



ISSUE OVERVIEW

USAGE OF SINGLE-FAMILY HOMES AS BOARDING HOUSES/APARTMENT HOMES

City Code Does Not Allow Boarding Homes in SF-Zoned Neighborhoods
Not an STR Issue; Not the Same as an STR



DEFINITION – BOARDING/ROOMING HOUSE

House is Rented by Room for Time Periods of 30 Days to Three Months or More











- Today – No Owner Living in Residence
- No Parking on Property
- Multi-Dwelling Unit; Multiple Contracts for One Property
- Separate or Shared Bathrooms
- Shared Common Areas Kitchen, Living Room, Laundry
- Not a New Thing – Common in US in 19th Century Until 1950s

Who Owns/Operates Boarding Houses in Plano & Texas?

- Hedge Fund Owners (Flywheel SFR Fund I & Deer Park Fund)
- Living Bungalow, HomeRoom, PadSplit, Roomi, Sota Co-Living, CoHo, etc.
- Small Business Owners – Substance Abuse Halfway Houses
- Small Business Owners – Alzheimer & Assisted Living Homes

10 results found for flywheel sfr fund (showing page 1 of 1) View Style:  

Select All

SELECT	ACCOUNT NO.	OWNER NAME	PROPERTY LOCATION	LEGAL DESCRIPTION	TYPE	TOTAL DUE
<input type="checkbox"/>	R013802000801	FLYWHEEL SFR FUND I BORROWER LLC	2312 GRANDVIEW DR	DALLAS NORTH ESTATES NINTH INSTALLMENT (CPL) BLK 20 LOT 8	 Real	\$8,333.46
<input type="checkbox"/>	R013801300701	FLYWHEEL SFR FUND I BORROWER LLC	1908 GLEN COVE CIR	DALLAS NORTH ESTATES NINTH INSTALLMENT (CPL) BLK 13 LOT 7	 Real	\$8,645.08
<input type="checkbox"/>	R040100202601	FLYWHEEL SFR FUND I BORROWER LLC	4449 BLYSTONE LN	PRESTON COVE ADDITION PHASE ONE (CPL) BLK B LOT 26	 Real	\$8,017.56
<input type="checkbox"/>	R040100202201	FLYWHEEL SFR FUND I BORROWER LLC	4433 BLYSTONE LN	PRESTON COVE ADDITION PHASE ONE (CPL) BLK B LOT 22	 Real	\$7,588.00
<input type="checkbox"/>	R049100500701	FLYWHEEL SFR FUND I BORROWER LLC	2500 KIMBERLY LN	CLOISTERS (CPL) BLK 5 LOT 7	 Real	\$8,891.94
<input type="checkbox"/>	R049300302701	FLYWHEEL SFR FUND I BORROWER LLC	2521 COLESHIRE DR	CLOISTERS NO 3 (CPL) BLK 3 LOT 27	 Real	\$8,707.84
<input type="checkbox"/>	R049400200701	FLYWHEEL SFR FUND I BORROWER LLC	2704 REGAL RD	CLOISTERS NO FOUR (CPL) BLK 2 LOT 7	 Real	\$9,041.02
<input type="checkbox"/>	R014100200201	FLYWHEEL SFR FUND I BORROWER LLC	2612 GRANDVIEW DR	DALLAS NORTH ESTATES 12TH INSTALLMENT (CPL) BLK 2 LOT 2; FIRST SECTION	 Real	\$7,868.28
<input type="checkbox"/>	R222500F002R1	FLYWHEEL SFR FUND I BORROWER LLC	3453 OLD MANSE CT	ESTATES OF FOREST CREEK PHASE V (CPL) BLK F LOT 2R	 Real	\$15,950.42
<input type="checkbox"/>	R340200804801	FLYWHEEL SFR FUND I BORROWER LLC	3820 CLEARWATER CT	BRIAR MEADOW-PHASE TWO (CPL) BLK B LOT 48	 Real	\$11,155.39

Lease Period Options

- 2 Week – 30 Day Free Trial
- 3 Months
- 6 Months
- 8 Months
- Sliding Scale of Upto 24 Months

Apartment/Rooming House

3820 Clearwater CT

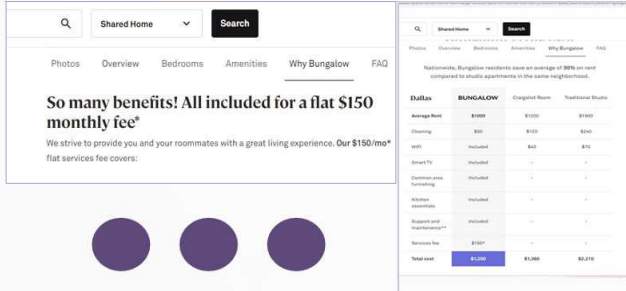
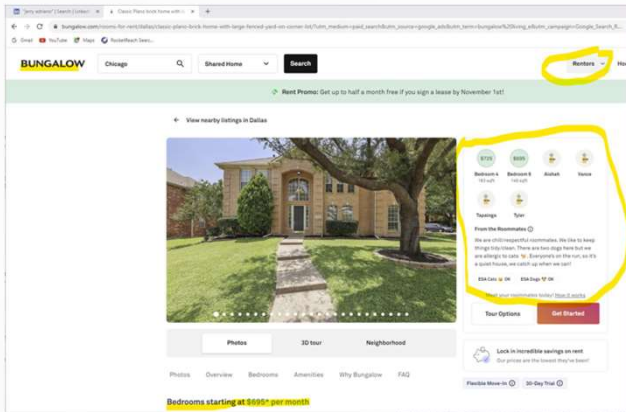
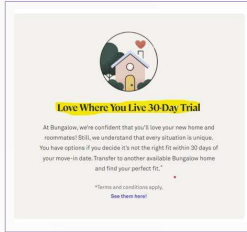
(Not a Group Home)

3836 SQFT

6 Rooms, 4 Bath, 2 Garage

Owner: Flywheel SFR Fund I, LLC

No Owner Living in Residence



Issues & Violations

Trash On Lawn & In Middle of Alleyway
11 People in House – 1 Garbage Can

Noise Issues

Loud Car Stereos

Reving Engines Late at Night

No Maintenance of Property

Sprinklers Remain Broken

Foundation Issues

Little to No Vetting of Tenants

Sex Offenders in Neighborhood?

Drugs

Renters Sharing Rooms with Outsiders

Increased Traffic on Cul de Sac & In Neighborhood

Parking Congestion

Not Allowed to Use Garage or Driveway

6-10 Cars Parked on Street (Front/Side)

Parking Into/Obstructing Roadway



WHO IS FLYWHEEL SFR FUND I



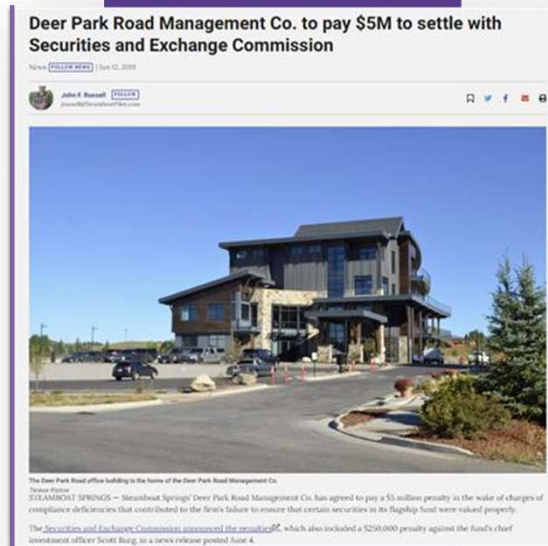
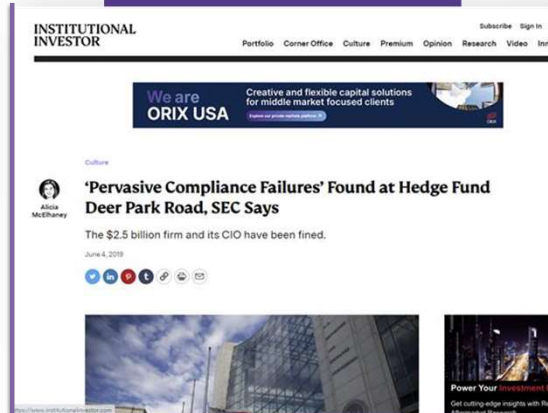
Fund Type – Real Estate

Fund Status: Closed

Fund Manager: Deer Park Road & Bangtail Management GP

Location: Steamboat Springs, CO

Fund Managers/Owners: Michael Craig–Scheckman (\$380M Network), Scott Burg, Brad Craig



Who: A **Private Equity Fund** that builds upon the successful 19-year history of our **housing market-related investments**.

What: Flywheel purchases **U.S. single-family homes** with the **purpose of generating** an operationally enhanced stream of **rental income** and **augmenting the price appreciation of the underlying properties**.



Approach: Flywheel's Fund utilizes a differentiated approach **targeting assets** within **Tier 1-2 markets**, implementing value-added enhancements, and focusing on a critical growing demographic segment and reflecting underserved tenant preferences **within the Single-Family Rental market**.

Affiliations: Flywheel has established a relationship with **Bungalow Living, a technology company with a shared rental platform to manage properties** and provide technology services for tenants.

PLANO CITY CODE

Use Type	Use Category	RESIDENTIAL DISTRICTS															
		A -Agricultural	ED-Estate Development	SF-20-Single-Family-20	SF-9-Single-Family-9	SF-7-Single-Family-7	SF-6-Single-Family-6	UR-Urban Residential	PH-Patio Home	SFA-Single-Family Attached	ZF-Two-Family (Duplex)	GR-General Residential	MF-1-Multifamily-1	MF-2-Multifamily-2	MF-3-Multifamily-3	MH-Mobile Home	RCD-Residential Community Design (ZC2020-013; Ord. No. 2021-1-12)
Accessory Building or Use (8)	Accessory & Incidental	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Accessory Housing Shelter (Temporary) (ZC 11-13)	EIPS	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Airport/Heliport (4)	EIPS	S															
Amusement, Commercial (Indoor)	Service																
Amusement, Commercial (Outdoor) (ZC 97-51) (15)	Service																
Animal Exhibition (ZC 04-55)	EIPS	S															
Antenna	Trans., Utility, & Comm.	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Antenna Support Structure (Commercial and Amateur) (ZC 99-43)	Trans., Utility, & Comm.	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Artisan's Workshop	Service																
Asphalt/Concrete Batching Plant (Permanent)	Comm., Mfg. & Ind.																
Asphalt/Concrete Batching Plant (Temporary)	Comm., Mfg. & Ind.	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Assembly Hall (ZC 03-21, ZC 97-80)	EIPS																
Assisted Living Facility (ZC 03-21, ZC 00-83, ZC2019-009, ZC2022-016)	EIPS											P	P	P			
Backyard Cottage (ZC2018-033)	Accessory & Incidental			P	P	P	P	P	P	P	P	P	P	P	P	P	P
Bank, Savings and Loan, or Credit Union	Service			51	51	51	51	51	51	51	51	51	51	51	51	51	51
Bed and Breakfast Inn	Service																S
Boarding/Rooming House	Primary Res.																
Body Piercing (ZC 01-19)	Service																
Building Material Sales (ZC 96-29)	Retail																
Bus/Truck Leasing (ZC 99-46)	Vehicle & Related																
Bus/Truck Repair (ZC 99-46)	Vehicle & Related																
Business Service	Service																
Cabinet/Upholstery Shop	Service																
Cafeteria/Restaurant	Service																
Car Wash (ZC 99-46)	Vehicle & Related																
Caretaker's/Guard's Residence	Accessory & Incidental	S	S	S	S	S	S	P	S	S	S	S	P	P	P	S	S



Plano Code Definition

Effective October 2023

All Plano neighborhoods, with or without a homeowner's association (HOA), are zoned residential districts. Article 14 lists all the allowed uses for residential and non-residential districts within the zoning document the zoning document Article 14 lists all the allowed uses for residential districts and non-residential districts. A blank listing means the use is prohibited. Definition below.

Land and buildings in each of the residential zoning districts may be used for any of the uses identified as allowed in the use table; **no land shall hereafter be used, and no building or structure shall hereafter be erected, altered, or converted which is arranged or designed or used for other than those uses specified for the district in which it is located.**

*PlanoZoningOrdinance102323Printing (civicplus.com)

BRIAR MEADOW: DEEDS COVENANTS & RESTRICTIONS (DCRS)

Contractual Law Restricted Use of Lots to SFU

Your Subdivision Likely Has a DCR

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BRIAR MEADOW PHASE II

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

THAT Legacy Joint Venture, a Texas Joint Venture (the "Declarant"), is the owner of all that certain tract of land platted and described as Briar Meadow Phase II (the "Addition"), an Addition to the City of Plano (the "City"), Texas, according to the map or plat thereof (the "Plat") recorded in Cabinet J, Pages 323 and 324 of the Map Records of Collin County (the "County"), Texas.

Declarant has subdivided the property into single-family lots as shown on the Plat.

Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of establishing a general scheme for the development of all of the lots in the Addition and for the purpose of enhancing and protecting the value, attractiveness and desirability of said lots and which shall run with the land and be binding on all property or any part thereof, and shall inure to the benefit and binding upon of each owner thereof, and his heirs, administrators, successors and assigns.

ARTICLE I

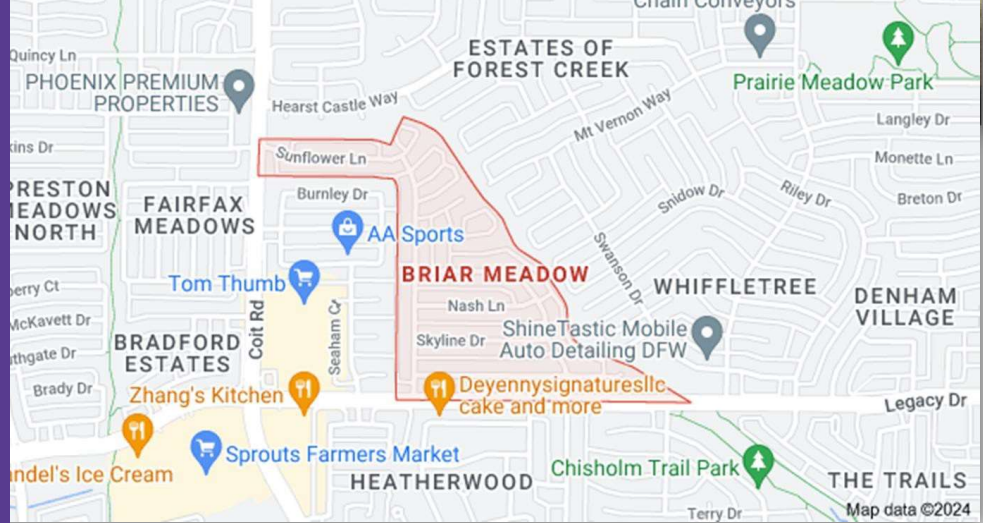
CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 1.1 Residential Use. All lots shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family residence per lot, which residence may not exceed two (2) stories in height, and a private garage as provided below.

Section 1.2 Single-Family Use. Each residence may be occupied by only one family consisting of persons related by blood, adoption or marriage or no more than two unrelated persons living and cooking together as a single housekeeping unit, together with any household servants.

Section 1.3 Two Car Garage Required. Each residence shall have a garage suitable for parking not less than two (2) or more than three (3) standard size automobiles, which garage conforms in design and materials with the main structure. Garage locations may vary, with the written approval of the Committee (as hereinafter defined).

Section 1.4 Restrictions on Resubdivision. None of the lots shall be subdivided into smaller lots.



ACTIONS TO DATE

BOARDING HOUSE ISSUE

- Plano City Council Member Engagement
- Texas State Representative Engagement (Jeff Leach & Matt Shaheen)
- Plano Citizens' Council Engagement (Pat Greer)
- Press Coverage (Candy's Dirt)
- Legal Firm Engagement & Assessment

COMMERCIAL NATIONAL
Blackstone buys major landlord Tricon for \$3.5B
 Why BRETT is betting on single-family rentals in 2024



Resident Says Boarding Houses Violate Plano Zoning But Enforcement is Nonexistent

November 11, 2023 | April Towery | 2 Comments | Plano

Share News:



<https://candysdirt.com/2023/11/11/resident-says-boarding-houses-violate-plano-zoning-but-enforcement-is-nonexistent/>

11/20/23 6:43 PM Resident Says Boarding Houses Violate Plano Zoning But Enforcement is Nonexistent - CandyDirt.com



Boarding houses with multiple unrelated renters aren't allowed under single-family zoning in Plano, but a resident of Briar Meadow near Colt and Legacy says they're operating in full force in multiple locations throughout the city.

Plano imposed a temporary one-year ban on new short-term rentals within the city limits, so we know the neighbors are vigilant in reporting crime, code violations, and nuisance issues in their single-family neighborhoods. The Plano City Council was one of the first in North Texas to impose a

<https://candysdirt.com/author/april-towery/>



Texas Leads the Country in Institutional Buyers in the Single-Family Housing Market

In February 2023, CNBC reported that institutions may hold over 7.6 million homes by 2030, which is more than 40% of all single-family rentals on the market.



FEDERAL LEGISLATION TO BAN HEDGE FUND SF OWNERSHIP

S. 3402, END THE HEDGE FUND CONTROL OF AMERICAN HOMES ACT – Senator Merkley of Oregon – 11/22 & 12/23
[Merkley, Smith Lead Bicameral Action to Ban Hedge Fund Ownership of Residential Housing - Merkley \(senate.gov\)](#)

Co-Sponsored by US Reps. Adam Smith, Nikema Williams, & Linda Sanchez

Hedge fund ownership reduces SF housing supply & increases the purchase pricing of SF homes

Bill would mandate that hedge funds sell off all single-family homes over a ten-year-period with tax fines for non-compliance

The Urban Institute estimates that large hedge funds and other institutional investors owned roughly 574,000 SF homes in 2022 vs 2011 at 1,000 SF Rentals.

27% of SF Homes were in the first 3 months of 2023 were bought by hedge funds (Source: ULI)

To meet investor ROI, hedge funds maximize profits by imposing high rent increases, inflating fees, & delaying home maintenance and improvements, which diminishes the quality (& value) of housing over time.

[New Legislation Proposes to Take Wall Street Out of the Housing Market - The New York Times \(nytimes.com\)](#)

Did you know hedge funds bought 28% of Texas single-family homes in 2021?

Texas Counties Saw Higher Percentages
Tarrant (52%), Rockwall (45%), Midland (44%),
Dallas (43%) & Travis (41%)

Source: NARs 2021



STATE LEGISLATION TO RESTRICT HEDGE FUND SF OWNERSHIP

HB 1056 & HB 1057, TX BILL RESTRICTING INVESTMENT FIRM PURCHASE OF SF HOUSING & HEDGEFUND REGISTRATION OF HOMES PURCHASED – 3/2023 & 12/23

Co-Sponsored by State Reps. Gina Hinojosa & Vicki Goodwin

<https://www.texasmonthly.com/news-politics/home-buying-investors-legislature-bills/>

<https://www.kvue.com/article/money/economy/boomtown-2040/texas-lawmakers-address-companies-buying-homes/269-ff206592-1a32-45f0-8a1e-bd2681d0a18d>

WHY WE NEED TO FIGHT THIS ISSUE

- ❑ It Can Happen In Your Neighborhood
- ❑ Provides a Pathway to Eliminate SF Zoning in Plano
- ❑ Can Lead to Plano Becoming a Renter City vs Homeowners/Families, Exceptional Schools & Consistent Voters
- ❑ Sets a Legal Precedent If Ignored for Operating Against Established DCRs - Not All HOAs can Enforce DCRs Only Property Owners
- ❑ Can Lead to Approval of Other Disputed Issues
 - STRs, Smaller Lot Size Authorization = Higher Population Density
 - Research Studies Show Greater Density Brings Higher Crime Rates
 - Elimination of Parking Minimums City Wide - Leads to Residential Parking for Access to Businesses



THE ASK

PROPOSED NEXT STEPS

- ❑ Establish a Non-Profit Recruiting All Plano HOA Officers Representing All Property Owners to Address at City Level
- ❑ Add Committees to Address Other Disputed Issues
- ❑ Hold Regular Plano-City Wide HOA Officer Council Meetings (Top-Down Approach) To Drive City-Wide Homeowner Engagement & Involvement in Issues Resolution
- ❑ Pursue State Bill & Federal Bill to End the Hedge Fund Ownership of SF Housing

CITY EXCUSES FOR NON-ENFORCEMENT

Boarding/Apartment Home(s)

Owner & Tenants Have Constitutional Rights To Privacy; Hud Regulations

City Attorney Scared to Pursue; Fears Lawsuit & Losing Court Case

The City is Waiting to Finalize STRs Code/Ordinance & Sees Multi-Family Use of SF Homes as Being the Same as STRs (Oct 2023)

Unrelated Tenants May Define Themselves as family members

Family a group of people that are connected by either genetics or legal systems

<https://www.law.cornell.edu/wex/family#:~:text=Individuals%20not%20connected%20by%20blood,by%20the%20Wex%20Definitions%20Team%5D>



Current Federal Court Cases

No. 22-40637
**United States Court of Appeals,
Fifth Circuit**

**Women's Elevated Sober Living
LLC v. *City of Plano***
Decided Nov 20, 2023

**Case No. 2:23-cv-02209-HLT-GEB
IN THE UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF
KANSAS**

**HOMEROOM, INC., et al., Plaintiffs,
v. SHAWNEE, KANSAS, CITY OF, et
al., Defendants.**



Zoning Injunction Vacated by 5th Circuit Court in Loss for Sobriety House in Plano, TX – November 2023



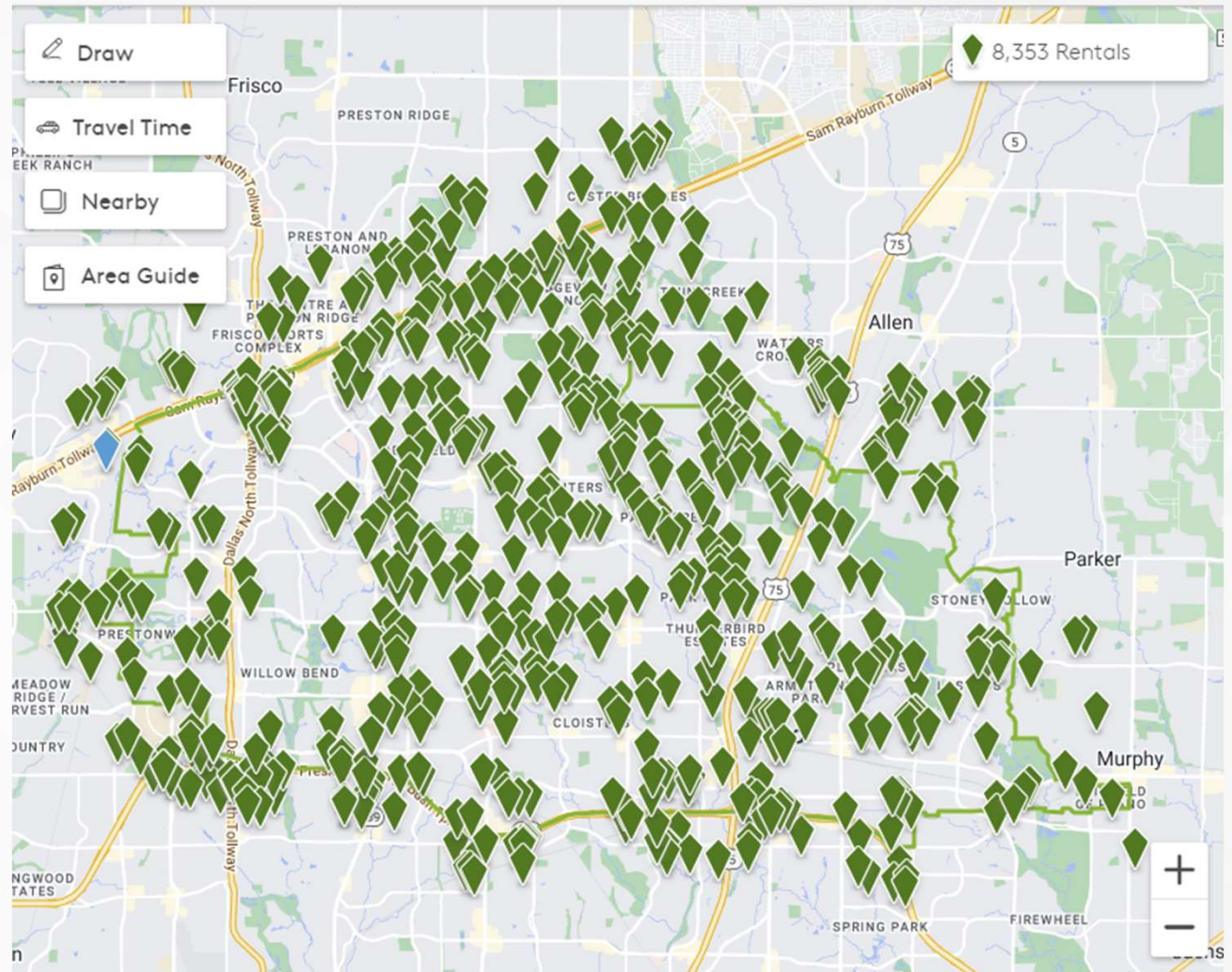
Federal district court dismisses Shawnee co-living ban lawsuit – Citing legal precedent that the petitioners have no constitutional claims – September 2023

Plano, TX

APARTMENTS FOR RENT – 8,353

One Bedroom For Rent
– 1,847 \$900 – \$1,500

Two Bedroom For Rent
– 2,191 Under \$1,500



Co-Living.Com

Coliving.com is an innovative platform offering **28,000 rooms** in **1,200 coliving spaces** in key locations worldwide. Catering to **professionals, remote workers, and students**, we simplify finding and booking coliving stays. Coliving.com covers over **300 destinations** in **60 countries** globally, providing flexible, community-focused, and convenient living solutions. Discover and book your ideal shared living space today.
– Living together is better.

The screenshot shows the Coliving.com homepage with the following statistics and benefits:

1,200 Communities	28,000 Rooms	60 Countries	300 Destinations
75,000 Members	25,000 Reviews	90,000 Monthly visitors	Excellent! ★ Trustpilot

Benefits listed:

- No booking fees**: Never pay a booking fee. More money for living instead.
- 100% online process**: Book rooms, chat with hosts, and pay rent online.
- Easy cancellation**: Cancel your stay at any time before moving in.
- Payment protection**: We securely collect your rent, and pay the host 24 hours after you move in.

The Coliving Guide for operators

This guide is launched to help and inspire operators on their journey.

It features comprehensive guides on various aspects of starting, running and scaling coliving companies.

<https://coliving.com/guide>

The screenshot shows a grid of features on the Coliving.com website:

- Professional coliving operator**: Your company runs safe, high-standard shared homes that focus on community.
- 6 beds or more**: The minimum amount of people to form a meaningful community-feeling.
- Flexible lease**: No one likes long commitments. Coliving stays start from 1 month.
- Bills included**: Taxes, gas, electricity, water, utilities, tv, internet, etc. need to be included.
- Shared common areas**: Friendships are built in the kitchens, dining rooms, and living rooms.
- Like minded community**: You can easily describe which type of people your coliving is targeting.
- Fully furnished**: A new resident should be able only to bring a suitcase to move in.
- Fast Wi-Fi**: Residents expect to reliably communicate with the outside world.
- Property Management System**: To manage your residents, availability, payments, and reporting.

Living together is better
Find flexible, convenient, and affordable coliving homes with bills included.
<https://coliving.com/>