



4113 Main Street, Suite 105  
Rowlett, TX 75088  
rowlethfc.org

**Board of Directors Meeting  
Monday, August 26, 2024, at 4:00 p.m.  
5702 Rowlett Rd., Rowlett, TX 75089**

**AGENDA**

**As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the RHFC legal counsel on any agenda item herein. The Board of Directors reserves the right to reconvene, recess or realign the Regular meeting agenda or called Executive Session or order of business at any time prior to adjournment.**

1. Call to order.
2. Public input - The Board of Directors may receive public input on any of the agenda items listed below.
3. Approval of Minutes: Consider and take action to approve the minutes of the July 30, 2024, Rowlett Housing Finance Corporation Board meeting.
4. The RHFC Board of Directors shall convene into Executive Session pursuant to Texas Government Code 551.071 (Consultation with Attorney) to discuss legal matters related to ongoing litigation.
5. Update/discussion on JPI Merrit
6. Update/discussion on Lakeview Pointe Seniors
  - a. Ryan Bowen w/ Chapman Cutler...Bill Fisher is requesting reconsideration for a supplemental volume cap to meet this 50% threshold test with the IRS. In addition, this development is on much better financial footing with the additional tax credit that comes with the 4% floor and substantial increase in tax credit equity.
    - 1) Email request from Bill Fisher
    - 2) Resolution
    - 3) Supporting documents
7. Update/discussion on 190/Main
  - a. Payments and schedule
8. Update on RHFC insurance coverage(s)
9. Vision/Mission Statement of the RHFC
10. Items of Community Interest, Topics for future agenda: Members of the Board may request topics to be placed on the agenda for a subsequent meeting. Any deliberation or decision shall be limited to a proposal to place the topic on the agenda for a subsequent meeting.



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## **Board of Directors Meeting Minutes**

**Tuesday, July 29, 2024, at 4:00PM**

**5720 Rowlett Rd., Rowlett TX 75089**

**1. Call to order:**

**President Winget called the meeting to order at 4:01PM with a quorum present Directors Winget, Holston, Dunican, Kull and Schupp). Also present were City Council Member Bowers and Ryan Bowen with Chapman and Cutler by phone.**

**2. Public Input:**

**There was no public input.**

**3. Approval of Minutes**

**Consider and take action to approve the June 27, 2024, Minutes of the HFC Board of Directors Meeting. Director Schupp moved to approve the June 27, 2024; Minutes as submitted. Director Dunnican seconded the motion, and it passed unanimously.**

**4. JPI Update:**

**This update was provided by Attorney Bowen by phone. He said there is one major issue, it is the ability of JPI to assign its interest in this project to another developer. In order to protect the General Partner's interests, in this case the RHFC, It is customary to ask for our consent, which assures the project/deal structure stays the same, as originally agreed to, upon sale/transfer to a new developer. What JPI is asking RHFC to agree to is there would not be any unreasonable objection(s) if or when a sale or transfer of their interests were to occur. Chapman and Cutler have maintained that HFC approval is required and that we have sole discretion on any transfer of ownership. JPI has**



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**responded with a proposal to add assurance to the partnership agreement that no sale/transfer would be considered which might in any way diminish or jeopardize the project. In consideration, the HFC would agree to not unreasonably deny a transfer, if and when that should occur. Attorney Bowen pointed out all parties involved understand any such agreement is subject to City Council approval. He also said Chapman and Cutler would bring any alteration to the partnership agreement back to the HFC and City Council for approval before finalized.**

**Director Holston suggested considering adding a provision that the entity taking over this project be of equal financial standing to JPI, and a timeline that no sale may occur during the first year of this agreement. He also feels unreasonable" is hard to define. Director Dunnican asked if this is standard practice or if JPI really wants to get out of the deal. Attorney Bowen said he believes JPI wants to construct the project and then after approximately five years sell their interest and move on to another project. Director Dunnican asked if this is a request to amend our agreement, and Attorney Bowen responded we are in the process of finalizing our JPI agreement. This would be a modification of our original memorandum of understanding. President Winget said the HFC should stay with the original language in the memorandum of understanding. Director Dunnican agreed that our agreement is with JPI, and not with another entity buying the project that we do not know about. Director Holston repeated the idea of compromise by saying we could stipulate any sale has to be to an entity equal to JPI. Attorney Bowen reminded the Board that JPI has the ability to walk away from the partnership right now or build a market rate project and sell to anyone they want to, however he does not think JPI is signaling that this is what they want to do at this time. Attorney Bowen asked if the Board would agree to having him prepare a proposal reflecting the concerns voiced during this discussion for further consideration at a future special meeting. He also pointed out we do not have a contract with JPI, it is a memorandum of understanding still being**



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**negotiated by both parties. President Winget and Director Holston said they thought the sense of the Board was not to compromise but asked if Attorney Bowen had already prepared a proposal for the Board to look at. He said yes and would send that to Peter to distribute to the HFC members. Director Holston asked if there are any other issues for the HFC Board to address at this time, and Attorney Bowen said not of which he was aware. Director Kull asked if anyone saw a downside to considering the proposal Attorney Bowen has prepared in this matter. President Winget said only the timeline of getting these negotiations done. Executive Director Urrutia said, based on his discussions with JPI, they sincerely want to get a deal worked out with the RHFC and get this project done. Director Dunnican said we cannot know what the multifamily Market will be like in four to five years from now, so she would not want to give up our already agreed position on this issue, therefore would not like to change the agreement now in place. President Winget said he heard members state that our position will be to keep the original agreement language in the memo of understanding, and asked Attorney Bowen to convey that to JPI.**

**There was no action taken on this agenda item.**

**Director Schupp asked if we have a timeline or next steps on moving forward from here with this project. Attorney Bowen said once we reach agreement, it could be concluded in ten days to two weeks, including getting on the City Council Agenda. President Winget said the earliest he believed this could be finalized would be September. There being no further questions on this item, he moved to Agenda Item 5.**



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#### **5. Update/Discussion on Lakepoint Seniors**

**President Winget pointed out the board packet included an application from Lakepoint Seniors for a \$10 million bond package that needs HFC Board approval to move forward. Attorney Bowen said this additional funding would allow Lakepoint Seniors to meet certain IRS guidelines regarding their tax-exempt status. In essence, fifty percent of this project must be financed by tax exempt bonds, and approval of this item will accomplish that. He said this additional infusion of bond capital has become necessary because the unexpected increase in project costs, due to the issues we are familiar with at this site, have altered the required proportion of bond to private equity capital. He also pointed out that this is the first step in a very long process involving multiple state level approvals, as well as City Council approval. Director Schupp said he thought it would be difficult to get City Council approval of this application. Attorney Bowen said this happened due to changes in the tax law during the course of this project, and neither the HFC nor the City would be liable or adversely affected if the state agreed to issue these bonds to Lakepoint Seniors, and approval of the “Host City” would enhance likelihood of state approval. President Winget asked what the implications are if the HFC does not approve this request. Attorney Bowen said that would have significant/severe financial consequences for the developer. In addition, he said if the HFC did not approve this item, the developer would have to apply directly to the state, but without local approval the process becomes much more difficult and less likely to get funded. He reassured the Board members that this bond money comes with many expenditure safeguards and expenditures must be well documented under the tax code. Finally, he said if the HFC/City does not approve this application, the developer will likely miss the 2024 bond funding cycle and must apply again in 2025, and, again, with financial consequences. President Winget asked for clarification on exactly what action the HFC Board needs to take on this Agenda Item. Attorney Bowen said he would need a resolution passed by the HFC Board/City Council to move forward with this bond application. President Winget said the Board needs to see the resolution before acting. Attorney Bowen said he would forward the text to the Board Members.**



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Director Holston asked why this had to be done today and expressed concern about receiving complex issues at the last minute and having to make decisions without adequate time to study the matter. Attorney Bowen said he regretted this, but the developer is under a time constraint to file this application for 2024 consideration. President Winget asked if we do not approve this resolution today, will Savannah still have time to apply to the state. Attorney Bowen said probably not for this year, they would have to try again in 2025. President Winget asked, if there are no more questions on this Agenda Item, is there a motion to approve this resolution. There being no further questions, or a motion, this Agenda Item was tabled for future consideration.

There was no action taken on this Agenda Item.

President Winget said there was one additional issue concerning Lakepoint Seniors that should be addressed in executive session with Attorney Bowen. President Winget asked to clear the room and called the HFC Board of Directors into Executive Session at 5:31 PM.

**6. One90 Main Update:**

Executive Director Urrutia said he has not received anything from One90 Main on a payment schedule. President Winget asked if forty-nine units were leased or available. Executive Director Urrutia said he did not know. President Winget said he was impressed by driving through the development at how nice it looks and how it is really beginning to come together. Executive Director Urrutia said he was not aware of any issues or problems with this development. President Winget said we should get a schedule of payments from these developers, so we invoice for payments and not miss a payment because we did not ask in a timely manner. There being no other questions or discussion on this item, President Winget moved to Agenda Item 7.

No action was taken on Agenda Item 6.



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**7. RHFC Mission Statement:**

**President Winget asked for a report from those working on a mission statement. Director Kull circulated a proposed sample of several mission statements compiled from those of other similar local HFCs. After a brief discussion it was decided to resume discussion of an RHFC Mission Statement at a future meeting.**

**No action was taken on Agenda Item 7.**

**Director Dunnican mentioned she will be training on how down payment assistance programs work and asked to be on the next HFC Agenda in order to share that information with the Board members.**

**8. Items of Community Interest, Topics for Future Agenda:**

**Director Holston again asked for a discussion/review of the HFC insurance program(s) to be on the next HFC Agenda. President Winget said it is his understanding the HFC is included for coverage under the City TML policy.**

**The next HFC meeting is scheduled for Monday, August 26, 2024.**

**There being no further business, the meeting was adjourned at 6:18 PM.**

**Adjournment:**

**There being no further business, the meeting adjourned at 6:36PM.**

**Approved on \_\_\_\_\_, 2024.**

\_\_\_\_\_  
**Jeff Winget 2024 President**

\_\_\_\_\_  
**Richard Kull 2024 Secretary**

## Request for consideration of the supplemental bond issuance to meet the 50% IRS TEST

Bill Fisher <Bill.Fisher@sonomaadvisors.com>

Wed 7/31/2024 11:13 AM

To: Peter Urrutia <purrutia@rowletthfc.org>

Cc: Ryan Hamilton <ryanhamilton@hamiltoncorporation.com>; Tim Nelson (HTS) <Tim.Nelson@hilltopsecurities.com>; Braxton Parsons (HTS) <braxton.parsons@hilltopsecurities.com>; Melissa R Fisher <mfisher@rise-residential.com>

Peter,

The Borrower is asking to be placed on the August HFC agenda to consider this inducement for Lakeview Senior Living, RISE is asking to participate in the presentation and discussion on this item.

The supplemental bond issuance is required to meet an IRS test that preserves both the housing tax credit funding and tax-exempt bonds which serve as the permanent stabilized financing for this development. This test is a "cliff" test that must be met for the property to provide affordable housing as originally approved by the HFC and the City Council. Failure to meet it completely destabilizes the development and the senior housing we have all worked very hard to complete. You already have 160+ seniors living in Rowlett on the property. This is or was their only option to remain in the Rowlett community.

The additional costs are well documented in the national press. COVID pandemic increased costs for affordable housing on average by 35%. Added to that are the costs associated with the time delays resulting from the fire caused by ONCOR. So, the total development costs pushed nearly all the bond projects financed and built during this period outside this 50% IRS cliff test. Clear evidence of this statewide was the creation of a special priority for supplemental bonds to meet this test at the State level, Bond Review Board.

This board, prior boards and the City council have all worked countless hours to get this affordable senior living completed. It is all for not without this supplemental bond issuance to meet a federal income tax test that preserves everyone's prior efforts.

Please let me know if you need more information to place us on the next agenda.

Your consideration is appreciated.

Bill

James R. (Bill) Fisher  
Sonoma Housing Advisors, LLC  
16812 Dallas Parkway  
Dallas, TX 75248  
214-608-7201  
bill.fisher@sonomaadvisors.com



## ROWLETT HOUSING FINANCE CORPORATION

RESOLUTION EVIDENCING THE CORPORATION'S INTENT TO ISSUE AND SELL ITS TAX-EXEMPT OBLIGATIONS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 FOR THE PURPOSE OF PROVIDING FINANCING FOR THE CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY HOUSING DEVELOPMENT LOCATED IN THE CITY OF ROWLETT, DALLAS COUNTY, TEXAS; AUTHORIZING AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS; MAKING CERTAIN APPOINTMENTS AND DESIGNATIONS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Rowlett Housing Finance Corporation (the "*Corporation*") was duly incorporated and organized under the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "*Act*"); and

WHEREAS, the Act authorizes the Corporation to issue special revenue bonds to provide financing for qualified residential rental projects located within the boundaries of the Corporation, which projects will be occupied substantially (at least 90%) by persons of low and moderate income, as determined by the Board of Directors of the Corporation (the "*Board*"); and

WHEREAS, Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the "*Code*"), provide that the interest on fully registered, qualified bonds issued by or on behalf of the state or its political subdivisions to finance qualified residential rental developments is excludable from gross income of the bondholders for federal income tax purposes if the requirements of Sections 141-150 of the Code are met; and

WHEREAS, Savannah at Lakeview, LP, formerly known as TX Lakeview Seniors, LP (the "*Applicant*"), has applied to the Corporation to issue its tax-exempt obligations in an amount not to exceed \$10,000,000 (the "*Bonds*") to finance the construction and equipping by the Applicant or another affiliate or designee of the Applicant (the "*Borrower*") of a qualified residential rental development located in the City of Rowlett, Dallas County, Texas (the "*Development*"); and

WHEREAS, the Corporation has previously issued its Rowlett Housing Finance Corporation Multifamily Housing Governmental Bonds (Savannah at Lakeview Senior Living) Series 2017 in an original principal amount of \$25,000,000 for the purpose of financing a portion of the cost of the acquisition, construction and equipping of the Development; and

WHEREAS, the Applicant now requests the Corporation to issue the Bonds to finance additional costs of the construction and equipping of the Development by the Borrower; and

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State of Texas is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "*Allocation Act*"); and

WHEREAS, the Allocation Act requires the Corporation, in order to receive an allocation of a portion of the state ceiling for the Bonds and to satisfy the requirements of Section 146(a) of the Code, to file an Application for Private Activity Bonds (the "*Application for Allocation*") with the Texas Bond Review Board (the "*TBRB*"); and

WHEREAS, the Board of Directors of the Corporation (the "*Board*") desires to take action declaring the Corporation's official intent to issue special revenue bonds to finance the Development on the terms and conditions set out below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROWLETT HOUSING FINANCE CORPORATION:

1. The Board finds and declares that the issuance of the Bonds to finance the Development will promote the public purposes described in Section 394.002 of the Act, including assisting persons of low and moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

2. The Corporation declares its official intent to issue the Bonds in an amount not to exceed \$10,000,000 in one or more series, which amount is estimated to be sufficient (i) to fund a loan to finance a portion of the costs in connection with the construction and equipping of Development; (ii) to fund certain reserves for the benefit of the holders of the Bonds; and (iii) to pay certain costs incurred in connection with issuance of the Bonds. The Bonds may be issued in 2024 or in future years in accordance with state and federal laws governing the carryforward of private activity volume cap.

3. The Bonds will be special, limited obligations of the Corporation payable solely from revenue received by the Corporation from or in connection with its loan, from other funds obtained by exercising its remedies in case of default on the loan, or from such other revenue and resources of the Corporation as may be expressly pledged by the Corporation to secure payment of the Bonds.

4. The Bonds will be issued in minimum denominations determined by the Corporation; will be fully registered upon issue; will bear interest at the rates, payable on such dates, and mature, all as may be determined by the Corporation; and will be subject to earlier redemption on such terms and conditions as the Corporation may prescribe.

5. The directors, officers, employees and agents of the Corporation shall not be individually liable for repayment of the Bonds. The Bonds shall not constitute a debt, moral obligation, or pledge or loan of the credit of the State of Texas, the sponsoring local subdivisions of the Corporation or of any other political subdivision of the State of Texas.

6. Issuance of the Bonds is conditioned on:

(i) The Applicant's and the Borrower's satisfaction of the Corporation's requirements for the issuance of the Bonds.

(ii) The Borrower's receipt from the TBRB of an allocation under the state's volume cap imposed by Section 146 of the Code in an amount equal to the total principal amount of the Bonds.

(iii) If the Borrower applies for low income housing tax credits ("*LIHTC*") for the Development, the Borrower's receipt of credits from the Texas Department of Housing and Community Affairs.

(iv) The Applicant's and the Borrower's satisfaction of the requirements relating to the public hearing and approval of the chief elected executive officer, regulatory approvals, rating or private placement and other requirements described in the Corporation's Application for Financing Qualified Residential Rental Projects Instructions and Application Form.

(v) The Applicant and the Borrower providing contractual assurances satisfactory to the Corporation that either 5% of the units will be reserved for occupancy by the elderly or a fee equal to 0.1% of the total principal amount of the Bonds will be paid to the Texas Department on Aging.

(vi) The Borrower providing the Corporation with the opinion of Chapman and Cutler LLP to the effect that interest on the Bonds will be excludable from the gross income of the holders of the Bonds.

(vii) The Board adopting a bond resolution evidencing final approval of the Bonds and the financing of the Development, the adoption of the bond resolution being within the sole discretion of the Board.

(viii) The Applicant making arrangements satisfactory to the Corporation for management of the Development.

(ix) The Applicant and the Borrower retaining Chapman and Cutler LLP as bond counsel ("*Bond Counsel*") and retaining a trustee or fiscal agent for the Bonds selected by the Corporation. The Applicant or the Borrower must sign an engagement letter with Bond Counsel, and pay its required retainer, before the TEFRA hearing is scheduled.

(x) The Borrower executing a tax compliance procedures agreement prior to issuance of the Bonds.

7. The Board finds and declares that this Resolution expresses its official intent to issue the Bonds and to provide reimbursement for expenditures in connection with the Development with proceeds of the Bonds, within the meaning of Section 1.150-2, Title 26, Code of Federal Regulations.

8. The Board designates the Secretary or Executive Director of the Corporation, or his designee, to serve as hearing officer for the public hearing.

9. The Board hereby authorizes Bond Counsel to file the Application for Allocation with respect to the Bonds with the TBRB for an allocation of 2024 state ceiling or such other year in the discretion of the Executive Director of the Corporation.

10. The Board hereby appoints Bond Counsel to act as authorized representative for the purposes of the Application for Allocation to act on behalf of the Corporation on specific correspondence as requested by the TBRB.

[Remainder of Page Intentionally Left Blank]

ADOPTED the 26th day of August, 2024.

ROWLETT HOUSING FINANCE CORPORATION

By: \_\_\_\_\_  
Jeff Winget  
President

Attest:

By: \_\_\_\_\_  
Richard Kull  
Secretary

2.6 If the Applicant has executed a contract to purchase the project site, attach a copy of the purchase contract and give the:

Name, address and telephone number of the present owner:

HFC and RISE own the propretty

Date of Contract:   
 Purchase Price:   
 Closing Date:

Applicant has not executed a contract to purchase the project site.

2.7 Attach a copy of the receipt for the consideration paid for the option or earnest money paid under the purchase contract.  Not Applicable

2.8 If the option or purchase contract is not in the name of the Applicant, attach a copy of the assignment of the option or purchae contract to the Applicant.  Not Applicable

2.9 Give the name, address, telephone, fax number and E-mail address of the architect and registered professional engineer for the project.

Architect: Name:   
 Address:   
 Telephone:   
 Fax:   
 E-mail:

Engineer: Name:   
 Address:   
 Telephone:   
 Fax:   
 E-mail:

2.10 Give the number, type (number of bedrooms and bathrooms), approximate size (square feet), estimated rents, and estimated construction or rrehabilitation cost per square foot of each type of dwelling unit in the project. Attach a site sketch (if available) showing the location of the dwelling units on the site.

# of Units	Type of Units	Size of Units	Monthly Rent	Cost per Sq. Ft.
	See attached			

2.11 Describe any additional facilities to be included in the project - for example, parking laundry, recreational office. If any of these facilities is expected to generate income, estimate the total annual amount expected. (Please limit descriptions to the size of the box.)

HFC has the plans the property is 95% complete

2.12 Check which of the following furnishings and equipment will be included in the dwelling units:

<input checked="" type="checkbox"/>	Air Conditioning	<input checked="" type="checkbox"/>	Range
<input checked="" type="checkbox"/>	Disposal	<input type="checkbox"/>	Carpet
<input checked="" type="checkbox"/>	Refrigerator	<input checked="" type="checkbox"/>	Dishwasher
<input type="checkbox"/>	Fireplace	<input checked="" type="checkbox"/>	Cable TV
<input checked="" type="checkbox"/>	Washer/Dryer	<input type="checkbox"/>	Other (describe)

Granite countertops

2.13 Check which of the following utilities project tenants will be required to pay for on an individual basis:

<input checked="" type="checkbox"/>	Electricity	<input type="checkbox"/>	Water and Wastewater
<input type="checkbox"/>	Gas	<input type="checkbox"/>	Garbage Pickup
<input type="checkbox"/>	Other (describe)		

2.14 Describe any restrictions the Applicant intends to impose on project tenants - for example, family size, no children, no pets. If none, write None.

Senior housing limitation. No children age restricted 55 and older

2.15 Do you intend to set aside 5% of the units for occupancy by the elderly?

Yes       No

Do you intend to pay the Texas Department of Aging and Disability Services at closing a one-time fee equal to 0.10% of the total principal amount of the bond issue?

Yes       No

2.16 Give the estimated cost of constructing and furnishing, or of rehabilitating, the project:

Land	<input type="text"/>
Improvements (rehabilitation)	<input type="text"/>
Design	<input type="text"/>
Engineering	<input type="text"/>
Construction	<input type="text"/>
Developer fee	See budget attached

Furnishings and Equipment	
Construction insurance	
Construction period interest	
Marketing/Advertising	
Taxes	
Legal	
Accounting	
Bond issuance costs	
Reserves	
Other (Describe)	

Total

2.17 Give the estimated annual cost of operating and maintaining the project during its first year of occupancy:

Management Fee	
Administrative Costs	
Operating Costs	Budget attached
Maintenance Costs	
Taxes	
Other (Describe)	

Total

2.18 Has construction or rehabilitation work on the project begun?

Yes

No

If yes, give the beginning date:  and estimated completion date:

If no, give the anticipated beginning date:  and completion date:

2.19 Give the total cost expended or incurred with respect to the project up to the date of this application. If none, write None.

2.20 Describe briefly the anticipated arrangements for the project management. If a professional management company will be employed, attach a resume for the company and estimate the monthly management fee to be paid.



**SOURCES AND USES DETAIL**

Lakeview Senior Living, 7500 Lakeview Parkway, Rowletta, TX, 75088 (Beizle Property)  
 Multifamily Housing Revenue Bonds  
 Series 2024

<b>Sources</b>			
Series 2024 Permanent Bonds	\$	35,000,000.00	
Bridge Loan	\$	-	
Bridge Loan Payback			
Total Loan/Bond Par Amount			\$ 35,000,000.00
4% LIHTC Proceeds	per dollar of credit	\$0.8000	25,557,994.80
TDHCA HOME funds			-
Loan Earn out (10%)			-
FHLB AHP Grant			-
Insurance Claim Net			6,500,000.00
Deferred Developer Fee	20%		1,621,992.70
<b>Total Sources</b>			<b>\$ 68,679,987.50</b>
<b>Uses</b>			
Land Cost	\$	2,325,000.00	
<b>Total Land and Building Acquisition</b>			<b>\$ 2,325,000.00</b>
Construction Costs:			<i>per unit</i>
On-Site Improvements		6,000,000.00	
Structures		30,000,000.00	
<b>Net Change orders</b>			
Accessory Structures (Clubhouse)		550,000.00	
General Requirements		4,285,487.50	
Specialties (elevators, granite, park+ pool and WD)		750,000.00	
General Contractor Overhead		731,000.00	
General Contractor Profit		2,238,000.00	
<b>Total Hard Costs</b>	\$	<b>44,554,487.50</b>	<b>163,803.26</b>
Architect		324,000.00	
Engineering		125,000.00	
Developer Legal SMM + Berman		99,500.00	
Plan Review Fees		9,500.00	
Accounting Fees		50,000.00	
Permit, ROW and Impact Fees (net)		<b>550,000.00</b>	
Appraisal		22,500.00	
Market Analysis		7,500.00	
Environmental Study and Geotech		35,500.00	
Marketing, lease up and operating reserves		210,000.00	
Hazard and Liability Insurance (course of construction)		295,000.00	
HFC legal -Chapman; SMM Developer		50,000.00	
Bridge Loan (Land Loan) Interest		125,000.00	
Inspection Fees (\$1500 x 20)		30,000.00	
Commitment/Compliance/HOME Fees		65,000.00	
SHA Fee+expenses		149,500.00	
Title & Recording		200,000.00	
PILOT Payments per Agreement		600,000.00	
<b>Total Soft Costs</b>	\$	<b>2,928,000.00</b>	<b>10,764.71</b>
<b>Total Construction Costs</b>			<b>174,567.97 \$ 47,482,487.50</b>
Developer Fee			\$ 8,000,000.00
Operating Deficit Guarantee Reserve	\$	1,000,000.00	
<b>Total Reserves</b>			<b>\$ 1,000,000.00</b>
Capitalized Interest (during construction - 30 mos.)	\$	7,000,000.00	
<b>Total Interest Reserves</b>			<b>\$ 7,000,000.00</b>
Permanent Loan Origination (1.0%)	\$	350,000.00	\$ 61,437,487.50
Placement Fee (0.25%)		67,500.00	130%
Construction Loan Origination (1.5%)		500,000.00	\$ 79,868,733.75
Permanent Loan Legal - Martin Drought		50,000.00	100%
Construction Loan Legal - Chapman Cutler		150,000.00	\$ 79,868,733.75
Construction Loan Legal --Martin Drought		175,000.00	4.00%
<b>Bond Counsel: McCall</b>		195,000.00	\$ 3,194,749.35
LP Legal/Due Diligence/App Fees		95,000.00	\$ 2,555,799.48
Borrower Counsel Chapman		25,000.00	
Issuer Closing, app fee plus first 2 years admin Fee		210,000.00	
FFE		205,000.00	
Trustee Fees & Trustee Legal		30,000.00	
BRB Fees		10,500.00	
Financial Advisor Hilltop		250,000.00	
AG/IEFRA Fees		14,500.00	
Contingency		450,000.00	
Enterprise Green		95,000.00	
<b>Total Cost of Issuance</b>			<b>\$ 2,872,500.00</b>
<b>Total Uses</b>			<b>\$ 68,679,987.50</b>

Reflects adjustors

Assumes 1% allowed increase in the TEL up to the volume cap of \$30MM

This budget has gone up from \$40.55 MM at closing  
 Changes highlighted in yellow

**Rowlett Housing  
Finance Corporation**

# Memo

**To:** Jeff Winget President Rowlett Housing Finance Corporation

**From:** Peter D. Urrutia-Executive Director Rowlett HFC

**cc:** Rowlett Housing Finance Corporation Board of Directors

**Date:** August 14th, 2024

**Re:** Commercial General Liability Insurance (CGL insurance)

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**At the July 26 Rowlett HFC BOD meeting there were questions asked about the HFC's insurance and what coverage the HFC carried.**

**After speaking with Robbie Ryan, the owner of Ryan Insurance. I was informed that the only CGL Insurance policy that the Rowlett HFC has is a CGL Premises policy as required by the landlord. I have checked the HFC past years financials to see if any insurance payments/premiums were ever paid and I do not find any such record.**

**Robbie specifically told me, that years ago the HFC investigated buying a CGL insurance policy, however, a few issues surfaced, and a decision was made not to move forward with the CGL insurance policy. For example, a few of the reasons were.**

- 1) Cost the CGL Insurance Policy was quoted in the range of \$50,000.00 a yr premium.**
- 2) The Rowlett HFC is not the builder(developer) and does not own the buildings.**
- 3) They development(s) are multifamily which is part of the reason for high premiums.**