

Rowlett Housing Finance Corporation
Board of Directors' Meeting Minutes: April 12, 2023, 9:00 a.m.
Freedom Place Church
4113 Main St., Rowlett, TX
(Zoom call in for virtual attendees)

Board Members:

Present: President Karl Crawley; Vice-President Dan Pence; Secretary Brandon Stewart; Rikki Harper; Rick Sheffield, Executive Director

Absent: Debby Bobbitt

Quorum present? Yes

Others Present via Zoom: Braxton Parsons, Hilltop Securities; Ryan Bowen, Chapman & Cutler.

1. Call to order.

The meeting was called to order at 9:08 a.m. by President Karl Crawley.

2. Consider action to approve the minutes from the March 8, 2023, Board of Directors' meeting.

Brandon Stewart made a motion to approve the minutes as presented. The motion was seconded by Dan Pence and was passed unanimously by those members present.

3. Discuss option for providing affordable rentals in Rowlett ETJ in partnership with Whitlock Commercial Services.

Chris and Carolyn Whitlock, with Whitlock Commercial Services presented to the Board their apartments that they have been constructing on Elm Grove Road in the Rowlett ETJ. They have run into issues with the City of Rowlett in acquiring sewer/wastewater connections for their development.

Mr. and Mrs. Whitlock are seeking the HFC's assistance in working with the city to provide the needed services. In return, they are willing to offer half of the proposed new units at affordable rents for Rowlett workers.

Dan Pence made a motion to direct staff to advocate on Mr. Whitlock's behalf to the city of Rowlett to allow him to tap into city water/sewer lines which will help build 6-8 more units for affordable housing. The motion was seconded by Brandon Stewart and passed unanimously by those members present.

4. Consider action to approve entering into an agreement with Auxano Development to partner on the acquisition of, and creation of a workforce housing development for, the Rowlett Station apartments located at 3601 Melcer Drive, Rowlett, Tx 75088.

Darren Smith with Auxano Development presented information on the property and shared the proposed partnership financials. The equity investor, TTI Capital, is working with the owner to re-capitalize the 302-unit complex. In exchange for providing the tax incentives to the partnership, they are committed to providing 41% of the units for the 80% AMFI and an additional 10% of the units for the 60% AMFI. Dan Pence made a motion to approve the HFC entering into a partnership with TTI Capital and instruct staff to begin negotiations on a Memorandum of Understanding. The motion was seconded by Brandon Stewart and passed unanimously by those members present.

5. Consider action to approve entering into an agreement with Auxano Development to partner on the acquisition of, and creation of a workforce housing development for the Mission Rockwall apartments located at 923 W. Yellow Jacket Ln, Rockwall, Tx 75087.

Staff briefed the Board on this project, stating that it was essentially the same type of proposed partnership as Rowlett Station. Currently, Auxano is working with securing the equity investor and is not prepared to present this deal for the Board to take action. Staff also noted that since this is in the North Central Texas HFC's jurisdiction, Rowlett needs to coordinate with them to acquire permission to implement the deal. The Board discussed background information and directed staff to engage NCTXHFC. Dan Pence made a motion to table this item until a date uncertain. The motion was seconded by Rikki Harper and passed unanimously by those members present.

6. Consider action to approve two resolutions allowing for a \$3,466,491 loan to Savannah at Lakeview, LP fka TX Lakeview Seniors, LP to finance the fire damage claim and complete construction on the development.

Staff presented this item to the Board. The additional loan is needed for RISE Residential to complete the construction on Building 2, which was heavily damaged by a fire in December, 2019. Brandon Stewart made a motion to approve the presented resolutions. The motion was seconded by Dan Pence and was passed unanimously by those members present.

7. Discuss and provide direction to staff regarding the possible purchase of the Alissa Townhomes development in Rowlett.

Staff briefed the Board on a property listed for sale in Rowlett. The community consists of twenty-eight townhomes configured with twelve, two-bedroom and sixteen three-bedroom townhomes. The sale is being positioned as encouraging the new ownership to increase revenue significantly by implementing rent bumps on all the units as the

current leases renew. These units could also be remodeled and sold at retail pricing as single-family homes since they are already individually parceled. However, the goal for the HFC would be to keep the units affordable and not push the existing tenants out.

Staff, along with Darren Smith of Auxano Development, toured the property the week before the meeting. They noticed a considerable amount of deferred maintenance needed, to include roofs, HVAC, wood rot, etc. Mr. Smith volunteered to run the numbers to see if it would be feasible for the HFC to consider the purchase and keep the rents affordable so as not to displace the current tenants. Unfortunately, based on the projected sales price, there would barely be enough funds to cover the debt service, with nothing left for maintenance.

Staff recommended that this item be pulled from the agenda; the Board agreed.

8. Hear presentation on March 2023 financials and 1Q23 budget vs. actual comparison.

Staff presented the operating financials for March. Expenditures were rent and salary, with additional funds spent for the Housing Rally Day in Austin. The budget vs. actual numbers for the first quarter show to be over in several areas, such as memberships, which are amortized over the entire year. To help show a clearer picture, staff will present future budget vs. actual reports showing the entire year's budget and the expenses as a percentage of that annual amount.

9. Discuss the presentation material to be used for the HFC's participation in the My Rowlett Podcast.

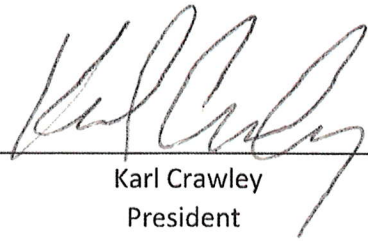
Staff presented a list of topics for the Board to consider and comment on for inclusion in the podcast. In addition, staff asked the Board to appoint a member to participate in the podcast with staff in May of this year. The Board directed Brandon Stewart to participate and he will meet with staff the week of 4/17/2023 to discuss and refine material and topics for conversation in the podcast. The list of topics needs to be submitted to city staff by the end of April.

10. New/ Other Business

Staff notified the Board that the HFC's request for a refund of monies expended with Network for Good fundraising software since the initial investment was not recouped in the first year of operation. The request was denied due to the fact that the HFC did not issue any video fundraising requests. While this was not covered through the onboarding and coaching process, Network for Good is standing firm in their denial.

11. Adjourn

President Karl Crawley adjourned the meeting at 10:34 a.m.

By: 
Karl Crawley
President

ATTEST:

DocuSigned by:
By: Brandon Stewart
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Brandon Stewart
Secretary

Date approved: 6/14/23