



Collin County
Housing Finance Corporation
Housing Project Finance Assistance Program
Application

Please use Arial Font size 11 and submit a signed ORIGINAL Application and 20 photocopies stapled and pages numbered. Please no cover pages, this should be Page 1.

SECTION 1: APPLICANT AND PROJECT INFORMATION

1. Project Applicant Information	
Applicant – (Legal Name): <input style="width: 90%;" type="text" value="McKinney Housing Authority"/>	Project Contact Name/Title: <input style="width: 90%;" type="text" value="Roslyn Miller"/>
Complete Mailing Address: <input style="width: 90%;" type="text" value="1200 N. Tennessee Street"/> <input style="width: 90%;" type="text" value="McKinney, Texas 75069"/> <input style="width: 90%;" type="text"/>	Telephone Number: <input style="width: 90%;" type="text" value="972-542-5641"/>
Fax Number: <input style="width: 90%;" type="text" value="972-562-8387"/>	E-mail Address: <input style="width: 90%;" type="text" value="RMiller@mckinneyha.org"/>
Federal Tax Identification Number: <input style="width: 90%;" type="text" value="75-6003098"/>	Date Resolution Signed: <input style="width: 90%;" type="text"/>
2. Project Title:	
<input style="width: 95%;" type="text" value="Newsome Homes"/>	
3. Brief Description of Purpose of Project:	
<input style="width: 95%;" type="text" value="To provide affordable housing to the senior members of the McKinney community."/> <input style="width: 95%;" type="text"/>	
4. General Project Information a: Describe Project (50 words or less)	
<input style="width: 95%;" type="text" value="See Attached."/> <input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/>	
b. Amount of Funding Requested: <input style="width: 90%;" type="text" value="\$ 250,000"/>	c. Total Project Costs: <input style="width: 90%;" type="text" value="\$ 20,759,595"/>
d. Start Date of Project: <input style="width: 90%;" type="text" value="03/31/2014"/>	e. End Date of Project: <input style="width: 90%;" type="text" value="05/31/2015"/>
5. Authorized Signature (signatory must have contract signing authority):	
Signature:	Title: <input style="width: 90%;" type="text" value="Executive Director"/>
Print Name: <input style="width: 90%;" type="text" value="Roslyn Miller"/>	Date: <input style="width: 90%;" type="text" value="08/30/2013"/>

SECTION 2: AUTHORIZED REPRESENTATIVE

The Applicant hereby designates the individual named below as the person authorized to act on behalf of the Applicant.

Authorized Project Representative: The following person is authorized to receive direction, manage work performed, sign required reports, and other acts on behalf of the Applicant.

Signature: <i>Will Henderson</i>	Director of Affordable Housing Title:
Will Henderson Printed Name:	214-377-6558 Phone Number:
Carleton Residential Properties 5485 Belt Line Road, Suite 300 Dallas, Texas 75254 Address:	whenderson@carletonrp.com E-mail Address:

Has Collin County Housing Finance Corporation previously provided funding for this Project?

Yes No

For Collin County Planning Board Use Only	
Is the Application administratively complete?	yes no
Did the applicant receive funding for this project in previous years?	yes no
(If yes, were they successful in the timely completion of the project?	yes no

SECTION 3: CERTIFICATIONS AND ASSURANCES

1. Certifications

By signing this Application, the person acting on behalf of the Applicant makes the certifications below.

a. **Authority to Sign Application**

The person signing this Application hereby certifies that he/she is the official contact regarding this Application and has authority from the Applicant to sign the Application and that such authority will bind the Applicant in subsequent agreements.

b. **Application Contains No False Statements**

The Applicant certifies that this Application has no false statements and that the Applicant understands that signing this Application with a false statement is a material breach of contract and shall void the submitted Application and any resulting contracts.

c. **This is a Reimbursement Program**

Applicants must have a minimum dollar for dollar in matching funds, comprised of direct cash, value of land to be improved, donated labor, material or in-kind services for the project being proposed. Under special circumstances at the recommendation of the Collin County Planning Board and approval by the Collin County Housing Finance Corporation, a direct payment may be considered.

d. **Eligible Applicants**

The Applicant must be a 501(c)(3) tax exempt organization, non-political group or any unit of local government, including municipalities, school districts, or county located in Collin County, Texas.

e. **Technical Feasibility**

The Applicant certifies that he/she has carefully reviewed the Project Narrative and Action Plan. To the best of their knowledge all activities are technically feasible and can be satisfactorily completed within the timeframe proposed.

f. **Costs Reasonable and Necessary**

The Applicant certifies to the best of their knowledge that the proposed activities and the expenses outlined in the Budget are reasonable and necessary to accomplish the project objectives, and the proposed expenses are consistent with the costs of comparable goods and services.

2. Assurances

a. **Compliance with Progress and Result Reporting**

Applicant provides assurances that, if funded, the Applicant will comply with the requirements for reporting: reporting on the progress of the project activities and deliverables on a quarterly basis; providing before, during and after photos; and promptly notifying the Collin County Planning Board of any changes in plans.

b. **Financial Management**

Applicant provides assurances that, if funded, the Applicant will comply with contractual provisions and requirements necessary to ensure that expenses are reasonable and necessary, and to adhere to financial administration and reimbursement procedures and provide financial reports on a schedule established by Collin County Housing Finance Corporation.

c. **Compliance with Americans with Disabilities Act**

Applicant provides assurances that, if funded, the Applicant will comply with all applicable requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101-12213 (Pamphlet 1995).

SECTION 4: PROJECT COSTS AND ELEMENTS

Name of Applicant:

Project Name:

Either use this form or create an Excel spreadsheet using this format

Item No.	Description	U/M	Quantity	Unit Cost	Total	Requested Amount	Match Amount
1	See Attached						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
	Project Total						

<input type="text" value="Will Henderson"/> Prepared By:	<input type="text" value="Director of Affordable Housing"/> Title:
<input type="text" value="Carleton Residential Properties"/> <input type="text" value="5485 Belt Line Road, Suite 300"/> <input type="text" value="Dallas, Texas 75254"/> Address:	<input type="text" value="214-377-6558"/> Phone Number:
<input type="text" value="whenderson@carletonrp.com"/> E-mail Address:	<input type="text" value="09/03/13"/> Date Prepared:

SECTION 5: RESOLUTION

The sponsoring entity (governing board) must approve a resolution authorizing the project application submittal and designation of project official/representative. A copy of the resolution must be included in this application. **Insert photocopy of signed resolution.**

SECTION 6: PROJECT NARRATIVE

(No more than 5 pages, single spaced, Arial 11 font)

SECTION 7: LOCATION MAPS, SITE PHOTOS, PROJECT SKETCHES, etc.

(insert any maps, site photos, project sketches, etc)

SECTION 8: LETTERS OF COMMITMENT (Provide photocopy)

SECTION 9: EVIDENCE OF NON-PROFIT STATUS (Photocopy of Current Valid IRS Tax Exemption Certificate if non-governmental agency)

Carleton Residential Properties
Newsome Homes 4% Tax Credits 33% PBRA
Summary Project Budget

8/27/2013

Total units	180	Construction Period Interest	5.00%
Total Square Feet	144,150	Cost per Unit	\$115,366

	<u>Total</u>	<u>Per Square Foot</u>	<u>Per Unit</u>
Land/Holding Costs	\$0	\$0.00	\$0.00
Demo	\$500,000	\$3.47	\$2,777.78
Hard Costs			
General Requirements	635,737	\$4.41	\$3,531.87
Job Overhead	220,571	\$1.53	\$1,225.39
Sitemwork Total	1,393,299	\$9.67	\$7,740.55
Concrete	1,116,009	\$7.74	\$6,200.05
Framing	3,206,877	\$22.25	\$17,815.99
Masonry	756,514	\$5.25	\$4,202.86
Metal Total	129,170	\$0.90	\$717.61
Hardware	110,512	\$0.77	\$613.95
Insulation	119,906	\$0.83	\$666.14
Roofing	266,271	\$1.85	\$1,479.28
Electrical	701,945	\$4.87	\$3,899.69
Plumbing	777,286	\$5.39	\$4,318.26
HVAC	481,555	\$3.34	\$2,675.31
Doors	98,200	\$0.68	\$545.55
Windows	30,593	\$0.21	\$169.96
Glass	142,767	\$0.99	\$793.15
Drywall	147,299	\$1.02	\$818.33
Tilework	73,650	\$0.51	\$409.17
Flooring	292,710	\$2.03	\$1,626.17
Carpeting	24,550	\$0.17	\$136.39
Painting and Decorating	439,405	\$3.05	\$2,441.14
Specialties	49,100	\$0.34	\$272.78
Rec Facilities	120,861	\$0.84	\$671.45
Appliances	249,276	\$1.73	\$1,384.87
Clean Up	227,719	\$1.58	\$1,265.11
Misc	113,307	\$0.79	\$629.48
Contractors Fees	661,713	\$4.59	\$3,676.18
Contingency	589,198	\$4.09	\$3,273.32
Total Hard Costs	\$13,176,000	\$91.40	\$73,200.00
Soft Costs			
Architectural Design	A&E 450,000	\$3.12	\$2,500.00
Engineering Fees	A&E 125,000	\$0.87	\$694.44
Real Estate attorney	B&L Counsel 150,000	\$1.04	\$833.33
Accounting fees	20,000	\$0.14	\$111.11
Permits/Fees	900,000	\$6.24	\$5,000.00
Appraisal	7,500	\$0.05	\$41.67
Market Analysis	7,500	\$0.05	\$41.67
ESA/PCA	10,000	\$0.07	\$55.56
Soils Report	10,000	\$0.07	\$55.56
Survey	30,000	\$0.21	\$166.67
Marketing/Pre-Leasae	75,000	\$0.52	\$416.67
FF&E	125,000	\$0.87	\$694.44
BR Insurance	130,000	\$0.90	\$722.22
Owner/Property Insurance	130,000	\$0.90	\$722.22
Developer Fees Profit	1,800,000	\$12.49	\$10,000.00
Construction Period Interest	1,132,231	\$7.85	\$6,290.17
Relocation	124,000	\$0.86	\$688.89
Loan Orig. Costs	210,000	\$1.46	\$1,166.67
Title and Recording	60,000	\$0.42	\$333.33
Closing Costs	50,000	\$0.35	\$277.78
Inspection Fees	15,000	\$0.10	\$83.33
Operating Reserve	594,309	\$4.12	\$3,301.72
Tax Credit Fees	75,000	\$0.52	\$416.67
Aff Reserve	0	\$0.00	\$0.00
Bond Costs	549,414	\$3.81	\$3,052.30
Due Diligence Fees	60,000	\$0.42	\$333.33
Contingency/Reserves	250,000	\$1.73	\$1,388.89
Total Soft Costs	\$7,089,954	\$49.18	\$39,389
Total	\$20,765,954	\$144.06	\$115,366

Newsome Homes 4% Tax Credits 33% PBRA
Unit Mix, Pricing & Stabilized Net Operating Income

Unit Type	Style	30% AMI	50% AMI	60% AMI	Number	PBRA	Square Footage	Total SQ_FT	Rent/SQ_FT	Net of UA Monthly Rent/Unit	Total Monthly Income	Annual Equivalents
A1	1B/1B	30% AMI	0		0	PBRA	700	0	\$0.75	\$524	0	\$0
A1	1B/1B	50% AMI	14		14	PBRA	700	9,800	\$0.75	\$524	7,336	\$88,032
A1	1B/1B	50% AMI	3		3		700	2,100	\$0.80	\$561	1,683	\$20,196
A1	1B/1B	60% AMI	29		29		700	20,300	\$0.98	\$687	19,923	\$239,076
A2	1B/1B	30% AMI	0		0	PBRA	750	0	\$0.70	\$524	0	\$0
A2	1B/1B	50% AMI	18		18	PBRA	750	13,500	\$0.70	\$524	9,432	\$113,184
A2	1B/1B	50% AMI	3		3		750	2,250	\$0.75	\$561	1,683	\$20,196
A2	1B/1B	60% AMI	28		28		750	21,000	\$0.92	\$687	19,236	\$230,832
A3	1B/1B	30% AMI	0		0	PBRA	800	0	\$0.66	\$524	0	\$0
A3	1B/1B	50% AMI	18		18	PBRA	800	14,400	\$0.66	\$524	9,432	\$113,184
A3	1B/1B	50% AMI	2		2		800	1,600	\$0.70	\$561	1,122	\$13,464
A3	1B/1B	60% AMI	29		29		800	23,200	\$0.86	\$687	19,923	\$239,076
B1	2B/1B	30% AMI	0		0	PBRA	950	0	\$0.66	\$631	0	\$0
B1	2B/1B	50% AMI	0		0	PBRA	950	0	\$0.66	\$631	0	\$0
B1	2B/1B	50% AMI	0		0		950	0	\$0.71	\$679	0	\$0
B1	2B/1B	60% AMI	0		0		950	0	\$0.87	\$831	0	\$0
B2	2B/1B	30% AMI	0		0	PBRA	1,000	0	\$0.63	\$631	0	\$0
B2	2B/1B	50% AMI	14		14	PBRA	1,000	14,000	\$0.63	\$631	8,834	\$106,008
B2	2B/1B	50% AMI	2		2		1,000	2,000	\$0.68	\$679	1,368	\$16,296
B2	2B/1B	60% AMI	20		20		1,000	20,000	\$0.83	\$831	16,620	\$199,440
C1	3B/2B	30% AMI	0		0	PBRA	1,150	0	\$0.64	\$738	0	\$0
C1	3B/2B	50% AMI	0		0	PBRA	1,150	0	\$0.64	\$738	0	\$0
C1	3B/2B	50% AMI	0		0		1,150	0	\$0.68	\$785	0	\$0
C1	3B/2B	60% AMI	0		0		1,150	0	\$0.84	\$961	0	\$0
D1	4B/2B	30% AMI	0		0	PBRA	1,106	0	\$0.67	\$738	0	\$0
D1	4B/2B	50% AMI	0		0	PBRA	1,106	0	\$0.67	\$738	0	\$0
D1	4B/2B	50% AMI	0		0		1,106	0	\$0.79	\$875	0	\$0
D1	4B/2B	60% AMI	0		0		1,106	0	\$0.97	\$1,071	0	\$0
			180				801	144,150	\$0.81	\$648	\$116,582	\$1,368,984
Garages			0		0	Units @ 30% AMI	0.0%			0	0	0
Car Ports			0		74	Units at 50% AMI	41.1%	64	PBRA 35.6%	0	0	0
Fireplaces			0		106	Units @ 60% AMI	58.9%			0	0	0
View Premium			0					144	1BR 80.0%	0	0	0
Pool view			0					36	2BR 20.0%	0	0	0
Vending Telephone			180		180		100.00%			5	900	10,800
Gross Revenue								180	4BR 0.0%	\$663	\$117,482	\$1,409,784
Vacancy Rate			7.50%	(of contract rent)							\$8,811	\$105,734
Net Annual Revenue											\$108,671	\$1,304,050
Operating Expenses												
General & Administrative Expenses									\$0.55	444	6,667	80,000
Management Fee									\$0.45	362	5,434	65,203
Payroll									\$1.16	929	13,938	167,258
Maintenance Expenses									\$0.62	500	7,500	90,000
Utilities									\$0.62	500	7,500	90,000
Replacement Reserves									\$0.37	300	4,500	54,000
Insurance									\$0.45	275	4,117	65,000
Taxes									\$0.00	0	0.00	0
Total Operating Expenses									\$4.24	\$3,311	\$50,955	\$611,461
Net Operating Income											\$57,716	\$692,689
Yield on Cost												3.34%
Debt Capacity at 1.20x@			5.4%	Mortgage Constant								\$10,668,100
City Funding												\$0
Plus Tax Credits@			\$0.93									\$0
Total Capitalization										100.00% Affordable Tenant Occupancy		\$7,457,854
Total Project Cost												\$18,125,954
Excess/(Shortfall)												(\$2,640,000)

Newsome Homes

Project Narrative

Newsome Homes is currently a multi-family project consisting of 64 units in 21 buildings, consisting of 1-3 bedroom apartments, with one community building. Newsome Homes was constructed in 1966, and has been maintained but has not received any major renovations since its original construction. As such, the property is in dire need to bring it up to the standards of today's living.

McKinney Housing Authority has embarked on a long term initiative to rehabilitate, reconstruct, and/or expand its existing portfolio of affordable multi-family properties. Newsome Homes is the first phase of this program due to the age (62 years) and condition of the units as well as the vulnerable nature of its existing senior population. The reconstructed Newsome Homes will add additional units for Senior residents bringing the total to 180 one & two bedroom units." The reconstructed Newsome Homes will be the only "Seniors Only" development in the MHA portfolio.

While we are applying for 4% tax credit tax exempt bond structure with a 221(d)4 takeout to fund the majority of the project, there is still a gap of approximately \$1m, which a grant from the Housing Project Finance Assistance Program will certainly aid in filling. We have requested \$250k, but would certainly be willing to accept (and could definitely use) more depending on availability of funds. If a smaller amount is awarded, we would of course be grateful to accept that as well. Every bit counts.

Following is additional information on the project and how we plan to fund it, as well as preliminary plans.

McKinney Housing Authority
Preliminary Development Information

The following information offers preliminary development information, but is not inclusive of all City regulations. At the time of development, please refer to the City of McKinney Code of Ordinances and/or schedule a Pre-Development meeting for an overview of the development process and to ensure that all required applications are submitted.

Property: Newsome

***Owner:** McKinney Housing Authority

***Existing zoning:** “BG” – General Business District

***Surrounding zoning (and use)**

North: “BG” – General Business District (commercial and vacant non-residential)

South: “RS-60” – Single-Family Residence District (single-family residential and parks/open space)

East: “BN” – Neighborhood Business District and “ML” – Light Manufacturing District (vacant non-residential and residential)

West: “BG” – General Business District (commercial)

***Conformance to zoning:** The current use, Multi-Family Dwelling (Apartment), is a non-conforming use and not an allowed use in the “BG” – General Business District. See attached zoning checklist.

Town Center Study Initiative: According to the Initiative, the subject property should have a corridor appropriate development character for frontage on SH 5. This includes, but is not limited to, a building orientation that is setback 10’ - 20’ from SH 5, and a building height of 2-3 stories. If the property is developed with a mix of uses, the non-residential uses should be oriented closer to SH 5. Furthermore, site layout, building placement, and internal drive circulation should be designed to create a pedestrian-oriented environment.

***Site plan status:** A site plan for the perimeter fence was approved in 2000 (00-199SP). A new site plan for the proposed development will be required. See attached site plan checklist.

Platting Status: The subject properties consist of 3 un-platted, and a plat will be required for the proposed redevelopment of the site. See attached plat checklist.

***Existing Utilities:** Water and sewer lines are located around and through the site. Please note that the locations have not been field verified.

Capital Improvements Program: No capital improvements are scheduled for the next 5 years around the subject property.

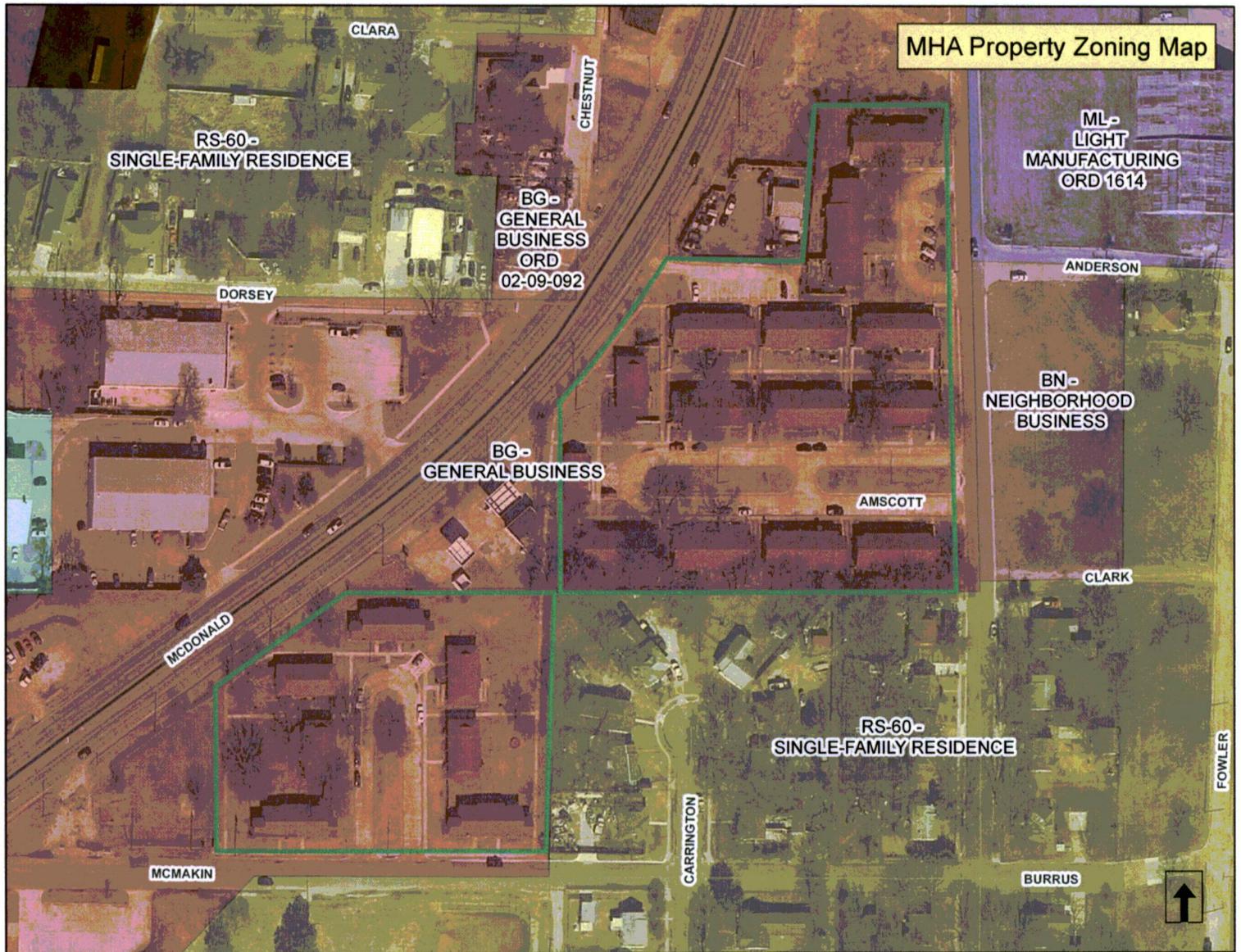
TxDOT: If the proposed development will include access off of SH 5, a drive approach permit will be required from TxDOT. See attached TxDOT submittal form.

**Includes attached information*

Property Photographs







§ 146-84

(e) *Miscellaneous provisions.*

- (1) Only one building for living purposes shall be permitted on one zoning lot except as otherwise provided herein. No business shall be constructed on a zoning lot occupied by a residence.

(Code 1982, § 41-79; Ord. No. 1270, § 3.12, 12-15-1981; Ord. No. 1513, § 1, 1-5-1985; Ord. No. 97-11-61, § 1, 11-18-1997; Ord. No. 2002-08-084, § I.27, 8-20-2002; Ord. No. 2003-05-054, § II, 5-20-2003; Ord. No. 2008-07-066, § 1, 7-14-2008; Ord. No. 2008-11-104, § 4, 11-4-2008; Ord. No. 2010-05-011, § 3, 5-17-2010; Ord. No. 2010-12-053, § 14, 12-7-2010)

Sec. 146-85. BG - General Business district.

(a) *Purpose.* The "BG" - General Business zone is designed to provide for a wide range of retail and service establishments.

(b) *Permitted uses.* The following uses are permitted in the "BG" - General Business zone:

- (1) Any use permitted in the "BN" - Neighborhood Business zone; except single family attached units; and
- (2) Other uses indicated as being permitted in the "BG" - General Business zone in the Schedule of Uses.

(c) *Specific use permits.* The following specific uses require a permit in the "BG" - General Business zone:

- (1) All uses indicated as being allowed in the "BG" - General Business zone with a specific use permit in the schedule of uses; and
- (2) The city may allow residential and mixed business and residential structures to conform with the space limits of the "RG 18" - General Residence zone or any other zone requiring more lot area per dwelling unit, upon a finding that the proposed density of residential use will be in harmony with nearby residential zoning, and when said mixed occupancy building is specifically designed and constructed for such mixed occupancy, but shall not include the construction of a business building in the yard of a residence or within an existing residence.

(d) *Space limits.* The following space limits shall apply to the "BG" - General Business zone:

- (1) Minimum lot area for business: None. Residential structures shall conform to the provisions of the "RG 18" - General Residence zone, except as may be modified by the city in accordance with the specific use provisions of this zone.
- (2) Minimum width of lot: None for business.
- (3) Minimum depth of lot: None for business.
- (4) Minimum front yard: None for business.
- (5) Minimum side yard: five feet when abutting any zone requiring a side yard; none abutting business.

- (6) Maximum lot coverage including accessory buildings, loading docks, incinerators and vending devices: 95 percent.
- (7) Maximum floor area ratio: two to one (2.0:1.0).
- (8) All other space limits identified as being applicable to the "RG 18" - General Residence zone in Appendix F of the Zoning Ordinance.

(e) *Miscellaneous provisions.*

- (1) Only one building for living purposes shall be permitted on one zoning lot except as otherwise provided herein.

(Code 1982, § 41-80; Ord. No. 1270, § 3.13, 12-15-1981; Ord. No. 97-11-61, § 1, 11-18-1997; Ord. No. 2002-08-084, § 1.28, 8-20-2002; Ord. No. 2008-07-066, § 1, 7-14-2008; Ord. No. 2008-11-104, § 5, 11-4-2008; Ord. No. 2010-05-011, § 4, 5-17-2010; Ord. No. 2010-12-053, § 14, 12-7-2010)

Sec. 146-86. C - Planned Center district.

(a) *Purpose.* The "C" - Planned Center zone is designed to provide for high-intensity concentrations of shopping and related commercial activities along regional highways or large arterial roadways.

(b) *Permitted uses.* The following uses are permitted in the planned center district:

- (1) Any use permitted in district "BN" - Neighborhood Business; and
- (2) Other uses indicated as being permitted in the "C" - Planned Center zone in the schedule of uses.

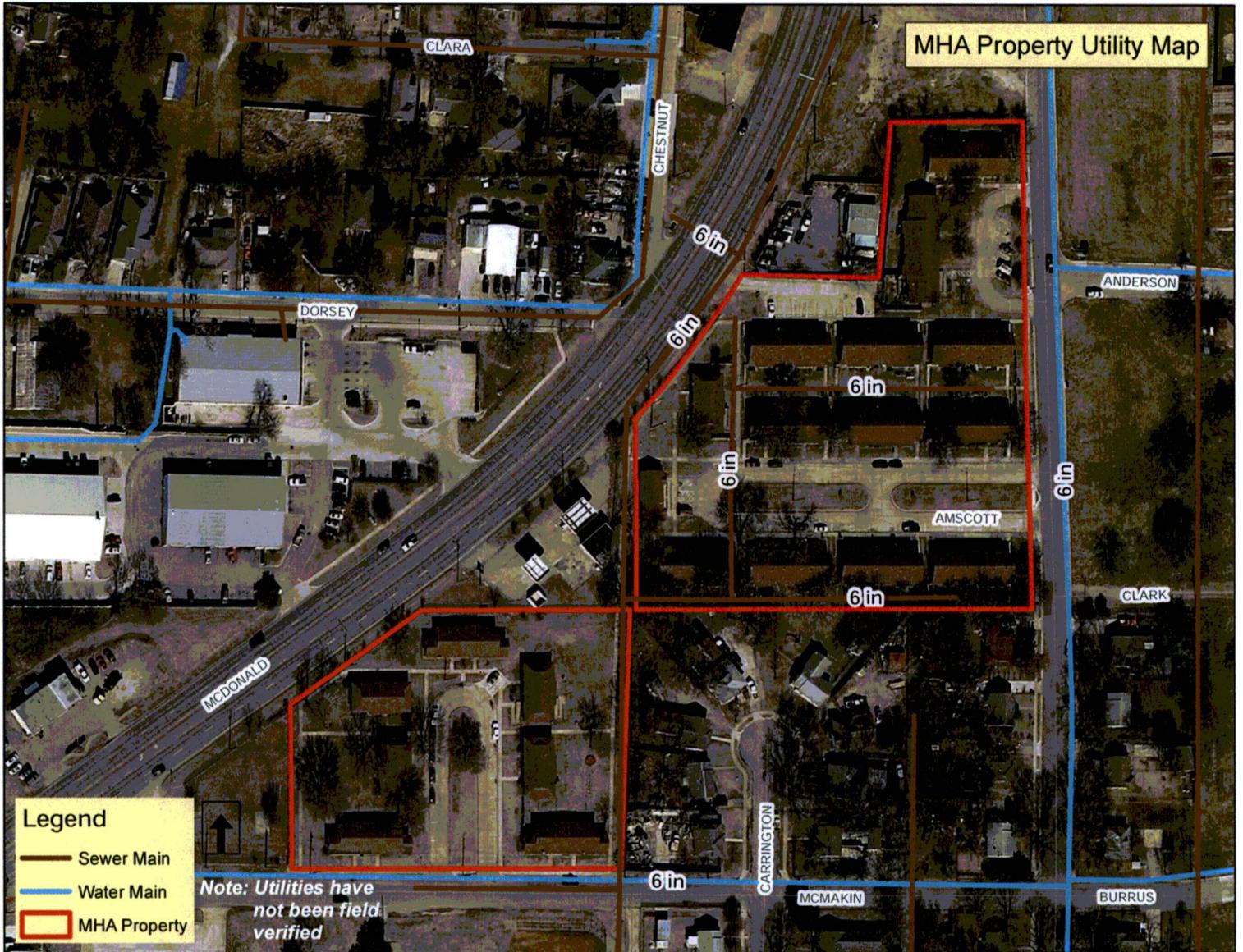
(c) *Space limits.* The following space limits shall apply to the "C" - Planned Center zone:

- (1) Minimum rear yard: 25 feet when abutting any zone requiring a rear yard; none abutting business.
- (2) Minimum side yard: 15 feet when abutting any zone requiring a side yard; none abutting business.
- (3) Maximum lot coverage: 50 percent.
- (4) Maximum floor area ratio: one to 1.25.
- (5) All other space limits identified as being applicable to the "C" - Planned Center zone in appendix F of the zoning ordinance.

(d) *Special provisions.*

- (1) The entire parcel of land in the planned center zone shall be considered as one zoning lot in arranging buildings and other facilities.
- (2) The commission and the council shall take into consideration the ability of nearby streets to handle traffic generated by the proposed development and shall take into consideration the effects upon the value and amenities of the nearby neighborhood residential properties and in the event of conflict between the maintenance of such

MHA Property Utility Map



Legend

- Sewer Main
- Water Main
- ▭ MHA Property

Note: Utilities have not been field verified



NEWSOME SENIOR HOUSING SCHEMATIC ELEVATION
MCKINNEY, TEXAS

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13164
07.12.2013
CARLETON



NEWSOME SENIOR HOUSING SCHEMATIC SITE PLAN #2

MCKINNEY, TEXAS



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

June 27, 2013

Alonzo Tutson
Executive Director
Housing Authority of McKinney
1200 N Tennessee Street
McKinney, TX 75069

Dear Mr. Tutson:

Attached please find (an) amended CHAP Exhibit A for your RAD project, MERRITT HOMES, PIC Number TX027000001, whose initial CHAP was awarded January 1, 2013. As this project is already being processed for conversion, all of the established CHAP milestone due dates will remain in effect, with any extension requests subject to the same approvals as established in the original CHAP.

With the issuance of this amended CHAP Exhibit A, you are required to update all relevant information on the RAD Resource Desk, including, but not limited to, the Transaction Log and Rent Schedule, so that the transaction accurately reflects these rents, number of units and configuration presented herein. In addition, please take appropriate action if this amendment requires a Significant Amendment to your Public Housing Agency Five Year or Annual Plan.

If you have any questions regarding this Amendment, please contact your Transaction Manager.

Sincerely,

A handwritten signature in blue ink, appearing to read "Margaret Solle Salazar".

for Margaret Solle Salazar
(Acting) Associate Deputy Assistant Secretary
Office of Affordable Housing Preservation

EXHIBIT A

**IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS**

The Contract Rents below for the subject project were determined in accordance with PIH Notice 2012-32, based on Fiscal Year 2012 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on the level of Federal Appropriations available at the time of conversion, as well as applicable program rent caps, and, as such, may change.

Existing PIC Development Number: TX027000001

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
44	1	\$468	\$56	\$524
14	2	\$565	\$66	\$631
6	3	\$736	\$77	\$813



1200 N. Tennessee St.
McKinney, TX 75069

Phone: 972-542-5641
Fax: 972-562-8387
McKinneyha.org

McKinney Housing Authority

About

Vision – To Live, Serve and Thrive in our Community in a Spirit of Excellence!

Mission - The Housing Authority's mission is to service the housing needs of low-income families in the authorities' jurisdiction in order to enhance self sufficiency and promote community quality of life and economic viability.

Strategic Goals -

- Increase overall agency performance status
- Promote a path to self sufficiency for residents and HCV clients
- Plan to meet the needs of clients aging in place
- Increase opportunities for affordable housing
- Diversify MHA revenue base to support our mission
- Enhance our relationships with community partners and stakeholders

PRIORITIES

- Increase overall agency performance status
- Promote a path to self sufficiency for residents and HCV clients
- Plan to meet the needs of clients aging in place
- Increase opportunities for affordable housing
- Diversify MHA revenue base to support our mission
- Align our organization to meet strategic goals
- Promote a healthy working relationship between the agency, the Board Of Commissioners, the City and the Community
- Enhance our relationships with community partners and stakeholders

The McKinney Housing Authority is a public housing agency formed under Texas Local Government Code 392. The agency is funded by the Department of Housing and Urban Development.

GOVERNANCE: The Housing Authority is regulated by the code of federal regulations and must meet compliance with Public Housing and Housing Choice Voucher guidance. The agency is governed by a five member Board of Commissioners appointed by the City.

McKinney Housing Authority Board of Commissioners

Don Stockford – Chairman
Tom G. Johnson – Vice Chairman

Justin Beller - Commissioner
James DeCoste – Resident Commissioner

Juli Smith - Commissioner

City of McKinney
75-6003098

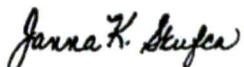
Sometimes governmental units are asked to provide proof of their status as part of a grant application. If your organization is applying for a grant from a private foundation, the foundation may be requesting certain information from your organization because of the restrictions imposed by the Code on such foundations. One such restriction imposes a tax on private foundations that make any "taxable expenditures." Under section 4945(d) and (h) of the Code, "taxable expenditures" include (1) any grant to an organization (unless excepted), unless the foundation exercises "expenditure responsibility" with respect to the grant; and (2) any expenditure for non-charitable purposes. Under section 4942 of the Code, private foundations must also distribute certain amounts for charitable purposes each year--"qualifying distributions"--or incur a tax on the undistributed amount. "Qualifying distributions" include certain amounts paid to accomplish charitable purposes.

Private foundation grants to governmental units for public or charitable purposes are not taxable expenditures under these provisions, regardless of whether the foundation exercises "expenditure responsibility." Under section 53.4945-5(a)(4)(ii) of the Foundation and Similar Excise Tax Regulations, expenditure responsibility is not required for grants for charitable purposes to governmental units (as defined in section 170(c)(1) of the code). Similarly, grants to governmental units for public purposes are "qualifying distributions", under section 53.4942(a)-3(a) of the regulations; and, if they are for charitable purposes, will not be taxable expenditures, under section 53.4945-6(a) of the regulations. Most grants to governmental units will qualify as being for charitable (as well as public) purposes.

Because of these restrictions, some private foundations require grant applicants to submit a letter from the Service determining them to be exempt under section 501(c)(3) and classified as a non-private foundation. Such a letter, or an underlying requirement that a grantee be a public charity, is not legally required to be relieved from the restrictions described above, when the prospective grantee is a governmental unit and the grant is for qualifying (public or charitable) purposes.

We believe this general information will be of assistance to your organization. This letter, however, is not a ruling and may not be relied on as such. If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Acting Director, TE/GE
Customer Account Services

Internal Revenue Service

Date: February 9, 2004

City of McKinney
Housing Authority
1200 N. Tennessee
McKinney, TX 75069-2121

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Mrs. Coghill 31-07426
Customer Service Representative

Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:
513-263-3756

Federal Identification Number:
75-6003098

Dear Sir or Madam:

This is in response to your request of February 9, 2004, regarding your organization's federal tax status.

Our records indicate that your organization may be a governmental instrumentality or a political subdivision of a state.

No provision of the Internal Revenue Code imposes a tax on the income of governmental units (such as states and their political subdivisions). Therefore, it has been the position of the Service that income of governmental units is not generally subject to federal income taxation. If, however, an entity is not itself a governmental unit (or an "integral part" thereof), its income will be subject to tax unless an exclusion or exemption applies.

One exclusion is provided by section 115(1) of the Code, which excludes from gross income:
"income derived from ... the exercise of any essential governmental function and accruing to a State or any political subdivision thereof ..."

Your organization's income may not be subject to tax, either because the organization is a governmental unit (or an "integral part" thereof), or because the income is excluded under section 115. In addition, your organization may also be eligible to receive charitable contributions, which are deductible for federal income, estate, and gift tax purposes. Also, your organization is probably exempt from many federal excise taxes.

Your organization may obtain a letter ruling on its status under section 115 by following the procedures specified in Rev. Proc. 2002-1 or its successor.

Your organization may also qualify for exemption from federal income tax as an organization described in section 501(c)(3) of the Code. If the organization is an entity separate from the state, county, or municipal government, and if it does not have powers or purposes inconsistent with exemption (such as the power to tax or to exercise enforcement of regulatory powers), your organization would qualify under section 501(c)(3). To apply for exemption, complete Form 1023 and pay the required user fee.

LIMITED SALES TAX PERMIT

PERMIT NUMBER		EFF. DATE	
TAXPAYER NUMBER	OUTLET NUMBER	MO.	YR.
1-75-6003098-7	00001	09	61

THIS IS TO CERTIFY THAT THE TAXPAYER NAMED HEREON, HAVING COMPLIED WITH THE RULES OF CHAPTER 20, TITLE 122A, TAXATION-GENERAL, R.C.S., 1925, AS AMENDED, IS AUTHORIZED TO ENGAGE IN RETAIL BUSINESS SUBJECT TO THE PROVISIONS OF THE AFORESAID ACT. THIS PERMIT IS SUBJECT TO REVOCATION OR SUSPENSION FOR ANY VIOLATION OF ANY PROVISION OF THE ACT OR ANY RULE OR REGULATION ADOPTED BY THE COMPTROLLER TO ADMINISTER THE ACT.

ISSUED 06-01-68

Robert G. Conroy
COMPTROLLER OF PUBLIC ACCOUNTS

TAXPAYER NAME AND MAILING ADDRESS

CITY OF MCKINNEY
1200 NO TENNESSEE
MCKINNEY

TX 75069

TRADE NAME AND LOCATION ADDRESS

HOUSING AUTHORITY OF CITY OF MCKINNEY
1200 NO TENNESSEE
MCKINNEY TX 75069



THIS PERMIT IS NOT TRANSFERABLE AND SHALL AT ALL TIMES BE PUBLICLY DISPLAYED BY THE RETAILER IN HIS PLACE OF BUSINESS AT THE LOCATION ADDRESS SHOWN HEREON. A NEW PERMIT MUST BE OBTAINED IN THE EVENT OF OWNERSHIP CHANGE OR A LOCATION MOVE. SHOULD A CHANGE IN THE TRADE NAME OCCUR, THE PERMIT MUST BE RETURNED FOR CORRECTION.