



Mill Stream/4% tax credit  
Housing & Community Development

**TO:** Paul Grimes, City Manager

**FROM:** Janay Tieken, Housing & Community Development Manager

**DATE:** 22 June 2021

**SUBJECT:** Mill Stream Multifamily

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Please find attached the evaluation for the Mill Stream affordable multifamily development which is requesting a Resolution of No Objection from City Council for their application to the Texas Department of Housing and Community Affairs for their 4% bond application.

The attached evaluation was completed per Resolution # 2017-03-071 (R) which sets forth a policy for the review and consideration of requests for Resolutions in Support of housing developments seeking or utilizing low income housing tax credits.

## **Mill Stream Apartments Project Narrative**

Pedcor Investments, A Limited Liability Company ("Pedcor") is currently under contract to purchase a 12.3-acre property located at the northeast corner of Wilmet Road and Community Avenue in McKinney, Texas. This site enjoys excellent visibility being less than 1 mile from Highway 75 and on a divided 4-lane arterial. It is across the street from McKinney North High School, and less than a half mile from Scott Johnson Middle School. It is one exit (about 1 mile) down the highway from a major commercial center which includes anchors such as Walmart, Target, Lowe's, Home Depot, Kroger, Academy and more. It is also just a half mile from the Collin College campus. The proximity to these amenities provides not only needed services but opportunities for residents to work close to home.

At the 6/15/21, City Council meeting, Council approved "PD" - Planned Development District with a base district of "MF3" - Multiple Family Residential-Medium-High Density District, with some modifications on height and parking.

The development will be financed with non-competitive (4%) housing tax credits and tax-exempt bonds, along with a HUD 221(d)(4) loan, and the community will serve households earning less than 60% of the Dallas MSA Area Median Income, which is currently \$89,000 for a family of four. Therefore, eligible households will earn approximately \$35,000 to \$62,000, depending on household size. Initial research by a third-party market analyst indicates there are 7,200 income qualified households in the Primary Market Area.

The McKinney Housing Finance Corporation ("HFC") approved an inducement resolution in December 2020, which authorized the submission of an application for an allocation of private activity bonds. Such application was submitted to the Bond Review Board on January 4, 2021. Pedcor is not seeking partnership with the HFC and thus will not seek a property tax exemption.

The proposed community will consist of 240 total units, 96 one-bedroom, 108 two-bedroom, and 36 three-bedroom units. Rents are projected to be, on average, \$914, \$1,092, and \$1,257 for the one, two, and three-bedroom units, respectively. The conceptual site plan includes ten (10) 3-story, 24-unit buildings as well as a community center and leasing office. It will also feature a swimming pool with splash pad, covered pavilion, BBQ grills and picnic tables, two playgrounds, perimeter fencing, a dog park, fully furnished clubhouse with business center, a laundry room, and a fitness center, at minimum.

The units in Pedcor developments are also amenity-rich and typically include 9-foot ceilings, self-cleaning ovens, Energy Star refrigerators with icemakers, Energy Star dishwashers and windows, storage rooms, covered patios/balconies and entries, ceiling fans, and laundry connections, among others. The site will also be designed so the 5% of the units will be accessible for those with mobility impairments and 2% of the units will be accessible for those with hearing/visual impairments. In addition, all common amenities will be accessible, and sufficient accessible parking, including covered parking, will be provided.

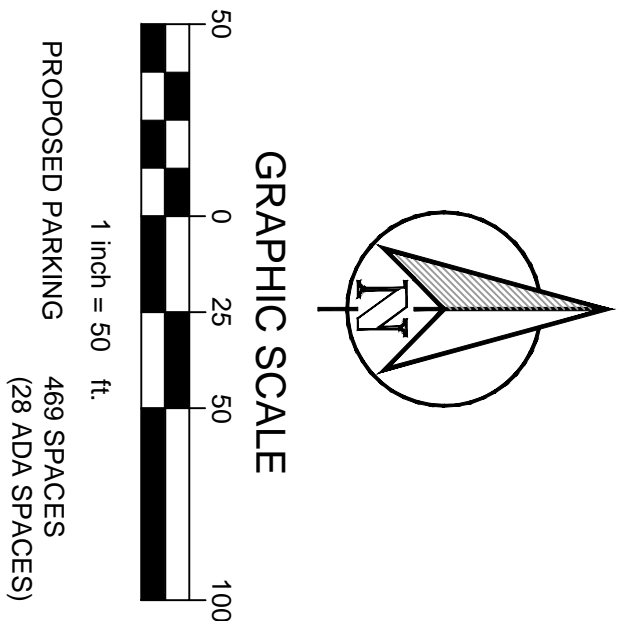
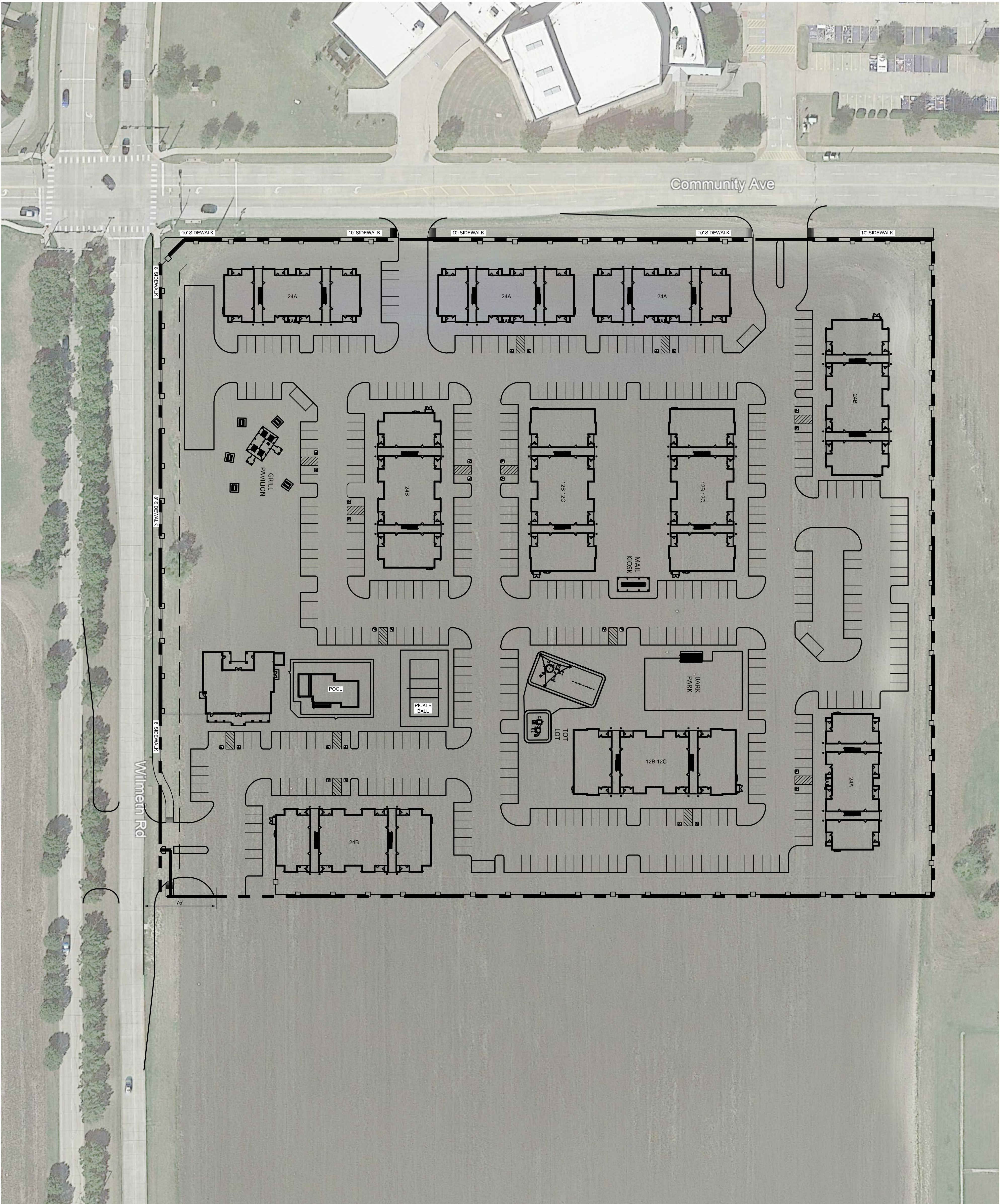
Pedcor and its affiliates will be responsible for the construction of the development and will own and operate the property for a minimum of fifteen years. The business model of the 30+ year old company proves that it will likely be owned and managed by Pedcor long after that, upwards of 25 years. Strict tenant selection criteria along with clear house rules for residents and high levels of attention to maintenance make Pedcor communities sustainable and successful for decades to come.

## Low Income Housing Tax Credit (LIHTC) Checklist

1. Is the project one linear mile or less from another LIHTC development? **No.**
2. Does this development serve the same populations? **N/A**
3. Project characteristics:
  - a. Program and Owner Data:
    - i. Project Name: **Mill Stream Apartments**
    - ii. Location: **northeast corner of Wilmeth Road and Community Avenue**
    - iii. Program Year: **2022**
    - iv. Partnership Name: **Pedcor investments-2020-CLXXX, L.P.**
    - v. General Partner Name: **Mill Stream Housing Company, LLC**
    - vi. General Partner Owner: **Pedcor Investments, A Limited Liability Company ("Pedcor")**
  - b. Project and Site Data:
    - i. Census Tract: **48085030604**
    - ii. Site Acreage: **12.29 acres**
    - iii. Density: **proposed 19.5 units per acre**
    - iv. Allowable Density per Zoning: **20 units per acre**
    - v. Maximum units allowed per zoning: **245 units**
  - c. Building Data:
    - i. Unit Mix & Rents:
      1. **96 1-bdr/1-bath units for \$914 (all rents estimated as if operating today)**
      2. **108 2-bdr/2-bath units for \$1,092**
      3. **36 3-bdr/3-bath units for \$1,257**
    - ii. Total Net Rentable Square Footage: **estimated 224,052 square feet**
    - iii. Total Overall Square Footage: **estimated 270,000 square feet including clubhouse, mail kiosk, swimming pool, playgrounds, dog park and other amenities**
4. Sponsor and Developer Information: **The developer, Pedcor Development Associates, LLC, is an affiliate of Pedcor, which was formed in 1987 and has developed almost 27,000 units in 154 communities and 20 different states. Corporate resume is attached.**
5. Persons with Special Needs: **No set-asides are proposed.**
6. McKinney Housing Authority Waiting List and if the Development is supported by MHA: **The McKinney Housing Authority currently has a waiting list of 539 for PHA units and 301 for Section 8 vouchers. The item will be heard at the June 22, 2021 MHA Board Meeting.**
7. Individuals with children: **Units will not be age-restricted, so there is an expectation that some units will be occupied by individuals with children. The Pedcor Management Corporation portfolio consists of over 16,000 units, and of those approximately 35% of the units are occupied by adults with children. Approximately 19% of those units are occupied by seniors and the remainder by a single person.**
8. Eventual tenant ownership: **N/A. The intent is for the Partnership to own the property for at least fifteen years and likely much longer.**
9. Energy efficiency: **The development will include several green features including but not limited to:**
  - a. **Energy-Star rated refrigerators**
  - b. **Energy-Star rated dishwashers**

- c. At least one Energy-Star rated ceiling fan per unit
  - d. Energy-Star rated lighting
  - e. EPA Water Sense or equivalent qualified showerheads and faucets in all bathrooms
  - f. 15 SEER (or greater) HVAC
  - g. Energy-Star rated windows
10. Historic impact: **None.** The site is vacant land with no existing structures and is not in a historic district.
  11. Notification: **Pedcor** representatives have researched and made inquiries to city staff regarding any neighborhood organizations near the proposed site, and none have been identified. In addition, **Pedcor** representatives have reached out to the mayor and other members of city council, including newly elected Councilman Justin Beller of District 1. Meetings with the mayor and other councilmembers have been positive.
  12. Current zoning: At the 6/15/21 City Council meeting, City Council approved zoning of "PD" Planned Development District with a base district of "MF3" - Multifamily Residential -Medium-High Density District with height and parking modifications.
  13. Proposed zoning: **N/A**
  14. Whether the applicant is in the process of seeking the appropriate zoning from the City and has signed and provided to the City a release agreeing to hold the City and all other parties harmless in the event that the appropriate zoning is denied: **Property is appropriately zoned and an executed "Hold Harmless" agreement is attached.**
  15. Whether the development is financed through a private activity bond program, including private activity bonds issued by the TDHCA, the Texas State Affordable Housing Corporation, or a local issuer, such as the McKinney Housing Finance Corporation ("MHFC"), and if so, review of any staff or City Council requested financial analysis provided by an issuer related to the applicant's financing: **The applicant intends to finance the development through private activity bonds issued by the McKinney Housing Finance Corporation.**
  16. Whether the development complies with accessibility standards required under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794); 24 C.F.R. Part 8, Subpart C; and related authorities concerning accessibility standards: **The development complies with accessibility standards required under Section 504 of the Rehabilitation Act of 1973.**
  17. An evaluation of the anticipated impact of the development on City services and related infrastructure, including but not limited to, police and fire services; water, sanitary sewer, and stormwater capacities and facilities; traffic patterns; and any environmental issues; and Police: **The proposed development is in line with the anticipated growth of the City. The McKinney Police Department has a multi-year plan to meet the demands of future City growth. The McKinney Police Department has sufficient current capacity to absorb the new development's anticipated service demands.**  
 Fire: **These developments typically increase demand for EMS. New buildings are built within existing codes and standards including active fire protection features. The overall impact to fire suppression should be minimal under normal circumstances. An additional inspection(s) requirement is created for the Fire Marshal Office.**  
**An evaluation of existing infrastructure, as well as a traffic analysis are attached.**
  18. An evaluation of compliance with City health and safety codes.  
**The development will comply with health and safety codes.**





CONCEPTUAL SITE PLAN

PEDCOR MULTIFAMILY  
McKINNEY, TX

CLAYMOORE  
ENGINEERING

1903 CENTRAL DR. SUITE #1  
BEDFORD, TX 76002

PHONE: 817.281.0572  
WWW.CLAYMOOREENG.COM

No.	DATE	REVISION	BY

DESIGN: ASD
DRAWN: ASD
CHECKED: MAM
DATE: 12/2/2020

SHEET  
SP-1





4 BUILDING TYPE 12B-12C - LEFT ELEVATION  
1/8" = 1'-0" BUILDING(S) 4 & 6



3 BUILDING TYPE 12B-12C - RIGHT ELEVATION  
1/8" = 1'-0" BUILDING(S) 4 & 6



2 BUILDING TYPE 12B-12C - REAR ELEVATION  
1/8" = 1'-0" BUILDING(S) 4 & 6



1 BUILDING TYPE 12B-12C - FRONT ELEVATION  
1/8" = 1'-0" BUILDING(S) 4 & 6

### GENERAL ELEVATION NOTES

- FOUNDATION SHOWN FOR REFERENCES ONLY, REFER TO STRUCTURAL.
- SEAL ALL PENETRATIONS WITH SEALANT TO MATCH ADJACENT MATERIALS.
- SEE ROOF PLANS FOR ROOF SLOPES, DOWNSPOUT, GUTTER AND ROOF.
- TOUCH UP PAINT AND PRIMER AT ALL CUTS AT TRIM ENDS AND ARCHED OPENINGS.
- REVIEW ALL PENETRATIONS THROUGH SHEARWALL WITH STRUCTURAL. ANY PENETRATION LARGER OR NOT IN APPROVED ZONES SHOULD BE BROUGHT TO THE ATTENTION OF THE STRUCTURAL ENGINEER IMMEDIATELY.
- PROVIDE FLASHING CUT INTO STONE WHERE ROOF TERMINATES INTO STONE WALL. PROVIDE 1 FULL COURSE VERTICAL COVERAGE, MIN.
- PAINT ALL EXPOSED METAL THAT IS NOT SPECIFIED OR INDICATED TO RECEIVE A FACTORY FINISH.
- REFER TO PLANS AND SCHEDULES FOR DOOR AND WINDOW TYPES AND SIZES.
- ALL EXPOSED FLASHING SHALL BE FACTORY FINISHED BY MANUFACTURER / SUPPLIER OR MATERIAL WHICH IS BEING FLASHED.
- FIBER CEMENT SIDING TO BE PAINTED.
- ALL TRIM TO BE SYNTHETIC WOOD TRIM, SEE SECTIONS AND PLAN DETAILS FOR SIZING.
- TRIM LOCATED AROUND ALL OPENINGS IN FIBER CEMENT SIDING, AT ALL INSIDE AND OUTSIDE CORNERS OF FIBER CEMENT SIDING, BELOW ALL SOFFITS AT ROOF OVERHANGS AND AT ALL TRANSITIONS BETWEEN BRICK AND FIBER CEMENT SIDING (BOTH HORIZONTAL AND VERTICAL). SEE SECTIONS AND PLAN DETAILS FOR TYPICAL CONDITIONS.
- ALL TRIM TO BE 1" U.N.O.

### GENERAL ELEVATION KEYNOTES

- SYNTHETIC WOOD TRIM
- FIBER CEMENT SIDING - LAP
- FIBER CEMENT SIDING - VERTICAL
- NATURAL STONE SILL
- STONE - VENEER
- NATURAL STONE LINTEL @ HEADER
- NATURAL STONE CORNICE
- METAL RAIL, SEE RAILING DETAILS ON "MISC DETAILS" SHEETS.
- DOWNSPOUTS, PROVIDE SPLASH BLOCK AT ALL LOCATIONS. ANCHOR TO WALL AT 48" SPACING, MAX.
- ROOFING SHINGLES, FIBERGLASS, SEE SPECIFICATIONS
- SYNTHETIC WOOD FASCIA
- WOOD SHUTTER, SEE 9/A502 AND SPECIFICATIONS FOR DETAILS
- METER CENTER, SEE ELECTRICAL DRAWINGS
- BRACKET FEATURE - SEE SHEET A403 FOR DETAILS
- BUILDING ADDRESS SIGN WITH SIGNAGE LIGHT ABOVE, REFER TO ELECTRICAL
- WALL PACK, REFER TO ELECTRICAL
- VINYL VENT
- VARIABLE STONE HEIGHTS

### EXTERIOR MATERIAL LEGEND

	COMPOSITION ROOF
	STANDING SEAM METAL ROOF
	STONE VENEER
	STUCCO
	VERTICAL FIBER CEMENT SIDING
	HORIZONTAL FIBER CEMENT SIDING

### EXTERIOR FINISH LEGEND

EP1	EXTERIOR PAINT COLOR 1: TBD
EP2	EXTERIOR PAINT COLOR 2: TBD
EP3	EXTERIOR PAINT COLOR 3: TBD
EP4	EXTERIOR PAINT COLOR 4: TBD

NOTE:  
1. ALL TRIM TO BE EP4.  
2. ALL EXTERIOR GYP. CEILINGS TO MATCH ADJACENT TRIM  
3. ALL BREEZEWAY WALLS TO BE EP3  
4. ALL UNIT ENTRY DOORS TO BE EP1  
5. ALL UNIT PATIO DOORS TO BE EP3  
6. REFERENCE SHEET A604 FOR EXTERIOR FINISHES



## CANYON PASS APARTMENTS

25655 OVERLOOK PKWY, SAN ANTONIO, TEXAS

ISSUED FOR CONSTRUCTION

### REVISIONS

NO.	DATE	DESCRIPTION
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PROJ. NO.

19064

DATE

06/15/2020

SHEET NAME

BUILDING TYPE 12B-12C  
- EXTERIOR  
ELEVATIONS

SHEET NO.

A204



**RELEASE AND HOLD HARMLESS AGREEMENT**

STATE OF TEXAS                    )  
  )     KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF TRAVIS            )

WHEREAS, this Release and Hold Harmless Agreement (“Agreement”) is hereby entered into by and between Pedcor Investments-2020-CLXXX, L.P. (“Releasor”), and the City of McKinney, Texas, a Texas municipal corporation (the “City”); and

WHEREAS, Releasor will be submitting an application for 4% low income housing tax credits (“LIHTC”) to the Texas Department of Housing and Community Affairs (“TDHCA”) for a housing development generally described as: Mill Stream Apartments (the “Project”), generally located on property located in the City of McKinney (the “Property”); and

WHEREAS, Releasor has also submitted a request to the City for passage of a Resolution by the City Council of the City of McKinney, Texas (“City Council”), stating no objection to the Project; and

WHEREAS, Releasor has also submitted or intends to submit an application to the City requesting a zoning amendment on the Property to: Planned Development, as necessary to develop the Project, an affordable multifamily development; and

WHEREAS, Texas law, at Texas Government Code, § 2306.6705(5), provides for Releasor to execute this Agreement to release and hold the City harmless in the event that Releasor’s zoning amendment application on the Property is denied; and

WHEREAS, Releasor’s providing this Agreement to the City is consistent with the City’s LIHTC Resolution Policy.

NOW, THEREFORE, for and in consideration of the foregoing premises, and other good and valuable consideration, the receipt of which is hereby acknowledged, Releasor, and its successors, assigns and grantees, does hereby completely release the City from and waive any

and all claims, whether known or unknown, which arise or may arise, from Releasor's zoning amendment application, including but not limited to, its denial of appropriate zoning.

Furthermore, Releasor agrees to indemnify and hold harmless the City, its officers employees, agents, and representatives, from any and all claims, counterclaims, demands, actions, and causes of action of any kind or character, whether known or unknown, present or future, asserted by Releasor its successors, assigns and grantees, or any third party, with regard to any damages to the Property or Project, as identified above, that may be or have been brought against the City, its officers, employees, agents and representatives, as the result of the City's consideration of Releasor's zoning amendment application, including but not limited to, its denial of appropriate zoning.

EXECUTED on the dates acknowledged below, and effective as of the last date signed.

RELEASOR:

Pedcor Investments-2020-CLXXX, L.P.

By: Mill Stream Housing Company, LLC

Its General Partner

By: Pedcor Investments, A Limited Liability Company

Its: Managing Member

By:  \_\_\_\_\_  
Jean Latsha, Vice President - Development

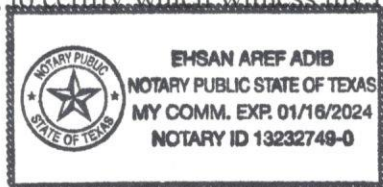
Date signed: 1-29-21




THE STATE OF TEXAS     §  
   §  
COUNTY OF TRAVIS     §

BEFORE ME, the undersigned authority, on this day personally appeared Jean Latsha, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that said instrument was executed and intended as a release for the purposes and consideration therein described and in the capacity therein stated.

<sup>EA</sup>  
2020, SUBSCRIBED AND SWORN TO before me on this 29<sup>th</sup> day of January, to certify which witness my hand and seal of office.



  
\_\_\_\_\_  
Notary Public in and for  
the State of Texas

My Commission Expires: 01/16/2024

CITY OF MCKINNEY, TEXAS

By \_\_\_\_\_  
Paul Grimes  
City Manager

Date signed: \_\_\_\_\_

THE STATE OF TEXAS     §  
   §  
COUNTY OF COLLIN     §

BEFORE ME, the undersigned authority, on this day personally appeared Paul Grimes, City of McKinney City Manager, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that said instrument was executed and intended as a release for the purposes and consideration therein described and in the capacity therein stated.

SUBSCRIBED AND SWORN TO before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2020, to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for  
the State of Texas

My Commission Expires: \_\_\_\_\_