

Meeting Agenda
Rowlett Housing Finance Corporation
Board of Directors Meeting
Thursday, August 3, 2023, at 4:00 p.m.
4000 Main St., Rowlett, TX 75088

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 24, 2023, RHFC Board of Directors meeting.
4. Current development projects and MOUs:
 - a. Presentation by Vista North Shore development team
 - b. Executive Director to provide documentation and detailed information on all other current projects and MOUs.
 - c. Review, discuss, and take any necessary action regarding Rowlett Housing Finance Corporation current projects.
5. Registered agent:
Consider and take action to name a registered agent to receive service of process for the Rowlett Housing Finance Corporation.
6. Bylaws:
Consider and take action to approve the Bylaws of the Rowlett Housing Finance Corporation as amended.
7. Topics for future agenda:
Members of the Board may request topics to be placed on an 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.



Rowlett

Housing Finance Corporation

Agenda Item Back Up

AGENDA DATE: 8/3/2023

AGENDA ITEM: 3

TITLE

Consider and take action to approve the minutes of the July 24, 2023, RHFC Board of Directors meeting.

RECOMMENDED ACTION

Move to approve, amend, or correct the minutes from the July 24, 2023, meeting.

ATTACHMENT

July 24, 2023, meeting minutes

AGENDA DATE: 8/3/2023

AGENDA ITEM: 4

TITLE

Current development projects and MOUs:

- a) Presentation by Vista North Shore development team
- b) Executive Director to provide documentation and detailed information on all other current projects and MOUs.
- c) Review, discuss, and take any necessary action regarding Rowlett Housing Finance Corporation current projects.

BACKGROUND

- a) This development will have 289 units with 100% targeted toward the 60% AMI family. This project originally began in late 2019 when the HFC Board approved an inducement resolution for a \$35M bond reservation for the “Residences at Merritt Hill” with the NuRock Companies. The deal was dissolved in June of 2020 after the developer tried to negotiate without the PILOT payment that he was told was required. NuRock then sold the property to Sonoma Investments/RISE Residential three months later.

The HFC Board then approved an inducement resolution in June of 2021 and then entered into an MOU with Sonoma to complete this project. This is a 4% tax credit deal. This project has an approved regulating plan as well as an approved preliminary plat. However, in December 2021, the Mayor at the time would not sign the approval of the TEFRA hearing results. Instead, the item went before the entire Council which denied the certificate required by the IRS. The developer then sold the property to Cypress Equities, who had planned on constructing market rate units on the site. We had a reservation with the Bond Review Board for \$35M, which we have been carrying over since 2020; the carry over terminates December 31, 2023

We have attempted through other developers to repurchase the property from Cypress Equities as the current Mayor intimated that he would approve the TEFRA without taking it to Council as the previous mayor did. We now have a developer that is negotiating the purchase of the property/plans with a goal of using the \$35M bond reservation.

This one will need to move quickly as we would have to close by the end of the year to keep the \$35M in bonds, as well as keep the reputation of the HFC untarnished by using all of the requested volume cap. The next steps are to enter into an MOU and the Board to hold a TEFRA hearing.

- b) **Jefferson Merritt Park – JPI**
594 units with 51% targeted toward the 80% AMI family. The master planned development will also have 159 single family homes being sold at the market rate.



Agenda Item Back Up

The original MOU was to construct this project in two phases; that was approved by the Board in October 2021. The original concept of phasing the project was a result of the developer being told by the City that there was not sufficient water to support everything being constructed at once. Further research into the project with the City led the developer to change the plan to construct everything in one phase. This caused roughly a four-month delay in determining the correct course of action to construct the development. A Rider to the original MOU was approved in May 2022. The predetermination letter received from Dallas County Appraisal District August 4, 2022 showing the ad valorem exception for the Rowlett HFC.

Staff have already approved the regulating plan.

Next steps for the HFC and JPI is to enter into a Partnership Agreement. In addition, JPI will need to negotiate a PILOT with the city.

Townhome/Single Family Development

The same developer as above, Streamline Advisory Partners, is proposing this project. This property is located on Chiesa and will comprise 296 single family, duplex, and quad homes. A sample elevation that would be utilized with some modifications for this project is shown below. The following is the proposed unit mix breakdown subject to land planning and site plan design by both architect and engineers:

- 50 – 1 bed + 1 bath
- 80 – 2 bed + 2 bath
- 136 – 3 bed + 2 bath
- 30 – 4 bed + 2 bath

Kephart Architects will be the architect. They are an award-winning firm based in Denver and have designed communities like the proposed throughout Texas. To meet HUD financing guidelines, I will need 50% of the units attached and the balance single family homes.

- c) Review, discuss, and take any necessary action regarding Rowlett Housing Finance Corporation current projects.

RECOMMENDED ACTION

Achieve consensus on moving forward with the Vista North Shore project as presented.

ATTACHMENT

Approved MOU Rider for Jefferson Merritt Park
(Developer will discuss Vista North Shore)



AGENDA DATE: 8/3/2023

AGENDA ITEM: 5

TITLE

Consider and take action to name a registered agent to receive service of process for the Rowlett Housing Finance Corporation.

BACKGROUND

Currently, the HFC is using CoGency Global as its registered agent since 2017. An annual fee of roughly \$150 is paid to CoGency to act as its agent.

RECOMMENDED ACTION

Keep the current registered agent as they have been fulfilling this role since the HFC's inception.

ATTACHMENT

None



AGENDA DATE: 8/3/2023

AGENDA ITEM: 6

TITLE

Consider and take action to approve the Bylaws of the Rowlett Housing Finance Corporation as amended.

BACKGROUND

During its July 17, 2023 Board meeting, the Board of Directors discussed changes to the Bylaws of the Corporation to bring the HFC in line with the provisions of the Texas Open Meetings Act.

RECOMMENDED ACTION

Move to approve the proposed changes.

ATTACHMENT

Edited and Final Proposed copy of the HFC Bylaws.

C&E I

CYPRESS EQUITY INVESTMENTS

VISTA NORTH SHORE ATTAINABLE DEVELOPMENT

9310 MERRITT ROAD
ROWLETT, TX

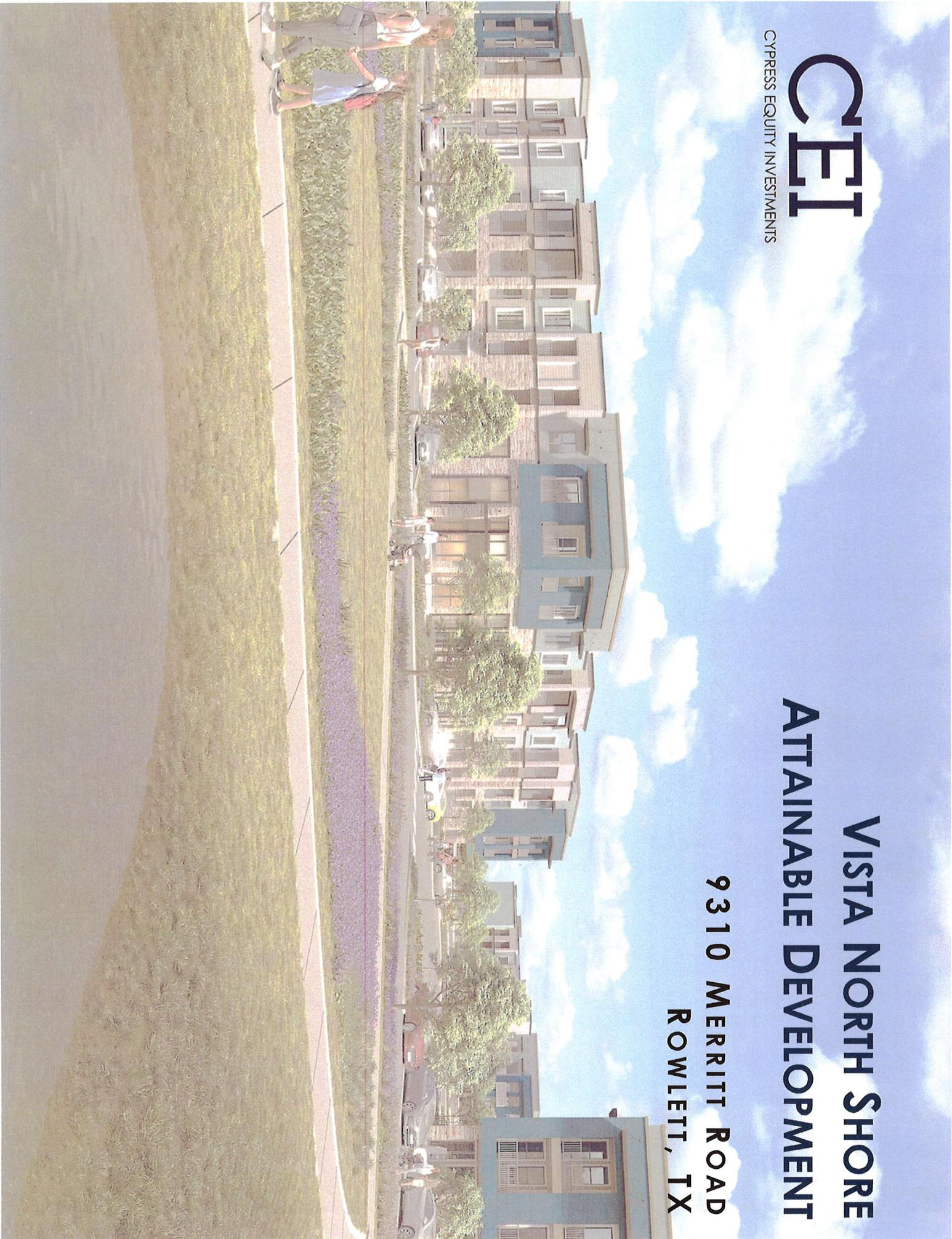


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About Us

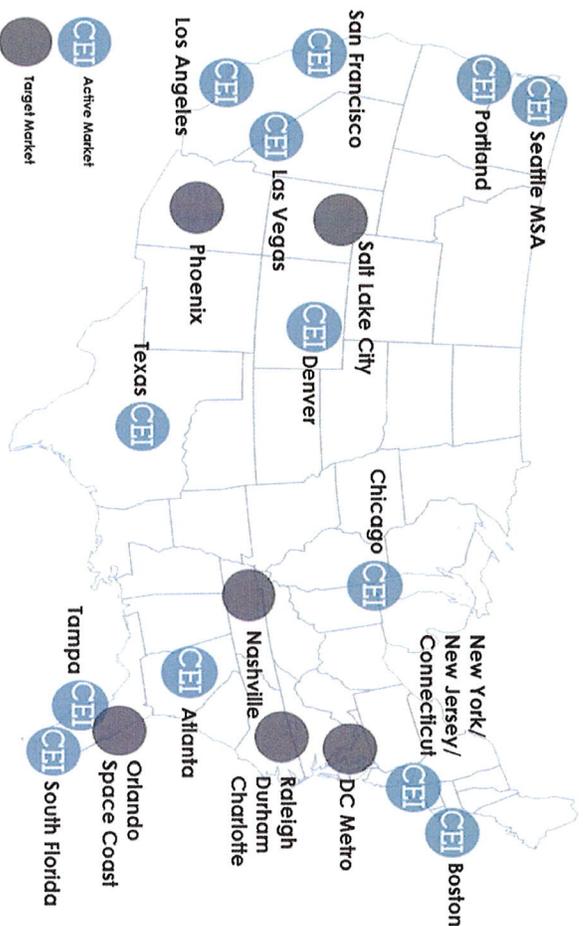
Cypress Equity Investments

Cypress Equity Investments LLC ("CEI") is a national real estate developer and investor focusing on affordable and market rate multifamily/mixed-use assets, commercial lab space, self-storage, office and retail.

Since 2001, CEI has purchased, developed, and invested in **156 projects**, amassing a portfolio and pipeline in excess of **21,000 multifamily units, including 2,500 attainable units.**



CYPRESS EQUITY INVESTMENTS



NATIONAL REACH & LOCAL PRESENCE

CEI has an ongoing presence in over 20 cities and is actively acquiring in nearly every major US Market.

CEI has over 60 dedicated team members working from permanent offices in Los Angeles, Chicago, Dallas, Denver, Florida, and New Jersey.



Multifamily Development Opportunity
9310 Merritt Road (Dallas MSA)

About Us



STREAMLINE
EFFICIENT | EFFECTIVE | EXECUTION

Streamline Advisory Partners

Streamline Advisory Partners is a privately-owned real estate development and consulting company specializing in multifamily and senior living projects.

Streamline pride themselves on being creative in their approach to overcoming the unique challenges that developing attainable housing poses. So much so that their small team recently ranked the 17th Top Affordable Housing Developer in the nation by Affordable Housing Finance.

Their specialized backgrounds in Section 42 LIHTC and Federal and State Historic Tax Credits enable them to utilize many debt executions, including both HUD and Agency debt. They navigate through a streamlined process to develop quality affordable housing.

CEI

Multifamily Development Opportunity
9310 Merritt Road (Dallas MSA)

Development Summary

CEI is working towards developing a 289-unit attainable multifamily housing project in Rowlett, TX and partner with RHFC to provide affordability.

HIGHLIGHTS

- **Attainable Housing:** The Rowlett development targets the 60% AML population.
- **Tax Exempt Bond Funding:** The RHFC would issue \$35M in tax-exempt bonds to finance the project.
- **Shovel Ready:**
 - Site Development Plan Approved
 - Preliminary Plat Approved
 - Civil Construction Permit Approved
 - Building Permit Ready to be Pulled
- **Location:** The Project is located 17 miles northeast of downtown Dallas and is 1 mile from the George Bush Turnpike. The site is adjacent to the Harmony Luxury Apartments.

PROPERTY INFORMATION

Name	Vista North Shore
Street Address	9310 Merritt Rd
City, State	Rowlett, TX
Number of Units	289
Net Rentable Area	246,349 SF
Average Unit Size	852 SF
First Unit Delivery	Mar 2025
Site Area	16 ac
Zoning	FBC Urban Neighborhood

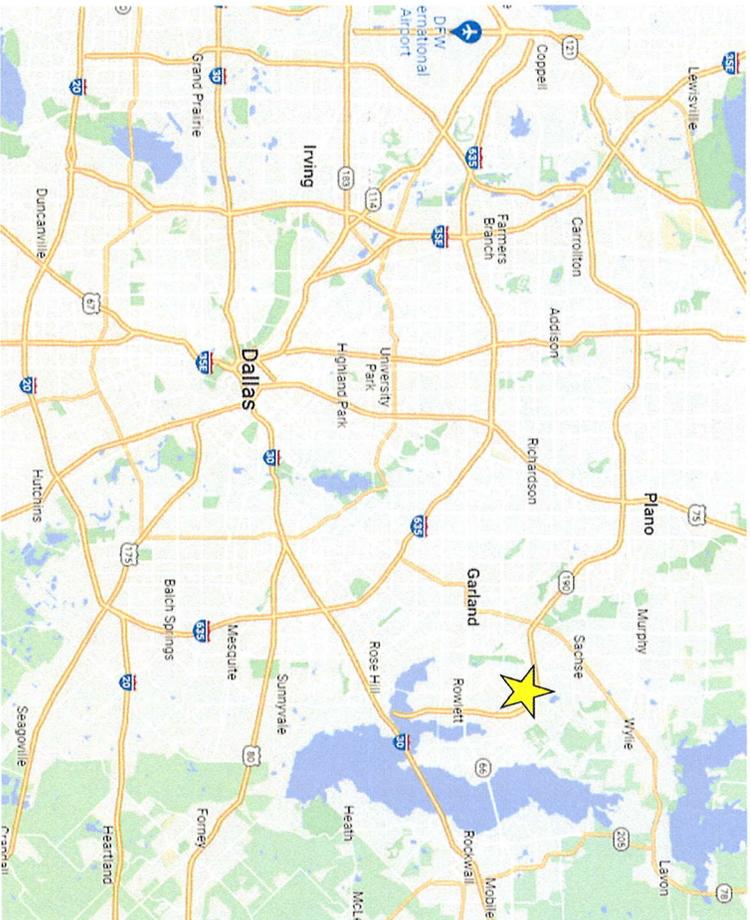


Location Overview

LOCATION OVERVIEW

9310 Merritt Road is a 16-acre (12-acre net) site located in Rowlett, TX. It is situated directly off the President George Bush Turnpike.

It is currently located in a 2023 Difficult Development Areas (DDAs).



DEMOGRAPHICS

	1-mile	3-mile	5-mile
Population (2022)	2,692	91,260	221,657
Population Growth (2022-2027)	1.0%	1.2%	1.4%
Median Age	34.9	35.1	35.9
Median HH Income	\$121,752	\$103,183	\$93,052
Average Home Value	\$394,584 (0.88% YoY Growth)		

Source: CoStar, Zillow

INCOME LIMITS FOR 60% AMI

Number in Household	60% Limits
1 Person	\$43,320
2 Person	\$49,500
3 Person	\$55,680
4 Person	\$61,860

Project Overview

PROPERTY INFORMATION

Name	TBD
Street Address	9310 Merritt Rd
City, State	Rowlett, TX
Number of Units	289
Net Rentable Area	246,349 SF
Average Unit Size	852 SF
First Unit Date	Mar 2025
Site Area	16 ac
Zoning	FBC Urban Neighborhood

DEVELOPMENT TEAM

Owner	9310 Merritt Rd LLC
Developer	Cypress Equity Investments
General Contractor	CEI Construction LLC
Affordable Consultant	Streamline Advisory Partners
Architect	HEDK
Civil	Kimley Horn
Interior Design	SJL Design Group
Landscape	Weeks Design Group
Property Mgmt	TBD – third party manager

SITE PLAN



Project Overview

ELEVATION



UNIT MIX

Unit Type	Qty	%	Area		Projected Monthly Rent		
			per Unit	Total	per Unit	per SF	
Studio	48	16.6%	595	28,560	\$1,083	\$1.82	
1-bedroom	150	51.9%	756	113,340	\$1,160	\$1.54	
2-bedroom	70	24.2%	1,077	75,415	\$1,392	\$1.29	
3-bedroom	21	7.3%	1,383	29,034	\$1,608	\$1.16	
Total	289	100.0%	852	246,349	\$1,236	\$1.45	

SCHEDULE

- July 2022 – Land Acquisition
- December 2023 – Groundbreaking
- October 2025 – Construction Completion
- May 2026 – Stabilization

Project Economics

BUDGET

Sources and Uses

Uses	Total
Purchase Price	8,150,000
Hard Costs	42,883,950
Soft Costs	4,500,360
Finance Cost	2,726,373
Reserves and Interest	3,252,055
Developer Fee	7,471,012
Total Uses	\$68,983,749

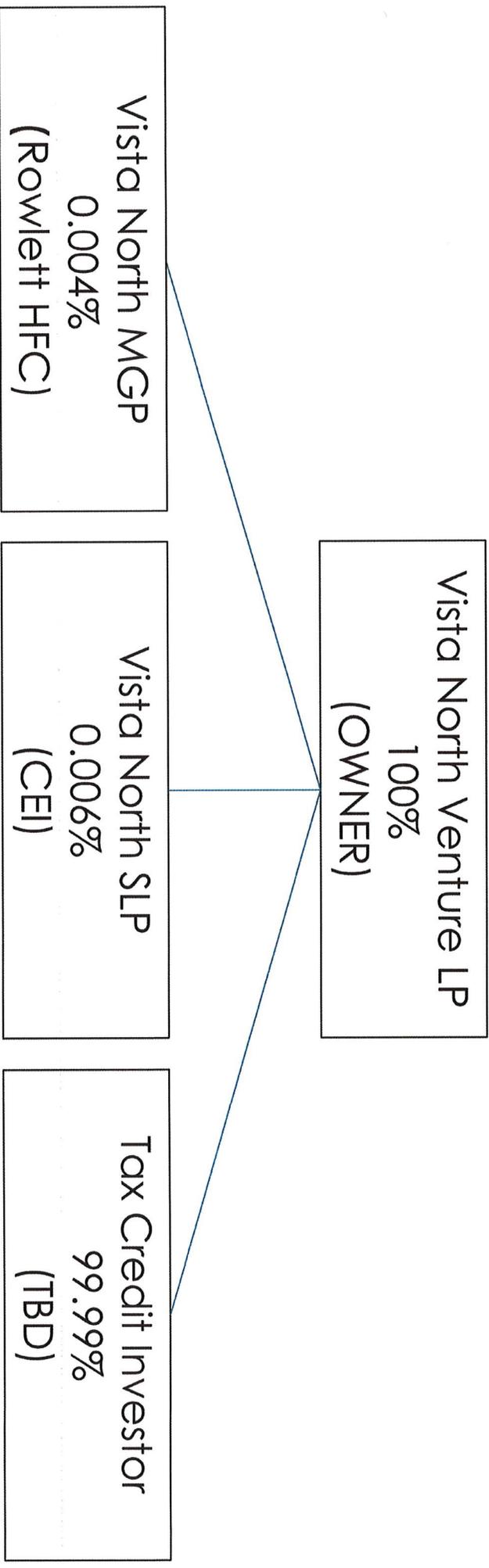
Source	Total
Tax Exempt Financing	34,723,227
Federal Tax Credit Equity	25,612,051
Seller Note	4,000,000
Deferred Developer Fee	4,648,472
Total Sources	\$68,983,749

CAPITAL STRUCTURE

Debt: Private placement

Equity: R4, RBC, Merchants, Affordable Housing Partners (AHP)

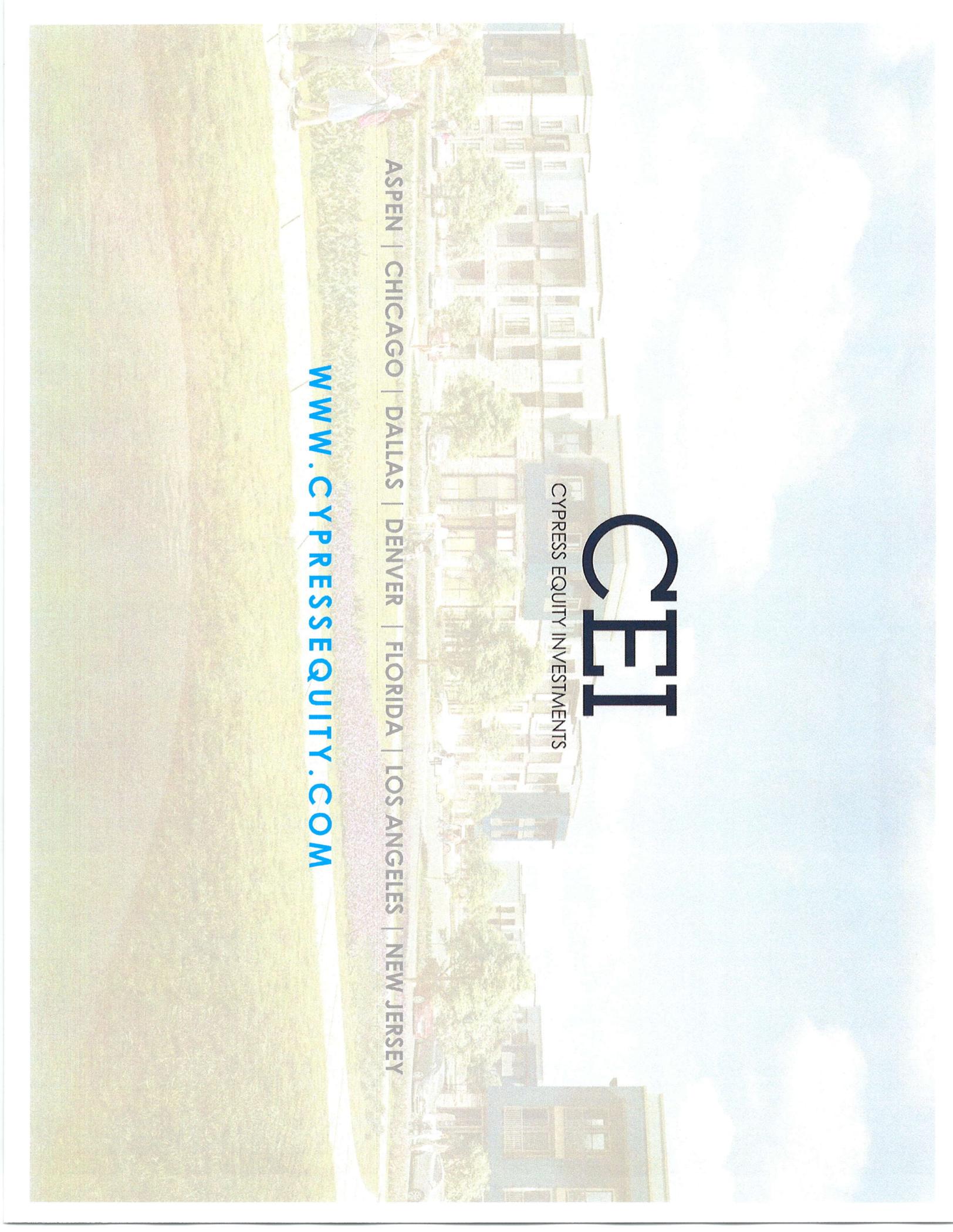
Partnership Structure



Next Steps & Timeline

- The RHFC holds a TEFRA (Tax Equity & Fiscal Responsibility Act) hearing for the issuance of the \$35M in carry forward bonds.
- The RHFC and developer negotiate a Memorandum of Understanding (MOU) and Limited Partnership Agreement.
- The City of Rowlett and developer negotiate a PLOT for city taxes.
- **The property to close by the end of 2023 before \$35M carry forward bonds expire.**





CET

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