

EXHIBIT C

City of Dallas Tax Increment Finance Districts Mixed Income Housing Guidelines

Approved on December 15, 2011

TIF Program Purpose

The purpose of the City of Dallas' TIF program is to promote development in underutilized and vacant areas through the use of public investment to attract private investment. The goals for the districts include improving the infrastructure within the districts and adding market rate apartments, single family homes, retail and commercial space, and office and professional space. Promoting housing for individuals and families at a variety of income levels is one of many policy considerations for the districts.

General definitions

Mixed income housing requires a minimum of 20% of all units to meet affordable housing standards.

Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas Area.

The 20% affordability requirement applies to both rental units and to units that are for sale. Requirements for for-sale units will be handled on a case-by-case basis. These guidelines primarily pertain to rental housing.

Affordability period and rent rates

Rental units must be affordable for a period of at least fifteen years, beginning from the date the project is complete per the development agreement.

Income levels and *maximum* rent will vary each year and are based on HUD's calculations for Area Median Family Income (AMFI), utility expenses, and Market Rent for the Dallas Area. Maximum rents are set each year at 30% of 80% of AMFI, including a utility allowance. Information pertaining to the maximum affordable rent and income levels that are currently in effect can be obtained from the Office of Economic Development.

Affordable units

A minimum of 20% of all occupied units shall be rented to qualifying households.

The developer may choose to offer any available unit to qualifying households. The 20% total requirement thus may be satisfied by any combination of units and need not apply to units of all sizes.

Affordable units shall be comparable in size and finish quality to market rate units and shall be dispersed throughout the development. Affordable units shall not be segregated into a particular section of the development and shall be a minimum of 500 square feet.

Qualifying households

A qualifying household is defined as a household making 80% or less of the AMFI.

Developers may include wages, salaries, tips, commissions, social security income, etc. to certify a household's income. The method used to determine income should be the same for qualifying and market rate households.

Lease terms

Households that qualify at the beginning of a lease will be assumed to qualify for the entirety of the term of that lease. Recertification is therefore only necessary during lease renewal.

At the end of the lease, the new lease rates will be set based on the household's current income at the time of renewal.

If the household no longer qualifies for an affordable unit, the lease may be renewed at market rate and another unit made available for a qualifying household in order to maintain the 20% affordability requirement.

Fees and leasing requirements

In general, all leasing requirements and all fees, utility charges, assessments, fines, etc. charged by the apartment community must be applied uniformly to qualifying households and market rate households, with the exception that the developer may choose to waive or reduce fees for qualifying households and the developer may choose to set specific lease lengths for affordable units.

Reporting Requirements

Adequate reporting by developer, owner, or property manager shall be required to ensure that the City can appropriately monitor compliance with the guidelines. Projects receiving affordable housing funding under federal or state programs may choose to submit copies of compliance reports specific to the federal or state program in lieu of the TIF program report. Specific reporting requirements will be updated as necessary.

Compliance

The developer assumes all liability for compliance with these requirements and with all applicable laws. By participating in the City's TIF program, the developer agrees to report all information accurately and on time. At the City's request, the developer agrees to produce necessary documentation for determining full compliance with this program.

The affordability period shall be extended by six months for any number of units by which the affordable housing provided during a semi-annual period falls short of the number of units required to meet the affordable housing requirements. Noncompliance may result in termination of the development agreement, a reduction in TIF reimbursement, or other action as determined by the Office of Economic Development.

Request for waiver or minor modification of these requirements shall be submitted to the Office of Economic Development and will be negotiated on a project by project basis with the City and the County.

The City may consider retaining a percentage of TIF funding to ensure that in the event that the property is sold prior to the end of the 15 year compliance period, all subsequent owners will be required to provide affordable housing for the remainder of the affordability period.

The TIF program does not alter, modify, or reduce any affordable housing requirements, duties, or obligations imposed on the developer because of receipt of funds or other assistance from other programs or persons.

Alternative Methods

A developer may propose alternative methods of meeting the requirements such as providing equivalent affordable housing units in a comparable location within or adjacent to the TIF district. All proposed alternative methods will be considered on a case by case basis and must be approved by both the City and Dallas County.

Affirmative Fair Housing Marketing Plan

An affirmative fair housing marketing plan is required for all projects with a residential component that are supported with TIF funding. This requirement is detailed in each project's development agreement. Each project will be evaluated individually to ensure that it furthers affirmative fair housing goals.

Effective Date

These guidelines are effective in each district as of the date they are approved by that district's TIF board. The guidelines apply to developments with first occupancy on October 1, 2011 or later. These guidelines will not alter the terms of development agreements authorized prior to the approval of this document.

Guideline Modifications

As needed, the City may make modifications or corrections to these guidelines to increase their effectiveness. Where these guidelines may conflict with a district's Final Plan language concerning housing provisions, the Director of the Office of Economic Development will make a final determination of project requirements.