly — MF, MU, CS, LI, NO, LO, MO, GO, NS, CR, RR, MC, A, WR, WMU, UC, CH, CA, GR, O-2
- Zoning designations that need case-by-case determination on whether and how the state law applies — PD, CD, HD, PFD
- Zoning designations where state law does not apply — IR, IM, R, D, TH, MH, P, RTN

*Case-by-case interpretation will be needed to make the official determination at time of permitting. This map is for information purposes only.

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8/19/25