



**McKinney Community Development Corporation (“MCDC”)  
MCDC Grant Application and Package  
Submitted By  
McKinney Virginia Parkway, Ltd., a Texas limited partnership  
For Palladium McKinney  
Friday, March 31, 2023**



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## EXECUTIVE SUMMARY



Friday, March 31, 2023

**To:** McKinney Community Development Corporation  
7300 SH 121, SB, Suite 200  
McKinney, TX 75070  
Attn: Cindy Schneible, President (cschneible@mckinneycdc.org)

**Subject:** McKinney Community Development Corporation Grant Application and Package for Palladium McKinney

Ms. Schneible:

McKinney Virginia Parkway, Ltd., a Texas limited partnership ("**Applicant**"), and an affiliate of Palladium USA Inc. ("**Palladium USA**") is proud to submit an application to the McKinney Community Development Corporation ("**MCDC**") for funding in the amount of **\$1,500,000.00** to partially fund Palladium McKinney, a proposed multifamily, rental residential development ("**Development**") that will enhance the quality of life and provide economic growth for City of McKinney ("**City**") residents. Palladium McKinney will assist the City with addressing its shortage of high quality housing by providing homes that its residents can attain, afford, and sustain. The Development will be located to the west of 1-75 which the provision of attainable housing in this location is a major priority of the City. Moreover, the Development is eligible for consideration under Sections 501 and 505 of the Texas Local Government Code.

Palladium USA is a subsidiary of the Palladium Group which has over a **150-year** history of developing, owning, and managing premier communities around the globe. Palladium USA is headquartered in Dallas, Texas and has been operating in Texas since 1992. During construction, construction management and oversight is provided for all developments by Catalyst Builders, and affiliate of Palladium USA. All the properties in our portfolio are self-managed through Palladium Management Company.

Palladium USA has a strong and proven track record of developing properties and will own the proposed development for the long-term in partnership with the McKinney Housing Finance Corporation ("**MHFC**"). Additionally, Palladium USA boasts an experienced Executive Team with development, finance, construction management, and asset/property management experience. Palladium USA has developed luxury high-rise, garden style, urban living, independent senior living, workforce housing, and mixed-income communities throughout the State of Texas. Currently, Palladium USA has **5,800** units developed and approximately **2,500** units in construction.

This response package contains all the required elements applicable for consideration of Palladium USA to be the most qualified Applicant:

- I. **Business Plan/Development Proposal**
- II. **Supportive Services and Amenities**
- III. **Timeline and Schedule**
- IV. **Plans for Future Expansion/Growth**
- V. **Financials Narrative**
- VI. **Attachments**
  - a. Signed MCDC Grant Application - Attachment A
  - b. Letter of Acknowledgement from Property Owner - Attachment B
  - c. About Palladium USA – Attachment C
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  - e. Feasibility Study Executive Summary – Attachment E
  - f. Market Study Executive Summary - Attachment F
  - g. Plat/Map of Property (**200'** Beyond Property Boundary) - Attachment G
  - h. Detailed Budget and Operating Proforma - Attachment H
  - i. Rendering and Site Plan – Attachment I

We appreciate your consideration of the proposed submission. If you should have any further questions regarding this submission package, please do not hesitate to contact Avis F. Chaisson at [achaisson@palladiumusa.com](mailto:achaisson@palladiumusa.com) or 972-774-4435.

## SECTION I: BUSINESS PLAN/DEVELOPMENT PROPOSAL

### 1. Applicant Information

Palladium USA is excited to partner with the MHFC as the sole member of the general partner of the Applicant that will develop, own, and operate Palladium McKinney. MHFC will own the land and ground lease the land for the Development to the Applicant. McKinney Virginia Parkway SLP, LLC, a to be formed limited liability company, with Palladium USA as **100%** owner will be the Class B Special Limited Partner, PNC Bank, a national banking association will serve as the special limited partner, and a to be determined Investor Limited Partner.

A to be formed limited liability company organized in the State of Texas with Palladium USA International, Inc., a Delaware corporation, as **100%** Owner would be created to serve as Co-Developer along with MHFC. The Primary Developer contact information would be as follows:

DEVELOPER	Palladium McKinney Development, LLC McKinney Housing Finance Corporation
ADDRESS	13445 Noel Road, Suite 400, Dallas, Texas 75240
TELEPHONE	(972) 774-4455
EMAIL	pusa@palladiumusa.com
WEBSITE	www.palladiumusa.com
FAX	(972) 774-4495

### 2. Key Principals

The key principals of Palladium USA International, Inc. are Cesare Rancilio (**50%** Owner) and Fiorenza Rancilio (**50%** Owner). Thomas E. Huth manages the day-to-day operations for Palladium USA. An organizational chart detailing the ownership structure, developer, and guarantors are attached as **Attachment "D" – Organizational Chart**.

### 3. Development Team Members

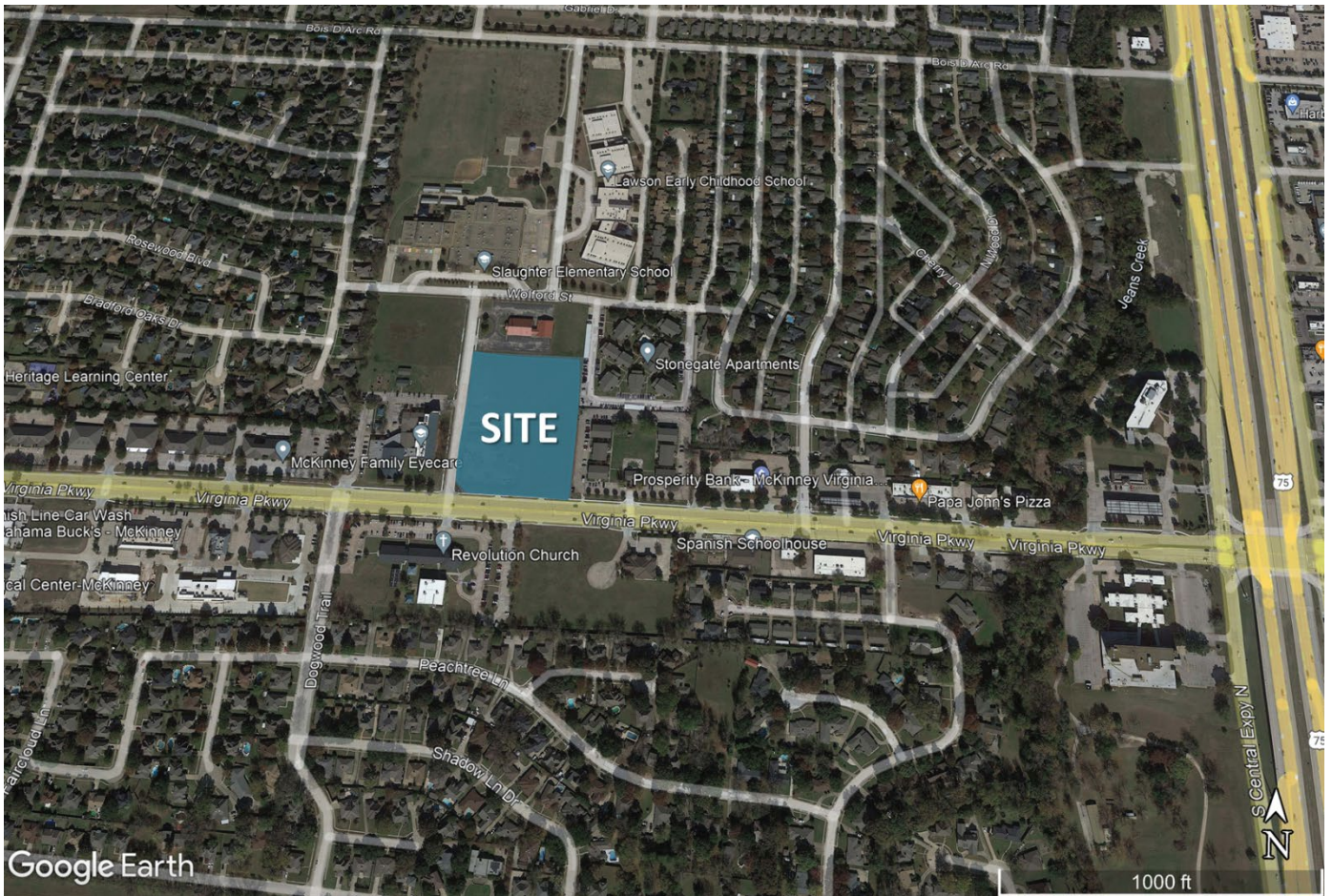
Primary Contact for Development	Avis F. Chaisson, Director of Real Estate Development Email: <a href="mailto:achaisson@palladiumusa.com">achaisson@palladiumusa.com</a> Office Phone: 972-774-4435 Mobile Phone: 972-210-9959 Address: 13455 Noel Road, Suite 400, Dallas, Texas 75240
Tax Credit Investor	PNC Real Estate, Tax Credit Group Phone: 503-808-1371 Address: 121 SW Morrison Street, Suite 1300, Portland, Oregon 97204
Lender	Cedar Rapids Bank & Trust Phone: 319-743-7122

	<b>Address:</b> 500 1st Avenue NE, Cedar Rapids, Iowa 52401
<b>Property Manager</b>	Palladium Management Company <b>Address:</b> 13455 Noel Road, Suite 400, Dallas, Texas 75240
<b>Real Estate Broker</b>	Dynamic Commercial Real Estate, LLC <b>Phone:</b> 214-405-3507 <b>Address:</b> 13355 Noel Road, Ste 1100 Dallas, Texas 75240
<b>Architect</b>	Cross Architects. PLLC <b>Phone:</b> 469-393-1129 <b>Address:</b> 879 Junction Drive Allen, Texas 75013
<b>Civil Engineer</b>	Cross Engineering Consultants <b>Phone:</b> 972-562-4409 <b>Address:</b> 1720 W. Virginia Street McKinney, Texas 75069
<b>General Contractor</b>	BBLbc, LLC <b>Phone: (214) 276-0433</b> Address: 5217 Tennyson Parkway Suite 500 Plano, Texas 75024
<b>Tax Credit Consultant</b>	Casa Linda Development Corporation <b>Phone:</b> 214-941-0089 <b>Address:</b> 2010 Kessler Parkway Dallas, Texas 75208

#### 4. Development Location

The Development site is located on approximately **5.083** acres at the northeast quadrant of Virginia Parkway West and Carlisle Street, McKinney, TX 75071. The site is an ideal location and perfectly situated for high quality, Class A, housing for families, working professionals, and seniors. The Development site is in close proximity to jobs, restaurants, retail, and other recreational resources. Major employment centers include Raytheon Company.

Our future resident's children would attend highly rated schools in the McKinney Independent School District based on the attendance zone and Slaughter Elementary is within walking distance.



## 5. Development Description

Palladium McKinney will consist of the new construction of approximately **172** rental units for families, working professionals, and seniors. The Development will have two **4-story** buildings with interior corridors and be comprised of **56** 1-bedroom units, **84** 2-bedroom units, and **32** 3-bedroom units. A rendering and site plan for the Development are attached as **Attachment "I" – Rendering and Site Plan**.

A minimum of **5%** of the units will be set aside for the mobility impaired and an additional **2%** of the units will be set aside for the hearing and/or visually impaired. All of the units will be rent restricted at **60%** of Area Median Income (AMI). The 2022 AMI for Collin County is **\$97,400** and the income limits and rents for households earning **60%** AMI for Collin County are as follows:

Household Size	1	2	3	4
Income	\$40,920	\$46,800	\$52,620	\$58,440
Source: 2022 TDHCA Rent and Income Limit Tool				

Area Median Income (AMI)	Unit Type	Square Footage	Number of Units	Proposed Gross Rents
60%	1BR/1BA	746	56	\$1,096
60%	2BR/2BA	985	84	\$1,315
60%	3BR/2BA	1150	32	\$1,519

Palladium USA will utilize the following energy efficient measures for the Development.

- ✓ 15 SEER HVAC
- ✓ Energy Star Dishwasher
- ✓ Energy star refrigerator
- ✓ At Least One Energy Star Ceiling Fan per Unit
- ✓ Energy Star Unit Lighting
- ✓ Energy Star or Equivalent Windows

These energy efficient measures will lead to cost savings for our future residents.

Palladium USA as long-term holders, desire to use sustainable materials to maintain the long-lasting high quality of its developments. For the Development, this would include a combination of exterior materials such as stone, brick, and hard plank cementitious items. These materials are extremely durable and lead to the premium product that Palladium USA is renowned for throughout the industry.

## 6. Proposed Development Financing

Palladium USA is working to secure all financing, guarantees, and equity investor(s). Palladium USA on behalf of the partnership applied for 4% noncompetitive housing tax credits allocated through the Texas Department of Housing and Community Affairs (“TDHCA”), and private activity bonds. A bond reservation in the amount of **\$40,000,000** was issued by the Texas Bond Review Board (“TBRB”) on January 9, 2023. TDHCA serves as Issuer for the tax-exempt bonds. The Development would be financed utilizing a combination of sources including tax credit equity from the 2023 4% housing tax credit program, CRB&T will directly purchase the bonds and provide a permanent mortgage, equity bridge loan will be provided by PNC, potential City fee waiver/reduction/contribution, and deferred developer fee. The partnership with the MHFC will provide a benefit to the Development from a property and sales tax exemption for the duration of the partnership. MHFC will receive revenue as a result of the partnership.

Due to the current economic climate with continued interest rate increases to temper inflation, lenders are requiring increased reserves and higher debt coverage ratios on top of the higher costs to construct and borrowing costs. These current issues greatly impact the financial viability of the Development. Therefore, we are requesting **\$1,500,000.00** from



MCDC from funding Cycle II. A fully detailed budget and operating proforma are attached as **Attachment “H” – Detailed Budget and Operating Proforma.**

## SECTION II: SUPPORTIVE SERVICES & AMENITIES

Palladium USA will provide an array of supportive services based on TDHCA requirements and programs will be provided onsite. These supportive services are provided free of charge for our residents. Additionally, at Palladium USA we build communities and plan special events such as movie nights, food trucks, and other social events as we create events and spaces for our residents to engage. Supportive services and special events could include but are not limited to the following:

- ✓ Food Pantry
- ✓ School Supply and Toy Giveaways\*
- ✓ Scholarship Programs
- ✓ Health & Wellness Classes or Training
- ✓ Income Tax Preparation
- ✓ Resume Building
- ✓ Financial Planning and/or Literacy
- ✓ Notary Services
- ✓ Afterschool Programs
- ✓ Special Events

\*In partnership with ISDs, Dallas Police Department, churches, and other nonprofits.

Future residents will enjoy a first-class, luxury **amenity package** including the following Development and unit amenities that are typically featured at our communities:

### Development Amenities:

- ✓ Resort Pool with Pavilion;
- ✓ Children’s Playground and Playroom;
- ✓ Cornhole;
- ✓ BBQ Grills and Picnic Tables;
- ✓ Conference Room;
- ✓ Clubhouse, Business Center, High Speed Wi-Fi and State-of-the-Art Fitness Center

### Unit Amenities:

- ✓ Open Concept Design
- ✓ 9-foot Ceilings;
- ✓ Wood Style Flooring;
- ✓ Granite Countertops;
- ✓ Undermounted Sinks;
- ✓ Upgraded Cabinetry (42”) with Pulls;
- ✓ Designer Fixtures;
- ✓ Built-in Wood Shelves in Closets;
- ✓ Covered Patio or Balcony with Storage Units;
- ✓ Energy Efficient Appliances, and LED Lighting.

These supportive services and events greatly enhance the quality of life for our residents. Plus, the Development will be an economic benefit and allow residents to sustain housing that does not cost burden them. With the training provided and the money saved from reduced rents, it will allow them to eventually become homeowners if this were a goal.

## SECTION III: TIMELINE AND SCHEDULE

Since a TBRB bond reservation has been received, Palladium USA is on tight timeline to close the transaction. The transaction must close prior to July 8, 2023 or the major financing will be withdrawn and renders the Development no longer viable. However, if the pieces to the financing puzzle are provided; then, the Development will come to fruition as follows:

DATE	MILESTONE
June 15, 2023	Financial and Equity Closing
July 1, 2023	Commence Construction
August/September 2024	Lease-up Begins
October 2024	Clubhouse Complete & 75% Complete
June 16, 2025	Construction Completion
October 2025	Fully Leased and Occupied
February 2026	Development Stabilized

## SECTION IV: PLANS FOR FUTURE EXPANSION/GROWTH

Palladium USA would love to continue to develop and plan for future growth in the great City of McKinney. In partnership with the City, MCD, and MHFC, we can address the shortage of high quality, Class A, housing that's much needed for McKinney residents. Particularly, service workers that work in the City but unfortunately do not have quality housing choice to live in McKinney. Perhaps, with the proposed partnership can establish a model for future growth and expansion in McKinney.

## SECTION V: FINANCIALS NARRATIVE

### 1. Current Financial Report

A current financial report is not available for the Applicant as it is a newly formed entity in the State of Texas. The limited partnership was formed on September 21, 2022.

### 2. Audited Financials

At the time, the audited financials for the prior 2 years are unavailable for the Applicant. However, upon request, the audited financials for the prior 2 years can be made available for Palladium USA. Due to the proprietary nature of the financials, if requested, the financials would be submitted under separate cover via email by Cody J. Hunt, Director of Finance and Accounting.

## **SECTION IX: ATTACHMENTS**

**Attachment “A” - MCDC Grant Signed Grant Application**

**Attachment “B” - Letter of Acknowledgment from Property Owner**

**Attachment “C” - About Palladium USA**

**Attachment “D” - Organizational Chart**

**Attachment “E” - Feasibility Study Executive Summary**

**Attachment “F” - Market Study Executive Summary**

**Attachment “G” - Plat/Map of Property (200’ Beyond Property Boundary)**

**Attachment “H” - Detailed Budget and Operating Proforma**

**Attachment “I” - Rendering and Site Plan**

**McKINNEY COMMUNITY DEVELOPMENT CORPORATION**  
**Project Grant Application**  
**Fiscal Year 2023**

*Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive. Contact us to discuss your plans and schedule a meeting with the Projects Subcommittee prior to completing the application.*

Please submit application, including all supporting documentation, via email or on a thumb drive for consideration by the MCDC to:

McKinney Community Development Corporation  
7300 SH 121, SB, Suite 200  
McKinney, TX 75070

Attn: Cindy Schneible ([cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org))

**2022 Project Grant Application Schedule**

<b>Application Deadline</b>	<b>Presentation to MCDC Board</b>	<b>Board Vote and Award Notification</b>
Cycle I: December 30, 2022	January 26, 2023	February 23, 2023
Cycle II: March 31, 2023	April 27, 2023	May 25, 2023
Cycle III: June 30, 2023	July 27, 2023	August 24, 2023

**APPLICATION**

**Project Grants** support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children’s Sports
- Destination Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Airport Facilities

## McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of an economic development sales tax corporation (Type B Corporation) to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects grants are considered only if eligible for funding authorized under The Development Corporation Act and Chapters 501 to 505 of the Texas Local Government Code.

## McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

### Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

## McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality-of-life improvements, business development and sustainable economic growth for residents in the City of McKinney that are authorized in the Texas Local Government Code
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality of life improvements in McKinney

### General Guidelines

- Applications must be **completed in full, and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) **for a minimum of two (2) years**. The MCDC board may waive this requirement for economic development projects.

## General Guidelines - continued

- The land, building or facility where the proposed project will be located should be owned by the Applicant. However, if the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- Performance agreements are required for all approved grants.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding for ten (10) years.
- Grant recipients must maintain financial books and records of the funded project and of their operations as a whole for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available upon request, and create a clear audit trail documenting revenues and expenses of the funded project.
- Within 30 days of completion of the funded project, the grant recipient is required to submit a final report that includes detailed information on the activity; visual documentation of pre and post-project completion; and any outstanding receipts for expenditures included under the scope of the grant.
- Grant recipient must recognize McKinney Community Development Corporation as a sponsor/funder of the project improvements. MCDC will provide a logo for grant recipient use.

## Process

The McKinney Community Development Corporation Board of Directors are responsible for reviewing and voting on applications for grant funding, in accordance with requirements of the Texas Local Government Code.

- A **completed** application form must be submitted to MCDC in accordance with the schedule outlined above.
- The application will be evaluated to determine eligibility for MCDC funding under State law.
- Once eligibility for consideration is confirmed, a public hearing will be conducted, during a regularly scheduled MCDC board meeting, on the grant application submitted.
- Prior to the public hearing, notice will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application, along with all documents/attachments will become public information once submitted to MCDC.**
- Following the public hearing, grant requests will be referred to a subcommittee of the MCDC board for evaluation and recommendation of approval or denial to the full board.
- Board action on the grant application will be scheduled for the board meeting the month following the public hearing.

- If a grant is approved, a performance agreement will be drafted for execution between MCDC and applicant.
- Funds awarded for approved applications are provided on a reimbursement basis, following submission of receipts and documentation of payment for qualified expenditures.
- The final 20% of the award may be withheld until a final project report is submitted to MCDC and compliance with all requirements of the executed performance agreement are confirmed.

**APPLICANT INFORMATION**

Name: Thomas E. Huth

Company: McKinney Virginia Parkway, Ltd., a Texas limited partnership

Federal Tax I.D.: 92-2121255

Incorporation Date: 9/21/2022

Mailing Address: 13455 Noel Road, Suite 400

City: Dallas

ST: Texas

Zip: 75240

Phone: 972-774-4400 Fax: 972-774-4484 Email: thuth@palladiumusa.com Cell:

Website: www.palladiumusa.com

**Check One:**

- Corporation                       Partnership                       Sole Proprietorship  
 Governmental entity  
 Nonprofit – 501(c) Attach a copy of IRS Determination Letter  
 Other

**PROJECT INFORMATION:**

Project/Business Name: Palladium McKinney

Location of Project: NEQ of W Virginia Parkway and Carlisle Street

Physical Address: W Virginia Parkway

City: McKinney

ST: TX

Zip: 75071

Property Size: 5.083 acres

Collin CAD Property ID: 1902766

**Please provide the information requested below:**

- An expansion/improvement  Yes  No
- A replacement/repair  Yes  No
- A multi-phase project  Yes  No
- A new project  Yes  No

**PROPERTY OWNER INFORMATION** *(if different from Applicant info above):*

Name: Edward Ku Hua Lin, President

Company: Lin & Son Texas Corp.

Mailing Address: 6850 TPC Drive Ste 104

City: McKinney

ST: Texas

Zip: 75070-3145

Phone:

Fax:

Email:

Cell:

**DETAILED PROJECT INFORMATION:**

Project Details and Proposed Use: The proposed Palladium McKinney development will consist of the new construction of approximately **172** multifamily residential, rental units for working families including children and seniors. The development will have two **4**-story buildings with interior corridors and be comprised of approximately **56** 1-bedroom units, **84** 2-bedroom units, and **32** 3-bedroom units. A further detailed development description is included in the application package.

Estimated Date of Project Completion: June 16, 2025

Days/Hours of Business Operation: Monday – Friday: 9:00 AM – 6:00 PM; Saturday: 10:00 AM – 5:00 PM; and Sunday: 1:00 PM – 5:00 PM

Estimated Annual Taxable Sales: N/A

Current Appraised Value of Property: **\$2,214,678\*** (\*Collin County Appraisal District)

Estimated Appraised Value (*Post-Improvement*): **\$24,819,000** using a **6.5%** cap rate

Estimated Construction Cost for Total Project: **\$28,929,112\*\*** (\*\*Includes GC fees, contingency, and GC Builder’s Risk Insurance)

Total Estimated Cost for Project Improvements included in grant request: **\$45,012,256**

Total Grant Amount Requested: **\$1,500,000**

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Yes

No

If yes, please provide details and funding requested: N/A



**Has a request for grant funding been submitted to MCDC in the past?**

Yes  No

**Date(s):** N/A

**Will the project be competitively bid?**

Yes  No

If yes, please attach bids for the project

**Has a feasibility study or market analysis been completed for this proposed project?** *If so, please attach a copy of the Executive Summary.*

Yes, a feasibility study was completed on January 5, 2023, and the executive summary is included in the attachments provided with the application package.

Yes, a market study was completed with an effective date of January 1, 2023, and the executive summary is included in the attachments to the application package.

**Additional Information – please attach the following:**

- Business plan
- Current financial report
- Audited financials for previous two years (if not available, please indicate why)
- Plat/map of property extending 200' beyond property in all directions (if applicable to your project)
- Detailed budget for the project
- Describe planned support activities; use; admission fees if applicable
- Timeline and schedule – from design to completion
- Plans for future expansion/growth

**Acknowledgements**

*If funding is approved by the MCDC board of directors, Applicant acknowledges the following:*

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.

- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

## **Acknowledgements** - *continued*

- A final report detailing the successful completion of the Project will be provided to MCDC no later than 30 days following completion of the Project.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses.
- Up to 20% of the grant funds awarded may be withheld until a final report on completion of the Project is provided to MCDC.
- A performance agreement will be required that may outline requirements for acknowledging MCDC funding support for the project. Additionally, it will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation.

**[The Remainder of this Page Intentionally Left Blank]**

**BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT I AM NOT GUARANTEED A GRANT.**

**Applicant's Signature**

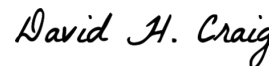


\_\_\_\_\_  
Signature

Thomas E. Huth  
President

Date 3-29-2023

**Property Owner's Signature**



\_\_\_\_\_  
Signature

~~Edward Ku Hua Lin~~ Manager  
~~President~~

Date

***INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.***

***A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE COMPLETION OF THE PROJECT. FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.***

Attachment "B" – Letter of Acknowledgment from Property Owner

Wednesday, March 29, 2023

McKinney Community Development Corporation  
7300 SH 121, SB, Suite 200  
McKinney, TX 75070  
Attn: Cindy Schneible, President

RE: Letter of Acknowledgement from Property Owner for Grant Application Related to Palladium McKinney, a Proposed Multifamily Residential Development to be Located at the NEQ of Virginia Parkway W and Carlisle Street, McKinney, Texas 75071

Dear President Schneible,

This letter is to acknowledge that as President of Lin & Son Texas Corp., the current Property Owner ("Seller") of a **5.083** acre tract of land at the NEQ of Virginia Parkway W and Carlisle Street ("Property"), I am fully aware of the intent of McKinney Virginia Parkway, Ltd., a Texas limited partnership ("Applicant") to submit a grant application to the McKinney Community Development Corporation ("MCDC") for funding related to Palladium McKinney, a proposed multifamily residential rental development ("Development").

As the Seller, we are fully aware of the Applicants' proposed use and have been provided plans for the Property. Additionally, we approve and support the efforts of the Applicant and submission to the MCDC for funding for the Development.

We appreciate your consideration of the Applicant. Please let me know if there any questions regarding this letter. Thank you.

Sincerely,

*David H. Craig*

Manager

~~Edward Ku Hua Lin, President~~  
Lin & Son Texas Corp.

Title	McKinney CDC
File name	MCDC_Acknow...s_Corp..pdf and 1 other
Document ID	4693f8325eeeadd3ccbeb98690cdd33d727bdfd0
Audit trail date format	MM / DD / YYYY
Status	● Signed

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### Document History

 <small>SENT</small>	<b>03 / 31 / 2023</b> 19:50:05 UTC	Sent for signature to David Craig (dcraig@craigtntl.com) from keith@dynamiccre.com IP: 45.31.77.203
 <small>VIEWED</small>	<b>03 / 31 / 2023</b> 21:21:12 UTC	Viewed by David Craig (dcraig@craigtntl.com) IP: 45.25.212.105
 <small>SIGNED</small>	<b>03 / 31 / 2023</b> 21:29:42 UTC	Signed by David Craig (dcraig@craigtntl.com) IP: 45.25.212.105
 <small>COMPLETED</small>	<b>03 / 31 / 2023</b> 21:29:42 UTC	The document has been completed.

Attachment "C" – About Palladium USA

# INTRODUCTION TO PALLADIUM USA

Experience

The

Premium

Palladium

Difference!



PALLADIUM  
U S A

PICTURED: PALLADIUM EAST BERRY STREET, FORT WORTH

# ABOUT THE PALLADIUM GROUP

*Privately Owned Global Real Estate Company*

*150-Year History Developing, Owning, Managing Premier Communities*

*Self-Managed through Palladium Management Company*

*Long-Term Owners*

*TOTAL ASSET VALUE*  
*\$1.75bn+*

*TOTAL EQUITY VALUE*  
*\$550mm+*

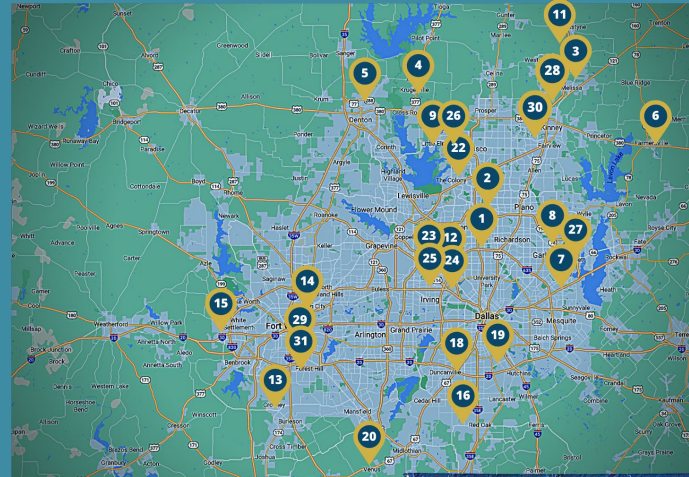
*UNITS OWNED & MANAGED*  
*8,000+ units worldwide*

The Palladium Group is a global real estate development and management platform with operations across Europe and USA. The Group invests on its own account and in partnership with third-party private and institutional investors. The Group was founded in 1870, based on the core principle of “social responsibility”, with key focus on improving living environments and promoting overall resident welfare. The Group opened their first USA office in 1992 in Dallas, TX.



# ABOUT PALLADIUM USA

- *Headquarters in Dallas*
- *Experienced Executive Team with proven track record in development, finance, construction management, and asset/property management.*
- *Strong Balance Sheet*
- *Develop luxury high-rise, garden style, urban living, independent senior living, workforce housing, and mixed-income communities.*
- *6,000 units developed throughout Texas*
- *3,300 units in Pre-development*



TEXAS

**DFW  
Metroplex**

## Development Portfolio:

1. Verona by Palladium
2. Cottages at Tulane
3. Palladium Anna
4. Palladium Aubrey
5. Palladium Denton
6. Palladium Farmersville
7. Palladium Garland
8. Palladium Garland Senior Living
9. The District in Little Elm by Palladium
10. Palladium Port Aransas
11. Palladium Van Alstyne
12. Palladium Dallas Stemmons
13. Palladium Crowley
14. Palladium Fain Street
15. Palladium Fort Worth
16. Palladium Glenn Heights
17. Palladium Midland
18. Palladium RedBird
19. Palladium Simpson Stuart
20. Palladium Venus
21. Palladium Museum Place
22. Lvl 29, Legacy West
23. Grand Venetian
24. Grand Treviso
25. Canal Side Lofts
26. Villages at Lakefront, Palladium Little Elm
27. Embree Eastside by Palladium
28. Palladium East Foster Crossing
29. Palladium East Berry Street
30. Palladium Craig Ranch
31. Palladium Oak Grove
32. Palladium Houston Ella

# MEET THE PRINCIPAL



**Thomas E. Huth**  
**President/CEO**

Thomas (Tom) Huth is the President and Chief Executive Officer of Palladium USA International, Inc. The Palladium Group develops, owns and operates real estate in ten countries including the United States with the U.S. focus on multifamily assets and property management.

Prior to his current position, he was Senior Vice President and Chief Financial Officer of the Palladium Group, responsible for directing all financial aspects of the Group's U.S. operations. Prior to joining the Palladium Group in 1998, Mr. Huth, a certified public accountant, served as Vice President and Treasurer for Lexford Management Company and Controller for Lexford Properties where he was responsible for all financial operations for Lexford's Columbus, Ohio based **516** apartment communities. Both Lexford Properties and Lexford Management were affiliated with Lexford Residential Trust, a Columbus, Ohio based Real Estate Investment Trust.

Prior to Lexford, Mr. Huth was Director of Corporate Accounting and Tax for Partnership Services, Inc., formerly known as Consolidated Capital Equities Corporation.

Mr. Huth started his career in the Dallas, Texas office of Arthur Andersen & Co. where he was responsible for engagements in the real estate, hotel, service, retail and manufacturing arenas. He has been licensed to practice Public Accountancy in Texas since 1992, is a licensed Texas Real Estate Broker, member of the American Institute of Certified Public Accountants, member of the Texas Society of Certified Public Accountants, member of the Urban Land Institute, member of the NAHB Sales and Marketing Council, member of the National Multi-Housing Council, member of The Real Estate Council, past Board Member of the Real Estate Financial Executives Association, past Board Member of the Multifamily Leadership Board of NAHB, and a past Junior Achievement Project Business Consultant.

Mr. Huth has bachelor's degrees in both real estate and accounting from the University of Cincinnati.

# MEET THE EXECUTIVE TEAM



**Scott Johnson**  
President, Catalyst Builders

Mr. Johnson directs and manages all construction management services. He has **35** years of construction experience, **17** of which have been with Palladium USA.



**Avis F. Chaisson**  
Executive Director, Real Estate Development

Ms. Chaisson manages all development activities for Palladium USA. She has **14** years of experience in site selection, site planning, community outreach, and intergovernmental affairs. She has been with Palladium USA since 2020.



**Cody J. Hunt, CPA**  
Executive Director, Finance & Accounting

Mr. Hunt directs all accounting and finance operations in the USA. He has experience in assurance, consulting and succession planning. He has been with Palladium USA since 2019.



**Joan Maxwell**  
President, Palladium Management Company

Ms. Maxwell manages all property management and investor relations. She has **35** years of property management experience, **17** of which have been with Palladium USA.



**Fred D'Lizarraga**  
Chief Operating Officer

Mr. D'Lizarraga is responsible for day-to-day operations of the entire Palladium USA portfolio. He has **35** years of property management experience, **17** of which have been with Palladium USA.

A highly experienced team with wide-ranging expertise

VERONA BY PALLADIUM, DALLAS



PALLADIUM REDBIRD, DALLAS



LEVEL 29, LEGACY WEST PLANO



*A SAMPLE OF OUR DEVELOPMENTS*

PALLADIUM VAN ALSTYNE SENIOR LIVING



CANAL SIDE LOFTS, LAS COLINAS



# RESORT-STYLE AMENITIES

PICTURED: PALLADIUM REDBIRD

- ✓ State of the Art Fitness Center
- ✓ Fully Appointed Clubhouse with Conference Room, Clubroom, Children's Playroom and Business Lab
- ✓ Ultra-Lux Pool with Gazebo
- ✓ Walking Trails, Dog Park, BBQ Grills, and Picnic Areas

# ENGAGING SOCIAL SPACES



PICTURED PALLADIUM REDBIRD, DALLAS, TX

# INSPIRED INTERIORS

- ✓ ADA Accessible Units
- ✓ Spacious Walk-in Closets
- ✓ Energy Efficient
- ✓ Private Patio/Balcony with Storage Closet



PICTURED PALLADIUM REDBIRD DALLAS, TX

  
PALLADIUM  
U S A



PALLADIUM

U S A

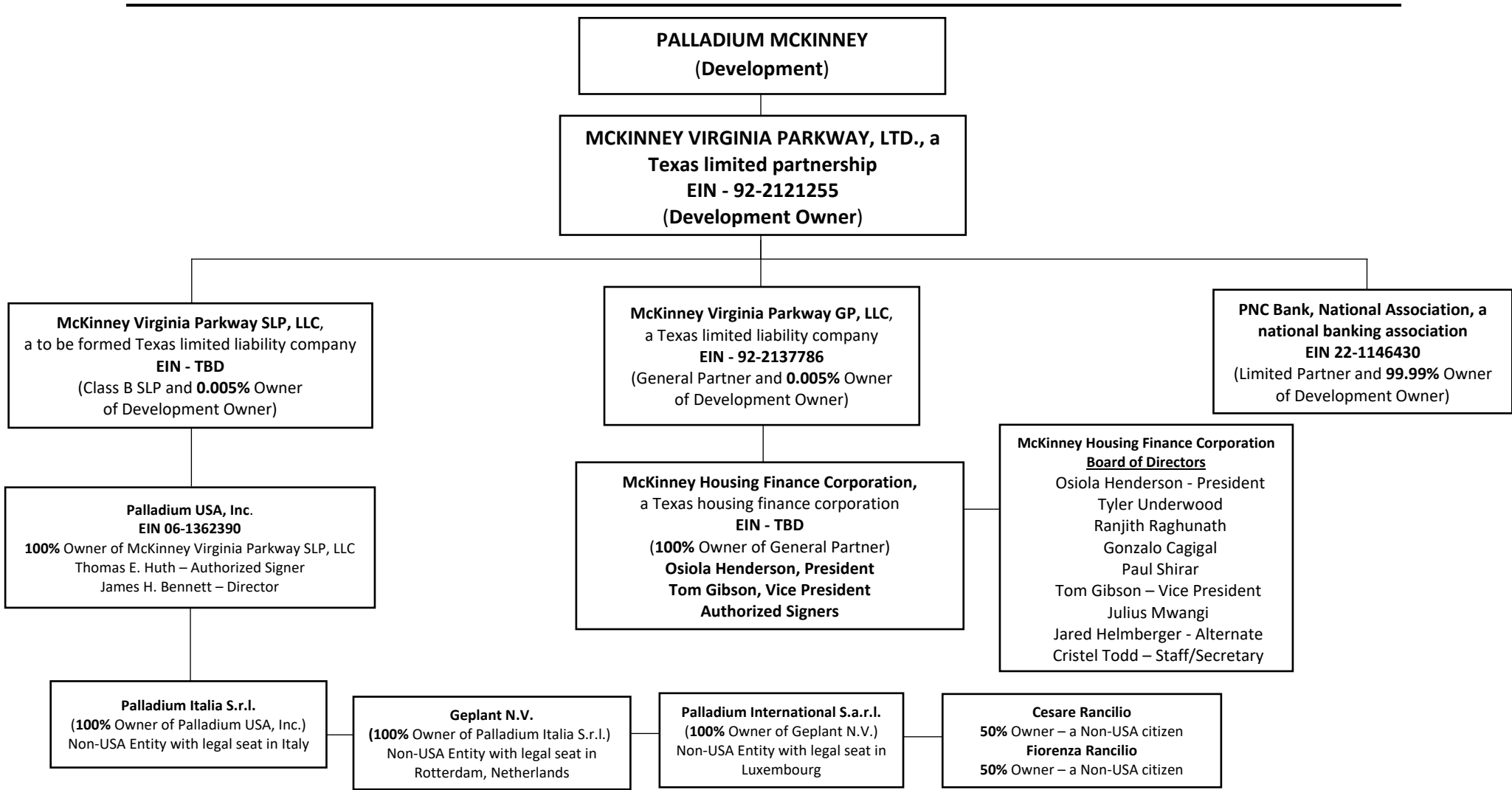
*“Changing lives - one apartment home at a time”*



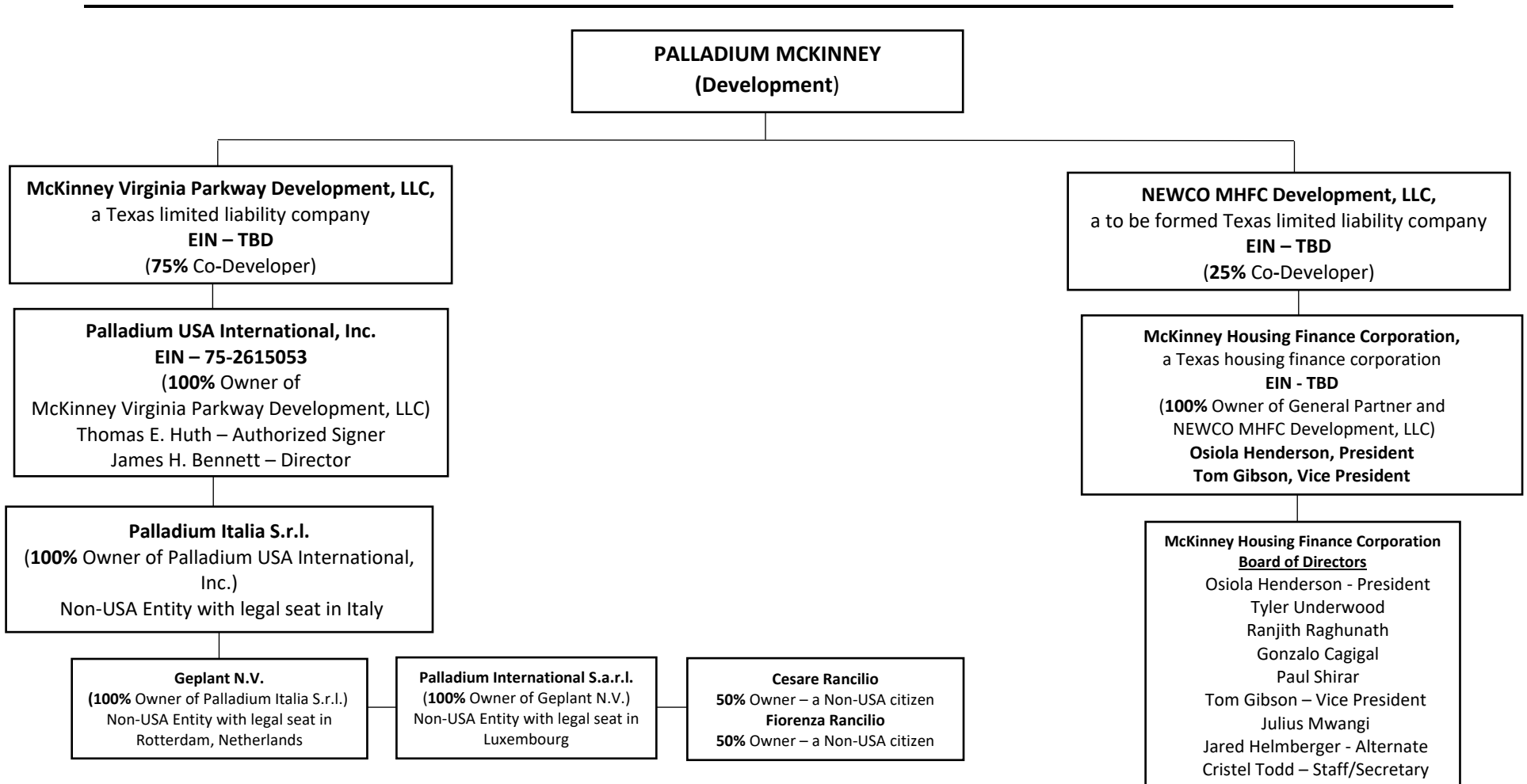
# Attachment “D” – Organizational Chart

Thomas E. Huth has Ability to Exercise Control

## PALLADIUM MCKINNEY OWNERSHIP STRUCTURE (2023 4% Housing Tax Credit Program)

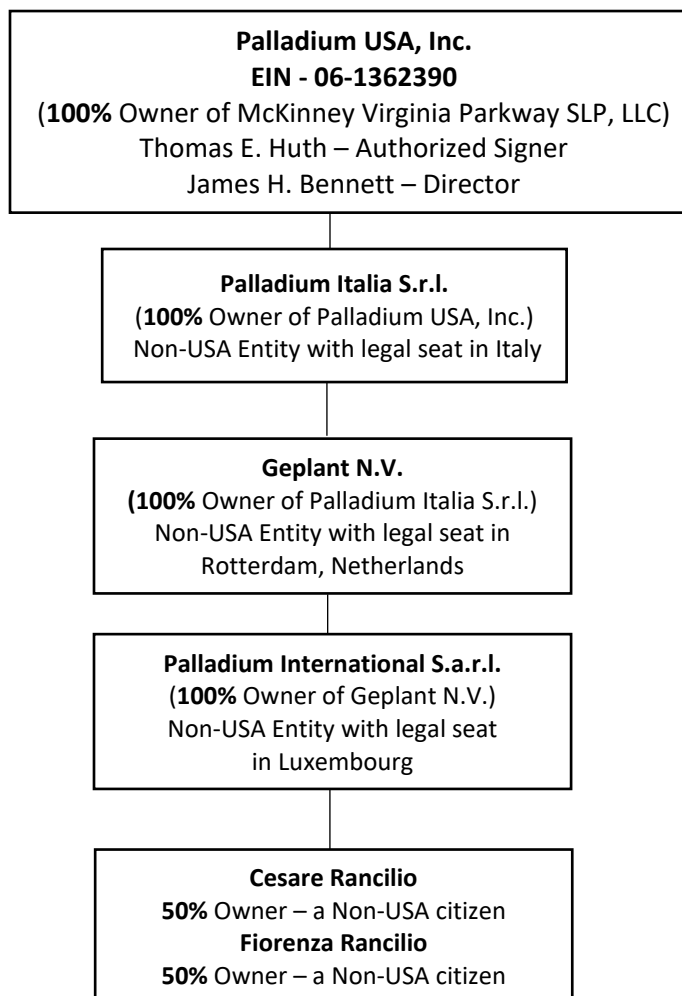


**PALLADIUM MCKINNEY  
DEVELOPER STRUCTURE  
(2023 4% Housing Tax Credit Program)**



**Palladium McKinney  
GUARANTOR  
(2023 4% Housing Tax Credit Program)**

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**FEASIBILITY STUDY REPORT**

FOR

**Palladium McKinney**

City of McKinney, Collin County, Texas

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Prepared for:

McKinney Virginia Parkway, Ltd  
13455 Noel Road, Suite 400  
Dallas, Texas 75240

And

The Texas Department of Housing and Community Affairs (TDHCA)

Prepared by:

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**CROSS ENGINEERING  
CONSULTANTS**

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Texas Engineering Firm No. F-5935  
Project No. 220099  
January 5, 2023

1720 W. Virginia Street  
McKinney, Texas 75069  
Office: 972.562.4409  
Fax: 972.562.4471

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## II. INTRODUCTION

This feasibility study report has been prepared for McKinney Virginia Parkway, Ltd. for the development of Palladium McKinney, a proposed multi-family development in McKinney, Texas. It is our understanding that your intent is to develop this property as a multi-family as shown in the Conceptual Site Plan found in Attachment “A”. Findings of this feasibility report are based upon research of City Ordinances, record drawing and maps. An attempt has been made to identify the civil site development issues and requirements as they relate to developing the proposed project site. All persons, who have a property interest in this report, hereby acknowledge that the Texas Department of Housing and Community Affairs (TDHCA) may publish the full report on the Department’s website, release the report in response to a request for public information, and make other use of the report as authorized by law.

## III. EXECUTIVE SUMMARY

- All persons, who have a property interest in this report, hereby acknowledge that TDHCA may publish the full report on their website, release the report in response to a request for public information, and make other use of the report as authorized by law. The preliminary site plan appears to materially adhere to all applicable zoning, site development ordinances, and build code ordinances, as they pertain to site layout. In addition, Section 10 TAC 11.305 of the 2022 QAP has been read and understood.
- Findings of this feasibility study report are based upon discussions with City Staff and research of City Ordinances, record drawings, and maps.
- An ALTA/Land Title Survey was provided by AJ Bedford Group Surveying on January 19, 2022 and depicts 5.083 acres situated in the W.D. Thompson Survey, Abstract No. 891, City of McKinney, Collin, County Texas.
- A Title Commitment for the subject property was issued by Chicago Title Insurance Company with an effective date of January 31, 2022, and issued February 16, 2022, with a GF No. CTHS55-8000552100067-JM.
- A Conceptual Site Plan was prepared by Cross Architects, reflects a Multi-Family development of 172 units situated on 5.083 acres.
- The subject property is zoned “PD” -Planned Development Ordinance No. 2022-02-024 dated February 15, 2022. A PD rezoning will be required due to the increase in number of units and number of stories base upon those approved in the current PD Ordinance.
- The City of McKinney City Council adopted an Ordinance that amended and complied with the development regulation into a United Development Code (UDC) as part of the New Code McKinney Initiative. Applicants may utilize the zoning regulations in place prior to the new regulation until May 15,2023.

- Per discussions with city staff, the subject property is platted, however a minor replat will be required to dedicate the required development easements.
- See Section “D” for the current City of McKinney Building Codes effective January 1, 2023.
- See Section “E” for the City of McKinney Fire Requirements.
- Access to the site is provided by Virginia Parkway to the south and Carlisle Street to the east. Per the City of McKinney Master Thoroughfare Plan, Virginia Parkway is classified as a Major Arterial – 6 lanes in 124’ of right-of-way (R-O-W). Carlisle Street is classified as a Commercial Collector – 2 lanes in 50’-60’ of right-off-way (R-O-W).
- Per the Flood Insurance Rate Map (FIRM) No. 48121C0380G effective as of April 18, 2021, the subject property does not lie within the 100-year floodplain.
- An existing 75’ Atmos gas easement bisects the property. An Application for Encroachment, drawing and metes and bounds description of the area will need to be submitted for the area to be released.
- The City of McKinney requires Reinforced Concrete Pipe (RCP) for public storm lines, however, for private storm lines, HDPE can be requested with a site-specific letter from the manufacturer stating this site is an appropriate site for HDPE. Drainage improvements shall be constructed per the City of McKinney Engineering Design Manual.
- Water and Sewer are available to the site. Reference Sections “E” and “F” for additional details.

**IV. Vicinity Map**





## V. Project Description

### A. Site Description

The approximate 5.08 -acre property is situated in the City of McKinney, Collin County, Texas. The site is located at the northeast intersection of Virginia Parkway and Carlisle Street. The subject property is within the William D. Thompson Survey, Abstract No. 891, Collin County, Texas.

The subject property is undeveloped land and zoned “PD” Planned Development Ordinance No. 2022-02-024. North of the property is McKinney El Faro Spanish Seventh -Day Adventist Church. To the east of the site are the Stonegate Apartment and Virginia Oaks Apartments. To the south of the property is Revolution Church of McKinney. To the west of the site is Our Savior Lutheran Church. Access to the site is provided by Virginia Parkway to the south and Carlisle Street to the east. Per the Master Throughfare Plan, Virginia Parkway is classified as a Major Arterial – 6 lanes in 124’ of right-of-way (R-O-W). side. Carlisle Street is classified as a Commercial Collector - 6 lanes in 50’ to 60 ‘of right-of-way (R-O-W).

The subject property’s taxing entities and millage rates are shown in Table 1. This information is per the Collin County Tax Map and Tax Information Card for the subject property provided by the Collin County Central Appraisal District records.

<b>Table 1: 2022 Tax Millage Rates</b>	
<b>Taxing Jurisdiction</b>	<b>2022 Tax Rate</b>
City of McKinney	0.457485
Collin County	0.152443
McKinney ISD	1.312900
Collin College	0.08122
Effective Tax Rate	\$2.004

Collin County Central Appraisal District Website: Property ID 1902766

<https://www.collincad.org/propertysearch?prop=1902766>

**Attachment "F" – Market Study Executive Summary**

**APPRAISAL REPORT  
C23-AHA-103  
INVOLVING AN APARTMENT MARKET ANALYSIS  
FOR A HOUSING TAX CREDIT (HTC/PAB) DEVELOPMENT**

**OF**

**TDHCA #22621  
PALLADIUM MCKINNEY  
A 172-UNIT PROPOSED GENERAL POPULATION HTC/PAB APARTMENT  
DEVELOPMENT. THE SUBJECT PROPERTY IS LOCATED ON THE NORTHEAST  
CORNER OF VIRGINIA PARKWAY AND CARLISLE STREET IN  
MCKINNEY, COLLIN COUNTY, TEXAS 75071**

**PREPARED FOR**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
AUTHORIZED BY  
MR. TOM HUTH  
PALLADIUM MCKINNEY, LTD.  
13455 NOEL ROAD, SUITE 400  
DALLAS, TX 75240**

**BY**

***ARAIZA APPRAISAL & CONSULTING***

**EFFECTIVE DATE OF THE MARKET ANALYSIS  
JANUARY 1, 2023**

**DATE OF THE REPORT  
JANUARY 4, 2023**

***ARAIZA APPRAISAL & CONSULTING***

January 4, 2023

Mr. Tom Huth  
Palladium McKinney, Ltd.  
13455 Noel Road, Suite 400  
Dallas, TX 75240

Reference: Palladium McKinney: A 172-unit General Population development proposed to be constructed and operated as a Housing Tax Credit (HTC/PAB) apartment project. The subject property is located on the northeast corner of Virginia Parkway and Carlisle Street in McKinney, Collin County, Texas 75071.

Greetings:

At your request, I have completed an Appraisal Report (TDHCA-compliant Market Study) for the purpose of providing a market analysis for the above-referenced property. Elements of this study, such as determination of Market Rent, classify this document as an appraisal report. However, I have not determined Market Value for the property. The effective date of the study is January 1, 2023. The date of the report is January 4, 2023. Kenneth Araiza visited the subject site on March 10, 2022.

The analyses provided herein are subject to the assumptions and contingent and limiting conditions contained within both the body of this report and the addenda section. Based on my analysis of the subject property's primary market area, there is sufficient demand to successfully construct and absorb the proposed Palladium McKinney as of January 1, 2023.

No one provided significant real property appraisal assistance in the preparation of the appraisal assignment by visiting the subject site and comparables, and authoring portions of the report.

I am not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near this property. The presence of hazardous materials may negatively affect feasibility. I have analyzed the subject property as though free of hazardous materials. I urge the user of this report to obtain the services of specialists for the purpose of conducting an environmental audit to ensure that the subject property is free of hazardous materials.

Texas Department of Housing and Community Affairs  
Palladium McKinney, Ltd.  
Mr. Tom Huth

*I certify that I have read and understood the 2023 **Qualified Allocation Plan 11.303 and 11.304**. I certify that I consider the services provided conform to the Department's Market Analysis Rules and Guidelines, described in Section 11.303 of the Uniform Multifamily Rules in effect for the application round (2023) in which the Market Analysis may be submitted.*

*Pursuant to 10 TAC §11.303(a) related to Market Analysis Rules and Guidelines Kenneth Araiza has read and understood the requirements of 10 TAC §11.303. Kenneth Araiza is a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing the Market Analysis, and that the fee is in no way contingent upon the outcome of the Market Analysis.*

I certify that I have no interest, present or proposed, in the subject property, that the conclusion contained herein has been reached after a careful study, investigation, analysis, and interpretation of the pertinent data, and that my fee is in no way contingent upon the conclusion. I certify that I am a disinterested party and will not materially benefit from the development in any other way than receiving a fee for the Market Analysis, and that the fee is in no way contingent upon the outcome of the Market Analysis. I am neither part of the development team, owner of the subject property, nor affiliated with any member of the development team engaged in the development of the property. This market analysis is prepared subject to my current assumptions and limiting conditions. Your attention is directed to the following report and accompanying data, which form, in part, the basis of my conclusions.

*Any person signing this report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law.*

**COVID-19:** The World Health Organization declared the Coronavirus (COVID-19) a global pandemic on March 11, 2020, causing significant uncertainty in national and local markets. As more American communities “sheltered in place” and practiced social distancing, local and national economies have experienced real contraction. As of the effective date of this report, there is insufficient data to determine the magnitude or duration of the economic impact. Despite the three current emergency-approved vaccines being administered, it remains uncertain when the pandemic will be completely contained, how rapidly people will return to 2019 levels of production and consumption, and how rapidly the economies will recover. The value conclusion herein is based on the information available to me as of the date of valuation. This value conclusion is based on the expectation that the impact of the global pandemic will be relatively short-lived and the economy will rapidly return to some semblance of normal. The outbreak of COVID-19 is a rapidly evolving situation and the effects on real estate markets are currently unclear. As such, it may be difficult to predict the effects both on the near-term and long-term basis. The client is urged to monitor economic conditions closely and frequently as revenues,

capitalization rates and values may change more rapidly than under normal market conditions. My opinions and conclusions are based on information available and accounts for market perception as of the date of this appraisal report.

**The Texas Department of Housing and Community Affairs is granted full authority to rely on the findings and conclusions of this report.**

Respectfully,

*Araiza Appraisal & Consulting*



---

Kenneth Araiza, MAI  
TX-1335586-G  
State Certified General Real Estate Appraiser

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**MARKET ANALYSIS SUMMARY**

Provider: Araiza Appraisal & Consulting Date: 1/4/2023  
 Contact: Kenneth Araiza Phone: 831 745-1819  
 Development: Palladium McKinney Target Population: General  
 Definition of Senior Age: \_\_\_\_\_  
 Site Location: NE/C of Virginia Parkway and Carlisle Street City: McKinney County: Collin  
 Site Coordinates: Latitude 33.199409 Longitude -96.647533 (decimal degree format)

**Primary Market Area (PMA) page 35**

31.75 Square Miles

48085030601	48085030801	48085031507			
48085030603	48085030802	48085031508			
48085030605	48085031406				
48085030701	48085031504				
48085030702	48085031506				

Market Analyst used the following assumptions for demand calculations per REA rules:	
Please check the box as confirmation.	
2 persons per bedroom, 40% rent to income, renter households	<input checked="" type="checkbox"/>
	<input type="checkbox"/>

ELIGIBLE HOUSEHOLDS BY INCOME page <u>75</u>								
HH Size		1	2	3	4	5	6	7+
60% AMGI	Min	\$32,880	\$32,880	\$39,450	\$39,450	\$45,570	\$45,570	
	Max	\$40,920	\$46,800	\$52,620	\$58,440	\$63,120	\$67,800	

AFFORDABLE HOUSING INVENTORY in PMA page <u>16</u>			
	# Developments	Total Units	Avg Occupancy
Stabilized LIHTC Developments	8	1,516	94.8%

Proposed, Under Construction, and Unstabilized Comparable Developments in PMA							
TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
20409	McKinney Flats	in service	new const	General	161	205	93%

Other Affordable Developments in PMA since 2017							
TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
17036	Merritt McGowan Manor	in service	new const	General	n/a	136	95%

Discuss any competitive project located just outside the PMA that may draw demand from the Subject PMA and why it is or is not included in the capture rate calculations. This should be discussed in depth in the market study. §11.303(10)(E)(iv)

TDHCA 22609 is a closed 4% application (220 units with 188 comparable to the subject) just outside the PMA. TDHCA 22480 is an active 4% application (240 units with 240 comparable to the subject) just outside the PMA. Drawing an EMA was somewhat difficult with out the market study for each application but based on the available PMA maps the gross capture is 9.14 for the EMA. All capture rates are within TDHCA limits.

If electing 15% GCR for Tax-Exempt Bond Development per §11.302(i)(1), enter the average occupancy below and attach a PMA map with affordable developments labeled, showing the 20 minute drive time ring. \*See footnote 1

Average occupancy of affordable housing in 20 minute drive time ring.  %

PMA DEMOGRAPHIC DATA											
<b>GENERAL</b>					<b>SENIORS</b>						
current year	place-in-service	five year			current year	place-in-service	five year				
<b>2022</b>	<b>2024</b>	<b>2027</b>			<b>2022</b>	<b>2024</b>	<b>2027</b>				
<b>Population p. 45</b>	107,846	110,954	115,616								
<b>Households p. 45</b>											
Total HH	37,532	38,584	40,162								
Renter HH	13,732	14,117	14,695								
Homeowner HH	23,800	24,467	25,467								
<b>DEMAND CALCULATION p. 77</b>					Total Households <b>37,532</b>						
	Program Only Restricted Units	Assisted Units			* See footnote 2						
Subject Units	172	0									
Unstabilized Comparable Units	161				Min Income	\$ 32,880					
<b>RELEVANT SUPPLY</b>	<b>333</b>	<b>0</b>			Max Income	\$ 67,800					
					Potential Demand	4,999					
					10% External Demand	500	0				
					Other Demand						
					<b>GROSS DEMAND</b>	<b>5,499</b>					
<b>RELEVANT SUPPLY / GROSS DEMAND = GROSS CAPTURE RATE</b>					<b>6.06%</b>						
<b>CAPTURE RATE BY AMGI BAND p. 81</b>					* include program only restricted units						
<b>AMGI Band Capture Rates</b>	<b>Demand</b>	<b>10% External Demand</b>	<b>Subject Units</b>	<b>Comp Units</b>	<b>Capture Rate</b>						
60% AMGI	4,999	500	172	161	6.06%						
<b>CAPTURE RATE BY UNIT p. 81</b>					* include program only restricted units						
<b>SUBJECT UNIT MIX</b>				<b>PROPOSED RENT</b>		<b>p. 72</b>	<b>DEMAND by UNIT TYPE p.81</b>				
AMGI Level	Beds	Baths	Size (sqft)	Gross	Net	<b>MARKET RENT</b>	Demand	10% External Demand	Subject Units	Comp Units	Unit Capture Rate
60%	1	1	723	\$1,096	\$1,031	\$1,303	1,254	125	56	4	4.4%
60%	1	1	745	\$1,279	\$1,031	\$1,325	ia	ia	ia	ia	ia
60%	2	2	972	\$1,315	\$1,228	\$1,550	642	64	84	69	21.7%
60%	3	2	1,150	\$1,519	\$1,411	\$2,050	500	50	32	88	21.8%
Footnotes:											
1 This is only required for developments that will utilize the 15% GCR for Tax-Exempt Bond Developments rule §11.302(i)(1).											



## ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- 1) Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings, or other exhibits are included only to assist the intended users to better understand and visualize the subject property the environs, and the competitive data. I have made no survey of the subject property and assume no responsibility associated with such matters.
- 2) The value assumes responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 3) The information contained herein has been gathered from sources deemed to be reliable, but I assume no responsibility for its accuracy. The value/opinions rendered herein are based on preliminary analyses of the subject and market area.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. I urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) I assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- 7) I, by reason of this report, am not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

### **Assumptions and Limiting Conditions – Continued**

- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to me. I have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable.
- 10) No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in this report.
- 11) The construction and physical condition of the improvements described herein are based on a site visit. No liability is assumed by us for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. I urge the user of this report to retain an expert in this field.
- 12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to my attention nor did I become aware of such during the site visit. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. I, however, am not qualified to test such substances or conditions. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. I urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. I assume no responsibility for any changes in economic or physical conditions which occur following the effective date of this report that would influence or potentially affect the analyses, opinions, or conditions in the report. Any subsequent changes are beyond the scope of this report. No warranty or representation is made that these projections will materialize.
- 14) The client or user of this report agrees to notify the appraiser(s) of any error, omission or inaccurate data contained in the report within 15 days of receipt, and return the report and all copies thereof to the appraiser(s) for correction prior to any use.
- 15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

**Assumptions and Limiting Conditions – Continued**

- 16) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- 17) This report has been prepared in a “non-disclosure” state. Real estate prices and other data, such as rents, prices, and financing are not a matter of public record. Although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, I may have relied on verification obtained and reported to us by persons outside my office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease or other significant commitment of funds to the subject property.
- 18) The Americans With Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since I have no direct evidence relating to the issue of compliance, I did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 19) Acceptance or use of this report constitutes agreement by the client and any other users that any liability for errors, omissions or judgment is limited to the amount of the fee charged for this report. Use of this report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (in any), extraordinary assumptions (if any), and hypothetical conditions (in any) on which this report is based.

### ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

**SUMMARY AND CONCLUSIONS**

## EXECUTIVE SUMMARY

**Disclosure of Competency:** *Araiza Appraisal & Consulting* is a professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, I have completed numerous assignments involving similar properties. I am a State Certified General Real Estate Appraiser with the State of Texas, and have prepared/reviewed numerous market studies and appraisal assignments of properties similar to this assignment.

**Identification of Property:** The subject property is located on the northeast corner of Virginia Parkway and Carlisle Street, in McKinney, Collin County, Texas 75071. The subject site contains ±5.0831 acres (±221,420 square feet), and appears to be relatively flat in topography. The subject is proposed to be developed and operated as a 172-unit HTC/PAB General Population apartment development.

**Primary Market:** The subject's primary market is generally defined as that area contained within census tracts 48085030601, 48085030603, 48085030605, 48085030701, 48085030702, 48085030801, 48085030802, 48085031406, 48085031504, 48085031506, 48085031507, and 48085031508. This area is contained in all or a portion of the following zip codes 75002, 75013, 75069, 75070, 75071, and 75072. The area is generally bound by Honey Creek and County Road 201 to the north; CR 164, CR1007, FM 1461, Franklin Branch Creek, Virginia Pkwy, Hardin Blvd., U.S. Highway 75, Alma Drive to the west; Chaparral Road to the south; and Jupiter Road, FM 2170, FM 1378, McDonald Street to the east. The average rental rate for apartments in the subject's primary market area is reported at \$1.74 per square foot per month. The average rent and occupancies in this submarket are skewed downward somewhat due to a number of older projects with a modest level of amenities. The average physical occupancy in the subject's market area was reported at 92.63%. Occupancy rates and rental rates in this primary market area have remained strong over the past few years, with overall stable rental rates.

**Comparable Properties:** The selected comparable apartments surveyed in the primary market area of the subject generally exhibited strong occupancy rates, with an average occupancy level of 96% and an average rental rate of ±\$1.65 per square foot per month. According to my research (including contacting the local HUD offices), there are 8 existing HUD or HTC projects with 10 units or higher in the subject's primary market area in which the rents are based on income or otherwise restricted: 0 HUD project(s) and 8 HTC project(s).

EXISTING LOW-INCOME PROJECTS IN PMA				
Type		Occ	Units	TDHCA#
Sec 8				
Tax credit				
General	Post Oak	91.00%	182	14295
General	Skyway Villas	93.00%	240	01425
General	Merritt McGowan Manor	95.00%	136	17036
General	Lakes of El Dorado Apartments	90.00%	220	14409
General	Treymore at McKinney	99.00%	192	97121
General	Tuscany at Wilson Creek	98.00%	215	98-06T
General	Chaparral Townhomes	99.00%	126	01005
General	Independence	<u>93.00%</u>	<u>205</u>	20409
	8	94.75%	1,516	

**Demand:** The primary market area for the subject property had an estimated 37,532 households in 2022 and is projected to have 40,162 households by 2027. Approximately 36.59% of these families were renter households in 2022. The population growth in the primary market area between 2000 and 2010 was 58.70%, between 2010 and 2022 was 32.67% and between 2022 and 2027 is projected to be 7.20%. The population is growing within the primary market area.

**Evaluation of Subject Property:** The subject property will have one- to three-bedroom units. The subject property is proposed to have the following breakdown;

Units	#	%
1BR	56	32.56%
2BR	84	48.84%
3BR	<u>32</u>	<u>18.60%</u>
	<b>172</b>	<b>100.00%</b>

Because the average household size in the primary market area is 2.85 persons, and 85.42% of the households consist of 1 to 4 person households, having 81.40% of the unit mix in one to two-bedroom units is considered appropriate. Based on discussions with leasing agents, and my own analysis of the selected comparables in the primary market, the unit mix is appropriate for a General Population project, and will complement the local affordable housing market.

The subject property has a projected per unit development cost that is within the typical range for projects of this type and caliber. Development of the project is the maximally productive use of the site and I consider it to be an acceptable location for this development.

**Rental Rates:** The client’s reported rents, averaging ±\$1.288 per square foot (rent-restricted), are considered very competitive for a newly constructed project in this market.

**Income:** Based on the developer’s provided rent schedule, gross potential annual revenue for the subject property, including \$30.00 per unit “other revenue” totals \$2,534,400. Other revenue (primary sources are application fees, pet fees, late fees, NSF fees, laundry, vending, and cable, etc.) estimated by the developer appears reasonable based on information in my files and discussions with apartment developers and management companies which are active in the McKinney/Dallas Region.

**Need for Affordable Housing:** Occupancies of the affordable housing projects are high, with some maintaining waiting lists. Therefore, the subject property need only achieve moderate penetration to be feasible. This is a realistic scenario considering the limited supply of quality affordable General Population housing in the subject's primary market area.

**Capture Rate:** Based on my research, there is one Family project operating (TDHCA# 20409 is a 4% complex with 205 units total of which 161 are comparable to the subject and are included in the capture analysis), none approved and none unstabilized in the primary market area. It should be noted #20409 appears to be stabilized but I could not confirm for 90 days so I have included in the capture rate. Per TDHCA guidelines, all of the subject's restricted units should be included in the capture calculations. The subject contains 172 units, of which 172 will be rent-restricted. Therefore, a total of 333 units require absorption, of which 333 units will be rent-restricted. There are approximately 5,499 (HISTA) potential households (relevant to the rent restricted units) based on income eligibility, household size, and housing preference in the subject's primary market.

**HISTA Gross Capture Rate for 333 Affordable General Population Units      6.06%**

THE CAPTURE RATE ABOVE IS OVERSTATED. I HAVE NOT INCLUDED DEMAND FROM SECTION 8 AND OTHER DEMAND SOURCES. BECAUSE THE CAPTURE RATE WAS WITHIN TDHCA'S GUIDELINES WITHOUT THE INCLUSION OF THESE DEMAND SOURCES, THAT DEMAND WAS NOT QUANTIFIED IN THIS REPORT.

**Absorption:** I was unable to locate any Family affordable market-rate developments which have been completed and stabilized within the past 12 months within the subject PMA. Palladium Anna began leasing in June 2018, and attained stabilized occupancy in October 2018, which equates to an average absorption of 21 units per month. Other recent Family HTC projects which have come on-line in the Fort Worth area include Mercantile Square, which is a 324-unit HTC Family complex which came online in July 2018 and attained stabilized occupancy in December 2018, which equates to an average absorption of 54 units per month. Palladium Glenn Heights, which is a 270-unit community that is 93% rent restricted, came online in October 2018, and stabilized by April 2018. This indicates an average absorption of 39 units per month. I estimate absorption at 15 to 25 units a month and the property should stabilize within 6 to 10 months of opening.

**Effect of Subject Property on Existing Apartment Market:** Based on the high occupancy levels of the existing properties in the market, the subject's stabilized occupancy, and the lack of good quality affordable housing, along with the recent strong absorption history, I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration.

**Certification of Interest:** The individual(s) performing this study do not have any interest or prospective interest in the development of the subject property.



## SCOPE OF APPRAISAL ASSIGNMENT

### **Use of the Assignment**

The use of this assignment is understood to be for decision-making purposes of the client, as well as the additional intended users.

### **Development and Reporting Process of the Assignment**

Market data, including sales and lease information, was obtained from sources deemed to be reliable, including, but not limited to, on-site personnel. This report fully discusses all pertinent data, descriptions, and discussions germane to the subject of this report. A copy of this report and the data included herein have been retained in my files.

### **Effective Date of the Assignment**

The descriptions, analyses, and conclusions of this report are applicable as of January 1, 2023.

### **Date of the Report**

The preparation of this report was completed on January 4, 2023.

### **Data Sources**

CoStar was consulted for apartment statistics. All rental information for the comparable properties has been verified by the market analyst. Census data was obtained from Claritas (Spotlight) and Ribbon Demographics, recognized sources of demographic data throughout the United States and the U.S. Census Bureau.

### **Housing Tax Credit, Multifamily Bond, and Section 8 – Summarized**

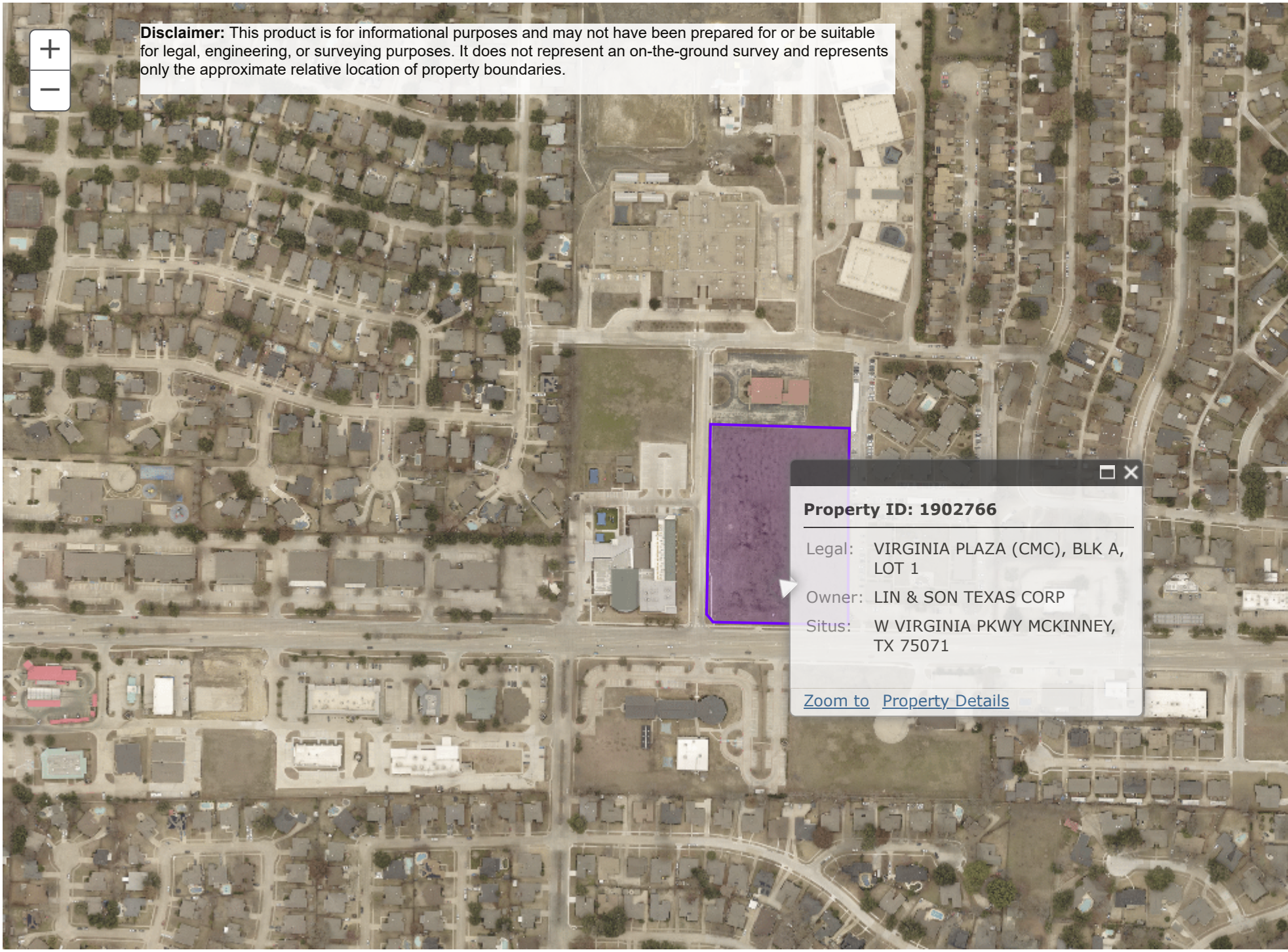
The Housing Tax Credit (HTC), originally formulated as the “Low Income Housing Tax Credit,” was created by the Tax Reform Act of 1986 to spur the development of affordable housing for residents of moderate means. It is not federally subsidized housing. It is not housing for the impoverished, unemployed, or homeless. The Tax Credit Program was instituted to provide quality housing at reasonable costs.

The Multifamily Bond Program is similar to the HTC program in that it provides quality housing at affordable costs for residents of moderate means. The TDHCA issues tax-exempt and taxable multifamily MRB’s to fund loans to for-profit and qualifying nonprofit organizations for the acquisition or development of affordable rental units. Bond properties typically receive some tax credits as well as bonds. A recommendation is made to the TDHCA governing board and, if approved, additional approval is required by the Texas Bond Review Board. Properties financed through the programs are subject to unit set aside restrictions for lower income tenants and persons with special needs, tenant program initiatives, maximum rent limitations, and other requirements as determined by TDHCA and its board.

Tenants at HTC and bond properties must be income qualified. The income qualifications will adjust annually based on the median income for Collin County.



**Disclaimer:** This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



**Property ID: 1902766**

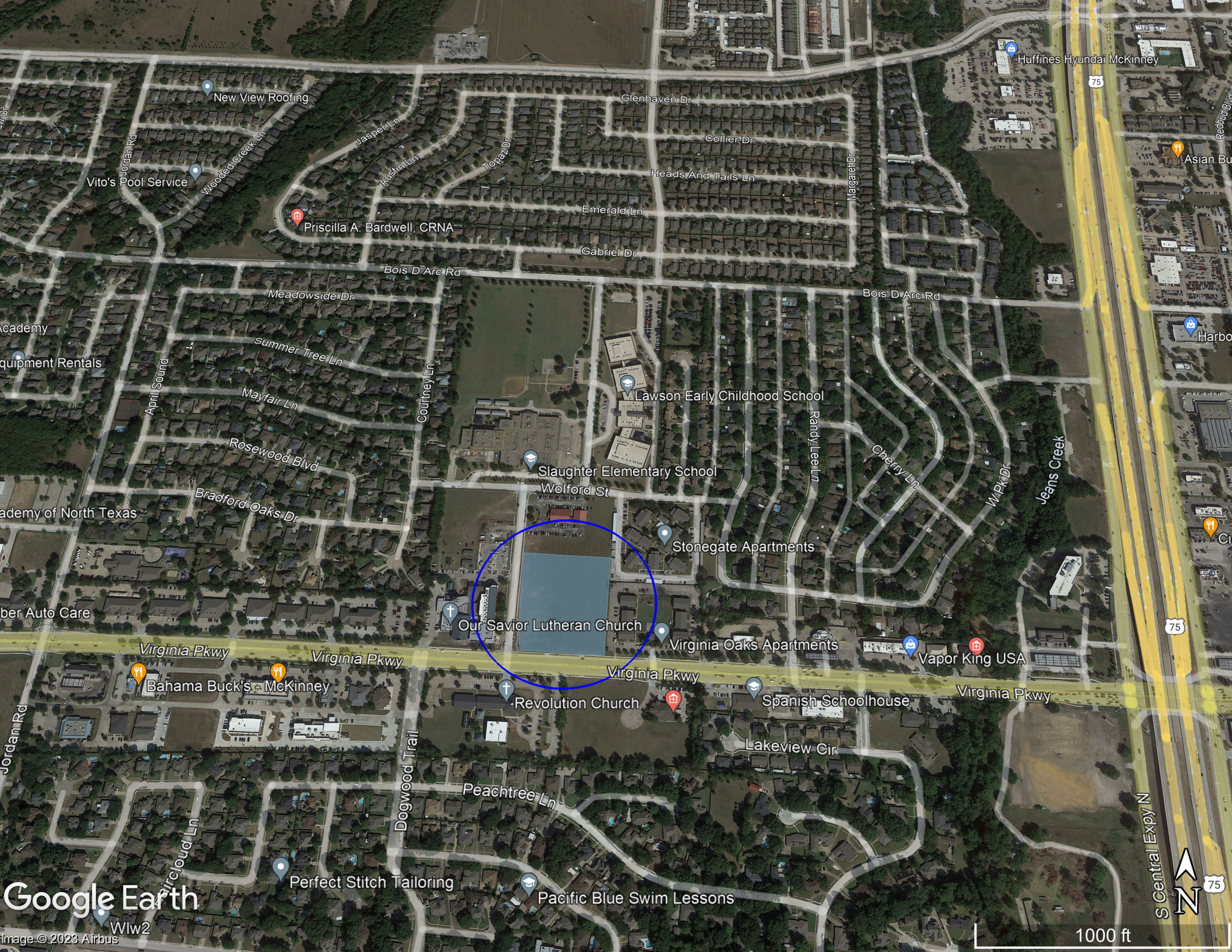
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Legal: VIRGINIA PLAZA (CMC), BLK A, LOT 1

Owner: LIN & SON TEXAS CORP

Situs: W VIRGINIA PKWY MCKINNEY, TX 75071

[Zoom to](#) [Property Details](#)



**Palladium McKinney - CRB&T Direct - Tax Exempt  
Investment Summary  
McKinney, Collin County, TX  
2023 - 4% Bond HTC; TDHCA #23601**

**PROJECT SUMMARY**

Number of Affordable Units		100%	172			Stabilized Year 1			
Number of Market Rate Units		0%	0			Total	Per Unit		
Total Number of Units			172						
	Affordable								
	Units	MR Units	Total Units	%	Avg SF				
1 Bed Units	56	0	56	32.6%	746				
2 Bed Units	84	0	84	48.8%	985				
3 Bed Units	32	0	32	18.6%	1,150				
	172	0	172	100.0%	938				
	%	%	%						
	Units	Credit Units	Total Units						
	0%	0%	0	Units at	30%	AMI			
	0%	0%	0	Units at	40%	AMI			
	0%	0%	0	Units at	50%	AMI			
	100%	100%	172	Units at	60%	AMI			
	0%	0%	0	Units at	70%	AMI			
	0%	0%	0	Units at	80%	AMI			
	0%	-	0	Units at	Market				
	100.0%	100.0%	172						

<b>Average HTC AMI %</b>		<b>60.00%</b>	Must be at or below 60% for Average Income Selection	
<b>Average Income Selected:</b>		<b>No</b>	<b>OK</b>	

Total Net Rentable Square Footage	161,332	<b>Bond Inducement Amount \$40,000,000</b>
<b>Acreage</b>	<b>5.0830</b>	
<b>DUPA</b>	<b>33.84</b>	

**Sources of Funds**

					Permanent		% of Total		Construction		% of Total
					Phase	Capital Stack	Capital Stack	Per Unit	Phase	Capital Stack	
<b>Hard Debt</b>											
Tax Exempt Bonds	<b>TDHCA</b>	<b>CRB&amp;T</b>	Amort Yrs	MIP	Rate				Rate		
Future			40	0.00%	5.50%	\$22,304,713	49.55%	\$129,679	5.50%	\$22,304,713	51.11%
Equity Bridge Loan		<b>PNC Bank</b>				\$0	0.00%	\$0	0.00%	\$0	0.00%
						\$0	0.00%	\$0	7.00%	\$14,226,044	32.60%
<b>Soft Debt</b>											
McKinney CDC Funding			Amort Yrs	Term Yrs							
"Future" HOME Loan			0	0	0.00%	\$1,500,000	3.33%	\$8,721	0.00%	\$1,500,000	3.44%
Future			0	0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
			0	0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Equity</b>											
Tax Credit Equity	<b>PNC Bank</b>	<b>Tax Credits</b>	<b>Credit %</b>	<b>Price</b>							
Deferred Developer Fee		\$2,019,878	4.00%	\$0.9000		\$18,177,081	40.38%	\$105,681		\$1,495,232	3.43%
GP Equity				57%		\$2,892,895	6.43%	\$16,819		\$3,979,739	9.12%
"Future" General Obligation Bond Funds Grant						\$100	0.00%	\$1		\$100	0.00%
Undisbursed Bond Fund Reinvestment Earnings				1.00%		\$0	0.00%	\$0		\$0	0.00%
						\$137,467	0.31%	\$799		\$137,467	0.31%
<b>Total Sources of Funds</b>						<b>\$45,012,256</b>	<b>100.00%</b>	<b>\$261,699</b>		<b>\$43,643,295</b>	<b>100.00%</b>

**Uses of Funds**

	Total Costs	Per Unit	Per Sq. Ft.	% of Total Dev. Cost
Land & Broker Fees	\$2,644,609	\$15,376	\$16.39	5.88%
Construction (includes GC fees, contingency, GC BR Insurance)	\$28,929,112	\$168,193	\$179.31	64.27%
Structured Parking	\$0	\$0	\$0.00	0.00%
Architecture & Engineering	\$597,010	\$3,471	\$3.70	1.33%
Permits & Fees	\$740,548	\$4,306	\$4.59	1.65%
Financing	\$1,642,236	\$9,548	\$10.18	3.65%
Construction Period Interest	\$2,657,978	\$15,453	\$16.48	5.91%
Bond Costs	\$546,573	\$3,178	\$3.39	1.21%
Tax Credit Costs	\$109,594	\$637	\$0.68	0.24%
Soft Costs	\$293,000	\$1,703	\$1.82	0.65%
Legal	\$207,500	\$1,206	\$1.29	0.46%
FF&E	\$200,000	\$1,163	\$1.24	0.44%
Insurance and Property Taxes	\$284,182	\$1,652	\$1.76	0.63%
Reserves	\$1,093,332	\$6,357	\$6.78	2.43%
Developer Fee	\$5,066,583	\$29,457	\$31.40	11.26%
<b>Total Uses of Funds</b>	<b>\$45,012,256</b>	<b>\$261,699</b>	<b>\$279.00</b>	<b>100.00%</b>

**Palladium McKinney - CRB&T Direct - Tax Exempt  
Investment Summary  
McKinney, Collin County, TX  
2023 - 4% Bond HTC; TDHCA #23601**

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**Palladium McKinney - CRB&T Direct - Tax Exempt  
2023 - 4% Bond HTC; TDHCA #23601**

**2022 Rents as of 12/19/2022**

**Rent Schedule**

Unit Type	HTC Units	HOME Units (Rent/Inc)	# of Units	% of Units	# of Bed-rooms	# of Baths	Unit Size (NRSF)	Total NRSF	Program Rent Limit	Tenant Paid Utility Allowance	Net Rent Per Unit	Total Monthly Rent	Total Annual Rent	Net Rent Per Unit Per SF
1bd/1ba	30%		0	0%	1	1	754	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba HTF	30%		0	0%	1	1	754	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba	40%		0	0%	1	1	754	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba HTF	40%		0	0%	1	1	754	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba	50%		0	0%	1	1	754	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba HOME	50%		0	0%	1	1	754	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba	60%		8	14%	1	1	754	6,032	\$1,096	\$65	\$1,031	\$8,248	\$98,976	\$1.37
1bd/1ba	60%		48	86%	1	1	745	35,760	\$1,096	\$65	\$1,031	\$49,488	\$593,856	\$1.38
1bd/1ba	70%		0	0%	1	1	745	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba	80%		0	0%	1	1	745	-	\$0	\$65	\$0	\$0	\$0	\$0.00
1bd/1ba	Market		0	0%	1	1	745	-	N/A	N/A	\$0	\$0	\$0	\$0.00
1bd/1ba	Market		0	0%	1	1	745	-	N/A	N/A	\$0	\$0	\$0	\$0.00
<b>Total</b>	<b>33%</b>		<b>56</b>	<b>100%</b>				<b>41,792</b>				<b>\$692,832</b>		<b>\$1.38</b>

2bd/2ba	30%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba HTF	30%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba	40%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba HTF	40%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba	50%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba HOME	50%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba	60%		84	100%	2	2	985	82,740	\$1,315	\$87	\$1,228	\$103,152	\$1,237,824	\$1.25
2bd/2ba	60%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba	70%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba	80%		0	0%	2	2	985	-	\$0	\$87	\$0	\$0	\$0	\$0.00
2bd/2ba	Market		0	0%	2	2	985	-	N/A	N/A	\$0	\$0	\$0	\$0.00
2bd/2ba	Market		0	0%	2	2	985	-	N/A	N/A	\$0	\$0	\$0	\$0.00
<b>Total</b>	<b>49%</b>		<b>84</b>	<b>100%</b>				<b>82,740</b>				<b>\$1,237,824</b>		<b>\$1.25</b>

3bd/2ba	30%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba HTF	30%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba	40%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba HTF	40%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba	50%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba HOME	50%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba	60%		32	100%	3	2	1150	36,800	\$1,519	\$108	\$1,411	\$45,152	\$541,824	\$1.23
3bd/2ba HOME	60%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba	70%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba	80%		0	0%	3	2	1150	-	\$0	\$108	\$0	\$0	\$0	\$0.00
3bd/2ba	Market		0	0%	3	2	1150	-	N/A	N/A	\$0	\$0	\$0	\$0.00
3bd/2ba	Market		0	0%	3	2	1150	-	N/A	N/A	\$0	\$0	\$0	\$0.00
<b>Total</b>	<b>19%</b>		<b>32</b>	<b>100%</b>				<b>36,800</b>				<b>\$541,824</b>		<b>\$1.23</b>

<b>Total Rental Income</b>	<b>100%</b>	<b>172</b>	<b>938</b>	<b>161,332</b>		<b>\$1,198</b>	<b>\$206,040</b>	<b>\$2,472,480</b>	<b>\$1.28</b>
<b>Affordable</b>		<b>172</b>	<b>100%</b>		<b>Average MR Rents</b>	<b>#DIV/0!</b>			<b>#DIV/0!</b>
<b>Market rate</b>		<b>0</b>	<b>0%</b>		<b>Average HTC Rents</b>	<b>\$1,198</b>			<b>\$1.28</b>

Non Rental Income	\$0.00	per unit/month for:	Garage and Carport Rentals	\$0	\$0
Non Rental Income	\$24.60	per unit/month for:	Application, Pet, Late and NSF Fees	\$4,231	\$50,772
Non Rental Income	\$0.00	per unit/month for:	Laundry, Vending, Cable	\$0	\$0
<b>Total Non Rental Income</b>	<b>\$24.60</b>			<b>\$4,231</b>	<b>\$50,772</b>

<b>Total Gross Potential Revenue</b>	<b>\$210,271</b>	<b>\$2,523,252</b>
<b>Vacancy %</b>	<b>5.00%</b>	<b>\$10,514</b>
<b>Net Revenue</b>	<b>\$199,757</b>	<b>\$2,397,089</b>

Schedule of Utility Allowances		Bedrooms				
Category	Type	Eff	1	2	3	4
Heating		0.00	\$17.25	\$21.29	\$25.33	0.00
Cooking		0.00	\$5.26	\$7.61	\$9.96	0.00
Other Electric		0.00	\$19.84	\$27.61	\$35.37	0.00
Air Conditioning		0.00	\$9.91	\$13.73	\$17.56	0.00
Water Heating		0.00	\$12.49	\$15.94	\$19.39	0.00
Electric Service Fee		0.00	\$0.00	\$0.00	\$0.00	0.00
Water		0.00	\$0.00	\$0.00	\$0.00	0.00
Sewer/Trash		0.00	\$0.00	\$0.00	\$0.00	0.00
Gas Service Fee		0.00	\$0.00	\$0.00	\$0.00	0.00
Adjuster to Current UA from DPC		0.00	\$0.00	\$0.00	\$0.00	0.00
<b>Total</b>		<b>0.00</b>	<b>\$65.00</b>	<b>\$87.00</b>	<b>\$108.00</b>	<b>0.00</b>
Source	Sara					
Effective	18-Nov-22					

**Palladium McKinney - CRB&T Direct - Tax Exempt  
2023 - 4% Bond HTC; TDHCA #23601**

**ANNUAL OPERATING EXPENSES**

	Total	Per Unit	Per NRSF
<b>General &amp; Administrative Expenses</b>			
Accounting/Tax/Office	22,942	133	0.14
Advertising	12,618	73	0.08
Legal fees	1,865	11	0.01
Leased equipment	2,670	16	0.02
Payroll Tax and Employee Benefits	32,608	190	0.20
Postage & office supplies	3,652	21	0.02
Telephone	5,125	30	0.03
Other - Computer and Related	9,108	53	0.06
Other - Compliance	12,040	70	0.07
<b>Total General &amp; Administrative Expenses:</b>	<b>102,628</b>	<b>597</b>	<b>0.64</b>
<b>Management Fee:</b>	<b>95,884</b>	<b>557</b>	<b>0.59</b>
<b>Management Fee: 4.0%</b>			
<b>Payroll (Excluding Payroll Tax &amp; Employee Benefits as these are in G&amp;A)</b>			
Management	111,537	648	0.69
Maintenance	78,584	457	0.49
<b>Total Payroll, Payroll Tax &amp; Employee Benefits:</b>	<b>190,121</b>	<b>1,105</b>	<b>1.18</b>
<b>Repairs &amp; Maintenance</b>			
Elevator	3,600	21	0.02
Exterminating	2,221	13	0.01
Grounds	21,385	124	0.13
Make-ready	66,894	389	0.41
Repairs	12,949	75	0.08
Pool	2,118	12	0.01
Contract Maintenance	-	-	-
Other	-	-	-
<b>Total Repairs &amp; Maintenance:</b>	<b>109,167</b>	<b>635</b>	<b>0.68</b>
<b>Utilities</b>			
Electric	21,831	127	0.14
Natural gas	-	-	-
Trash	27,228	158	0.17
Water & sewer	92,828	540	0.58
Other	-	-	-
Other	-	-	-
<b>Total Utilities:</b>	<b>141,886</b>	<b>825</b>	<b>0.88</b>
<b>Property Insurance:</b>	<b>86,000</b>	<b>500</b>	<b>0.53</b>
<b>Property Taxes</b>			
Annual Property Taxes:	-	-	-
Payments in Lieu of Taxes:	-	-	-
Other Taxes: Franchise Tax	-	-	-
<b>Total Property Taxes:</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reserve for Replacements:</b>	<b>43,000</b>	<b>250</b>	<b>0.27</b>
<b>Other Expenses</b>			
Cable TV	-	-	-
Trustee Annual Fee	4,000	23	0.02
TDHCA Tax Credit Compliance fees	6,880	40	0.04
Bond Compliance fees	4,300	25	0.03
Security	-	-	-
Other - PNC FHA MIP	-	-	-
DHFC - Bond Administration	-	-	-
<b>Total Other Expenses:</b>	<b>15,180</b>	<b>88</b>	<b>0.09</b>
<b>TOTAL ANNUAL EXPENSES</b>	<b>783,866</b>	<b>4,557</b>	<b>4.86</b>
<b>Expense to Income Ratio:</b>	<b>32.70%</b>		
<b>NET OPERATING INCOME</b>	<b>1,613,224</b>	<b>9,379</b>	<b>10.00</b>
<b>Annual Debt Service</b>			
1st Mortgage	1,380,493	8,026	8.56
TDHCA National Housing Trust Funds	-	-	-
TDHCA Bond Issuer Admin Fee (.10%)	22,305	130	0.14
HOME Loan	0	0	0.00
<b>Total Annual Debt Service:</b>	<b>1,402,798</b>	<b>8,156</b>	<b>8.70</b>
<b>NET CASH FLOW</b>	<b>210,426</b>	<b>1,223</b>	<b>1.30</b>



**Palladium McKinney - CRB&T Direct - Tax Exempt  
2023 - 4% Bond HTC; TDHCA #23601**

**Development Cost Schedule**

	Total Cost	Per Unit	Per SF	Eligible Basis
<b>ACQUISITION</b>				
Site acquisition cost	2,324,863	13,517	14.41	0
Existing building acquisition cost	0	0	0.00	0
Closing costs & acq. legal fees	0	0	0.00	0
Other - Broker Fees	319,746	1,859	1.98	0
<b>Subtotal Acquisition Cost</b>	<b>\$2,644,609</b>	<b>15,376</b>	<b>16.39</b>	<b>\$0</b>
<b>OFF-SITES</b>				
Off-site concrete	0	0	0.00	0
Storm drains & devices	0	0	0.00	0
Water & fire hydrants	0	0	0.00	0
Off-site utilities	0	0	0.00	0
Sewer lateral(s)	0	0	0.00	0
Off-site paving	0	0	0.00	0
Off-site electrical	0	0	0.00	0
Other -	0	0	0.00	0
<b>Subtotal Off-Sites Cost</b>	<b>\$0</b>	<b>0</b>	<b>0.00</b>	<b>\$0</b>
<b>SITE WORK</b>				
Demolition	0	0	0.00	0
Rough grading	716,078	4,163	4.44	716,078
Fine grading	122,370	711	0.76	122,370
On-site concrete	573,130	3,332	3.55	573,130
On-site electrical	226,839	1,319	1.41	226,839
On-site paving	0	0	0.00	0
On-site utilities	805,004	4,680	4.99	805,004
Decorative masonry	0	0	0.00	0
Bumper stops, striping & signs	50,578	294	0.31	50,578
Other -	0	0	0.00	0
<b>Subtotal Site Work Cost</b>	<b>\$2,494,000</b>	<b>14,500</b>	<b>15.46</b>	<b>\$2,494,000</b>
<b>SITE AMENITIES</b>				
Landscaping	815,453	4,741	5.05	815,453
Pool and decking	146,648	853	0.91	146,648
Athletic court(s), playground(s)	140,546	817	0.87	140,546
Fencing	463,465	2,695	2.87	463,465
Other -	0	0	0.00	0
<b>Subtotal Site Amenities Cost</b>	<b>\$1,566,112</b>	<b>9,105</b>	<b>9.71</b>	<b>\$1,566,112</b>
<b>BUILDING COSTS:</b>				
Concrete	2,172,013	12,628	13.46	2,172,013
Masonry	1,256,360	7,304	7.79	1,256,360
Metals	130,032	756	0.81	130,032
Woods and Plastics	5,742,686	33,388	35.60	5,742,686
Thermal and Moisture Protection	0	0	0.00	0
Roof Covering	693,720	4,033	4.30	693,720
Doors and Windows	1,296,366	7,537	8.04	1,296,366
Finishes	1,975,012	11,483	12.24	1,975,012
Specialties	260,940	1,517	1.62	260,940
Equipment	464,237	2,699	2.88	464,237
Furnishings	513,191	2,984	3.18	513,191
Special Construction	291,928	1,697	1.81	291,928
Conveying Systems (Elevators)	397,163	2,309	2.46	397,163
Mechanical (HVAC; Plumbing)	2,490,509	14,480	15.44	2,490,509
Electrical	2,173,973	12,639	13.48	2,173,973
<b>Individually itemize costs below:</b>				
Detached Community Facilities/Building	0	0	0.00	0
Carports and/or Garages	0	0	0.00	0

**Palladium McKinney - CRB&T Direct - Tax Exempt  
2023 - 4% Bond HTC; TDHCA #23601**

**Development Cost Schedule**

	Total Cost	Per Unit	Per SF	Eligible Basis
Lead-Based Paint Abatement	0	0	0.00	0
Asbestos Abatement	0	0	0.00	0
Structured Parking	0	0	0.00	0
Commercial Space Costs	0	0	0.00	0
Other -	0	0	0.00	0
<b>Subtotal Building Costs</b>	<b>\$19,858,129</b>	<b>115,454</b>	<b>123.09</b>	<b>\$19,858,129</b>
<b>TOTAL BUILDING COSTS &amp; SITE WORK (including site amenities)</b>	<b>\$23,918,241</b>	<b>139,060</b>	<b>148.25</b>	<b>\$23,918,241</b>
Contingency 5.70%	\$1,363,340	7,926	8.45	\$1,363,340
<b>TOTAL HARD COSTS</b>	<b>\$25,281,581</b>	<b>146,986</b>	<b>156.71</b>	<b>\$25,281,581</b>
<b>OTHER CONSTRUCTION COSTS</b>				
General requirements (6%) 6.00%	1,435,094	8,344	8.90	1,435,094
Field supervision (within GR limit)	0	0	0.00	0
Contractor overhead (2%) 2.00%	478,365	2,781	2.97	478,365
G & A Field (within overhead limit)	0	0	0.00	0
Contractor profit (6%) 6.00%	1,435,094	8,344	8.90	1,435,094
<b>TOTAL CONTRACTOR FEES</b>	<b>\$3,348,554</b>	<b>19,468</b>	<b>20.76</b>	<b>\$3,348,554</b>
<b>TOTAL CONSTRUCTION CONTRACT</b>	<b>\$28,630,134</b>	<b>166,454</b>	<b>177.46</b>	<b>\$28,630,134</b>
<b>SOFT COSTS</b>				
Architectural - Design fees	374,840	2,179	2.32	374,840
Architectural - Supervision fees	70,900	412	0.44	70,900
Engineering fees	91,270	531	0.57	91,270
Real estate attorney/other legal fees	207,500	1,206	1.29	103,750
Accounting fees	20,000	116	0.12	20,000
Impact Fees	335,291	1,949	2.08	335,291
Building permits & related costs	178,034	1,035	1.10	178,034
Appraisal	15,000	87	0.09	15,000
Market analysis	8,000	47	0.05	8,000
Environmental assessment	5,500	32	0.03	5,500
Soils report	22,400	130	0.14	22,400
Survey	32,100	187	0.20	32,100
Marketing	0	0	0.00	0
Hazard & liability insurance	583,160	3,390	3.61	583,160
Real property taxes	0	0	0.00	0
Personal property taxes	0	0	0.00	0
Tenant relocation expenses	0	0	0.00	0
Contingency	0	0	0.00	0
Reimbursables	250,000	1,453	1.55	250,000
FF&E	200,000	1,163	1.24	200,000
<b>Subtotal Soft Cost</b>	<b>\$2,393,995</b>	<b>13,919</b>	<b>14.84</b>	<b>\$2,290,245</b>
<b>FINANCING:</b>				
<b>CONSTRUCTION LOAN(S)</b>				
Interest	2,657,978	15,453	16.48	2,458,630
Loan origination fees	0	0	0.00	0
Title & recording fees	130,986	762	0.81	130,986
Closing costs & legal fees	0	0	0.00	0
Inspection fees	0	0	0.00	0
Plan and Cost Review	40,000	233	0.25	40,000
Discount Points	0	0	0.00	0
Letters of Credit	0	0	0.00	0
Materials Testing	0	0	0.00	0
Letter of Credit/MIP	0	0	0.00	0
<b>PERMANENT LOAN(S)</b>				
Loan origination fees	0	0	0.00	0
Title & recording fees	0	0	0.00	0
Closing costs & legal	0	0	0.00	0

**Palladium McKinney - CRB&T Direct - Tax Exempt  
2023 - 4% Bond HTC; TDHCA #23601**

**Development Cost Schedule**

	Total Cost	Per Unit	Per SF	Eligible Basis
Bond premium	0	0	0.00	0
Credit report	0	0	0.00	0
Discount points	0	0	0.00	0
Credit enhancement fees	0	0	0.00	0
Prepaid MIP	0	0	0.00	0
Mortgage Broker	0	0	0.00	0
Application Fee	0	0	0.00	0

**EQUITY BRIDGE LOAN**

Interest	1,330,120	7,733	8.24	0
Loan origination fees	71,130	414	0.44	0
Title & recording fees	0	0	0.00	0
Closing costs & legal fees	0	0	0.00	0
Other - Bridge Loan Legal	20,000	116	0.12	0
Other -	0	0	0.00	0

**OTHER FINANCING COSTS**

	0			
Tax credit fees	109,594	637	0.68	0
Tax and/or bond counsel	0	0	0.00	0
Payment bonds	0	0	0.00	0
Performance bonds	227,223	1,321	1.41	227,223
Credit enhancement fees	0	0	0.00	0
Mortgage insurance premiums	0	0	0.00	0
Cost of bond underwriting & issuance	546,573	3,178	3.39	0
Syndication organizational cost	0	0	0.00	0
Tax opinion	0	0	0.00	0
Contractor Guarantee Fee	0	0	0.00	0
Conduit Loan Fee	0	0	0.00	0
Other - Equity Investor Legal	0	0	0.00	0
Other - Equity Title	50,000	291	0.31	0
<b>Subtotal Financing Cost</b>	<b>\$5,183,604</b>	<b>30,137</b>	<b>32.13</b>	<b>\$2,856,839</b>

**DEVELOPER FEES**

Housing consultant fees	0	0	0.00	0
General & administrative	0	0	0.00	0
Profit or fee	5,066,583	29,457	31.40	5,066,583
<b>Subtotal Developer Fees</b>	<b>\$5,066,583</b>	<b>29,457</b>	<b>31.40</b>	<b>\$5,066,583</b>

12.68%

15.00%

**RESERVES**

Bond Debt Service Reserve	0	0	0.00	0
Equity Operating Deficit Reserve	1,093,332	6,357	6.78	0
Replacement	0	0	0.00	0
Escrows - HUD Social Services	0	0	0.00	0
<b>Subtotal Reserves</b>	<b>\$1,093,332</b>	<b>6,357</b>	<b>6.78</b>	<b>\$0</b>

**TOTAL HOUSING DEVELOPMENT COSTS**

<b>\$45,012,256</b>	<b>261,699</b>	<b>279.00</b>	<b>\$38,843,801</b>
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**Total Eligible Basis**

High Cost Area Adjustment (100% or 130%)

**Total Adjusted Basis**

Applicable Fraction

**Total Qualified Basis**

Applicable Percentage

**Credits Supported By Eligible Basis**

(May be greater than actual request)

\$38,843,801
130%
\$50,496,941
100.000000%
\$50,496,941
4.000%
<b>\$2,019,878</b>

Credits Approved by TDHCA

N/A



# Palladium McKinney - CRB&T Direct - Tax Exempt

McKinney, Collin County, TX  
2023 - 4% Bond HTC; TDHCA #23601

YEARS 1 - 15 OPERATING PROFORMA	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
<b>Hard Debt Repayments</b>																
<b>Tax Exempt Bonds</b>																
Beginning Balance	22,304,713	22,147,045	21,980,482	21,804,524	21,618,640	21,422,271	21,214,826	20,995,678	20,764,169	20,519,602	20,261,238	19,988,301	19,699,969	19,395,372	19,073,593	
Interest Payments	1,222,824	1,213,930	1,204,535	1,194,609	1,184,124	1,173,047	1,161,346	1,148,984	1,135,925	1,122,130	1,107,556	1,092,160	1,075,896	1,058,714	1,040,563	
Principal Repayments	157,669	166,563	175,958	185,884	196,369	207,446	219,147	231,509	244,568	258,363	272,937	288,333	304,597	321,779	339,930	3,571,050
Ending Balance	22,147,045	21,980,482	21,804,524	21,618,640	21,422,271	21,214,826	20,995,678	20,764,169	20,519,602	20,261,238	19,988,301	19,699,969	19,395,372	19,073,593	18,733,663	
<b>Soft Debt Repayments</b>																
<b>Soft Debt - Other</b>																
Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>McKinney CDC Funding</b>																
Beginning Balance	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Interest Payments	(Balloon payment upon sale or refinance)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Soft Debt - HOME Loan</b>																
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payments	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Soft Debt - Ending Balance</b>	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

**Palladium McKinney - CRB&T Direct - Tax Exempt  
2023 - 4% Bond HTC; TDHCA #23601**

**Financing Narrative and Summary of Sources and Uses of Funds**

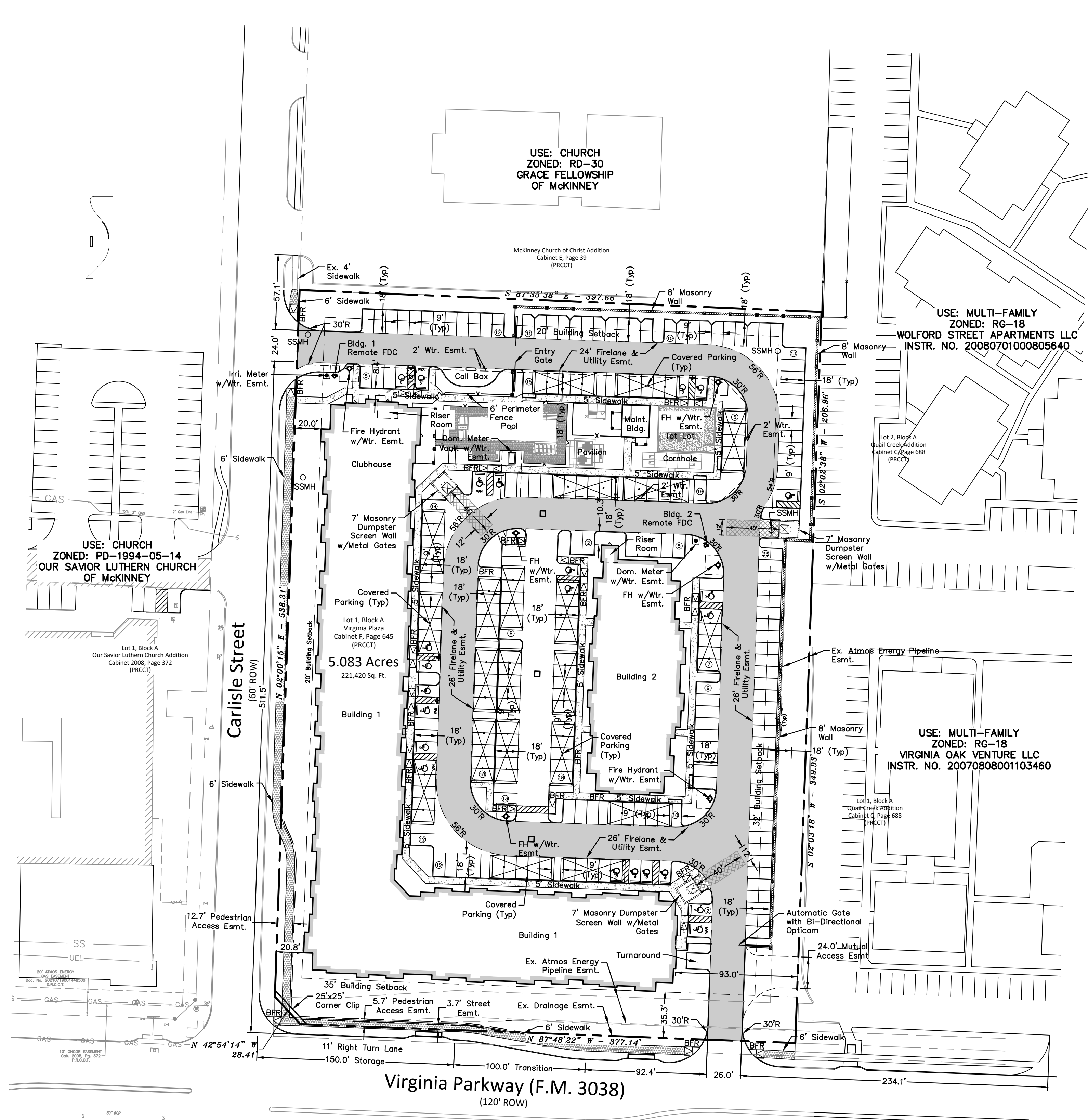
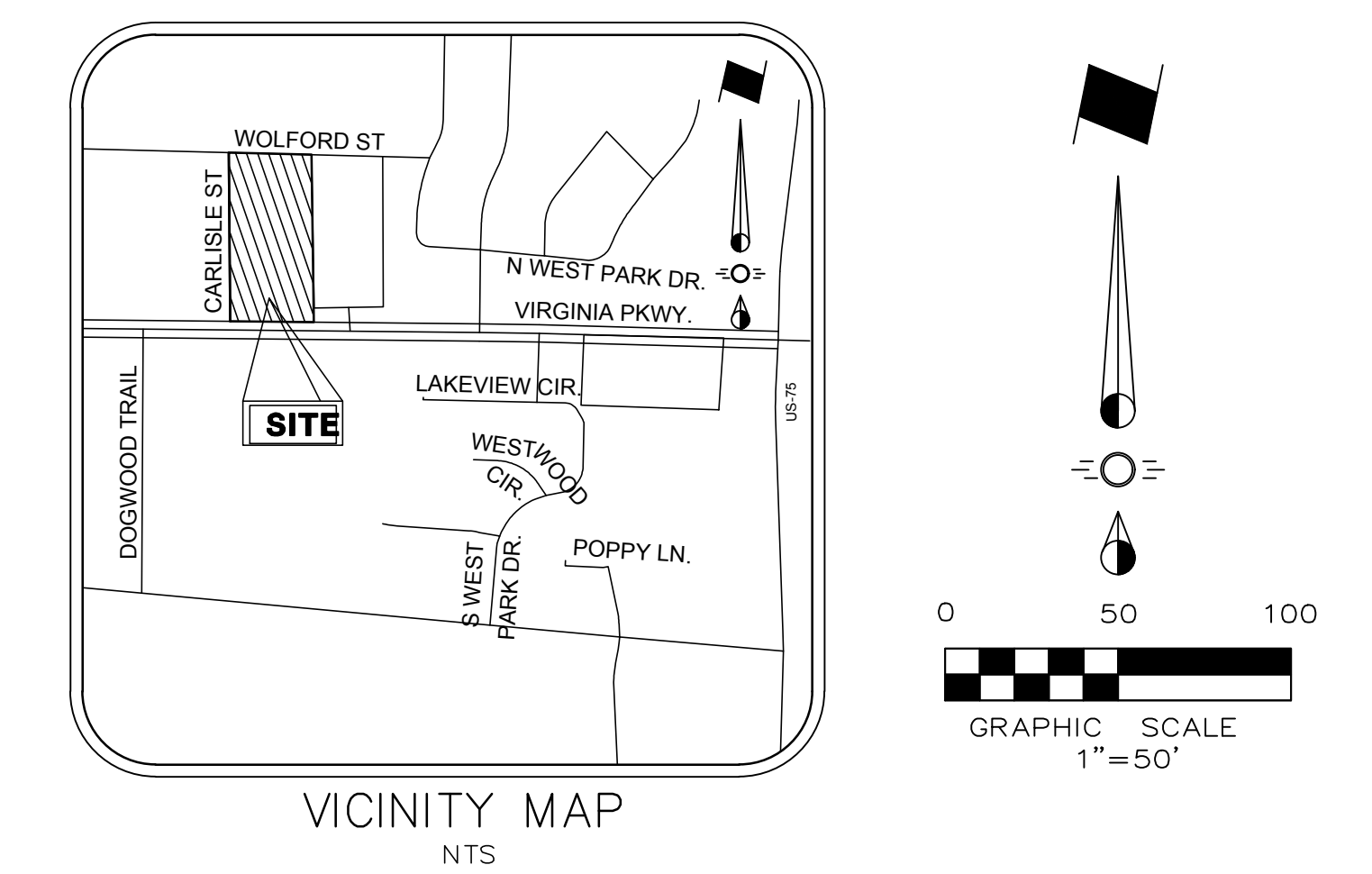
Financing Participants	Funding Description	Construction Period			Permanent Period					
		Loan/Equity Amount	Interest Rate	Lien Position	Loan/Equity Amount	Interest Rate	Amortization Yrs	Term (Yrs)	Syndication Rate	Lien Position
<b>Debt</b>										
TDHCA	National Housing Trust Funds	\$0	0%		\$0	0%				
<b>TDHCA</b>	<b>CRB&amp;T</b>	\$22,304,713	5.5000%	<b>1</b>	\$22,304,713	5.5000%	40	20		<b>1</b>
<b>Future</b>		\$0	0.00%	<b>0</b>	\$0	0.00%	0	<b>0</b>		0
PNC Bank	Bridge Loan	\$14,226,044	7.00%	<b>2</b>	\$0					
<b>Third Party Equity</b>										
PNC Bank	HTC	<b>\$2,019,878</b>	\$1,495,232		\$18,177,081				\$0.90	
McKinney HFC GP		\$100			\$100					
<b>Other</b>										
McKinney CDC Funding		\$1,500,000	0%	<b>3</b>	\$1,500,000	0%	-	0		<b>2</b>
"Future" HOME Loan		\$0	0%	0	\$0	0%	-	0		0
"Future" General Obligation Bond Funds Grant		\$0	0%		\$0	0%				
Total Soft Funding	\$1,500,000									
<b>Deferred Developer Fee</b>										
Palladium and McKinney HFC		\$3,979,739			\$2,892,895					
<b>Other</b>										
Undisbursed Bond Fund Reinvestment Earnings		\$137,467			\$137,467					
Deferred Tax and Insurance Reserve		\$0			\$0					
<b>Total Sources of Funds</b>		<b>\$43,643,295</b>			<b>\$45,012,257</b>					
<b>Total Uses of Funds</b>		<b>\$43,643,295</b>			<b>\$45,012,256</b>					
		\$0	<b>OK</b>		\$0	<b>OK</b>				



# Attachment "I" – Rendering and Site Plan







**LEGEND**

- Firelane
- Proposed Fire Hydrant
- Barrier Free Ramp

**SITE DATA TABLE**

Lot 1, Block A Virginia Plaza	PD2022-02-024
Zoning:	Multi-Family
Proposed Use:	Multi-Family
Lot Area:	5.083 Acres (221,415 SF)
Building Height Information:	Building A 49'-4" (4-Story) Building B 48'-11" (4-Story)
Building Area Information:	161,332 SF
Lot Coverage:	25.02% (55,388 SF Footprint)
Floor to Area Ratio (FAR):	0.73 :1
Multi-Family Units	
# of 1 Bedrooms/Minimum Unit Size	56/723 SF
# of 2 Bedrooms/Minimum Unit Size	84/972 SF
# of 3 Bedrooms/Minimum Unit Size	32/1,150 SF
Total Unit Count	172 Units
Parking:	
Parking Ratio	1.5 per dwelling unit
Required Parking	258
Parking Provided	260
ADA Spaces Required	5
ADA Spaces Provided	20

**IMPERVIOUS AREA:**  
158,557 SF

- SITE AMENITIES:**
1. DOG PARK
  2. TWO GRILLS WITH SHADE STRUCTURE
  3. POOL
  4. PLAYGROUND
  5. CORNHOLE

**CAUTION!!**  
Existing Utilities in Area. Contractor shall determine location and elevation of all utilities prior to construction. Contractor shall inform Engineer of any conflicts prior to construction.



NOTE: THIS IS NOT A CONSTRUCTION DOCUMENT.  
THIS DOCUMENT IS FOR CONCEPTUAL PLANNING PURPOSES ONLY.

**CITY OF MCKINNEY STANDARD NOTES:**

Mechanical and Heating and air conditioning equipment in non-residential uses shall be screened from view from the public right-of-way and from adjacent residential properties.

The Lighting for the subject property will be constructed and operated in conformance with Chapter 58 of the City of McKinney Code of Ordinances.

The Sanitation Container Screening Walls Will Be Brick Masonry, Stone Masonry, Or Other Architectural Masonry Finish, Including A Metal Gate, Primed And Painted, And The Sanitation Container Screening Walls, Gate, And Pad Site Will Be Constructed In Accordance With The City Of McKinney Design Specifications. The Sanitation Screening Walls Will Be A Minimum Of 7" In Height.

**SURVEYOR:**  
AJ Bedford Group, Inc.  
301 N. Alamo Rd.  
Rockwall, Texas 75087  
Phone (972) 722-0225  
Contact: Terri Bedford

**ARCHITECT:**  
Cross Architects, PLLC  
1255 W. 15th Street, Suite 125  
Plano, Texas 75074  
Phone (972) 398-6644  
Fax (972) 312-8666  
Contact: Wade Roper

**ENGINEER:**  
Cross Engineering Consultants, Inc.  
1720 W. Virginia Street  
McKinney, Texas 75069  
Phone (972) 562-4409  
Fax (972) 562-4471  
Contact: Jonathan Hake, P.E.

Issue Dates:	Revision & Date:
1 3/30/23	1
2	2
3	3
4	4
5	5
6	6

**CROSS ENGINEERING CONSULTANTS**  
1720 W. Virginia Street McKinney, Texas 75069  
972.562.4409 Texas P.E. Firm No. F-5935

Drawn By:	Checked By:	Scale:
C.E.C.I.	C.E.C.I.	1"=50'

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JONATHAN D. HAKE, P.E. NO. 94738 ON 3/30/23. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.

**SITE PLAN**

**MCKINNEY VIRGINIA PARKWAY**

McKinney Virginia Parkway, Ltd.  
CITY OF MCKINNEY, TEXAS

Sheet No.  
**SP**

Project No.  
22004

MCKINNEY VIRGINIA PARKWAY