

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: October 14, 2020, 9:00 a.m. Video Conference

Board Members:

Present by Zoom Conference: President Barbara Holst, Riki Harper, Dan Pence, Karl Crawley, Debby Bobbitt, and Rick Sheffield, Past President and Executive Director,

Absent: None

Quorum present? Yes

Others Present via conf: Tim Nelson, Hilltop Securities; Ryan Bowen, Chapman Cutler, Mark Malveaux, McCall, Parkhurst and Horton; Brian Funderburk, Rowlett City Manager; Bill Fisher, Sonoma Investments.

1. Call to order.

The meeting was called to order at 9:05 a.m. by President Barbara Holst.

2. Consider action to approve the September 16, 2020 meeting minutes.

The motion passed by unanimous consent.

3. Hear presentation on September 2020 financials and review of 3Q20 budget vs. actual.

Staff presented the operating cash flows for the month of September 2020. The only expenses were for salary, taxes, software. As of the end of the third quarter, actual expenses were at 91.02% of the budgeted amount.

4. Consider action on a request from the City of Rowlett to revise the HFC's Articles of Incorporation.

Brian Funderburk briefed the Board on the City Council's desire to re-establish language in the HFC's Articles of Incorporation that requires the City of Rowlett to approve all debt issued by the HFC. This verbiage had been removed last year as part of an effort to keep the City at "arm's length" from the HFC and provide protection from any real or perceived liability for both parties. Mr. Funderburk also reviewed their accounting firm's declaration that the HFC be reported as a discreetly presented component unit. Additionally, he discussed the Council's desire to have oversight capability on the HFC's projects. They lost this capability when the Governor waived the requirement that a developer obtain a Resolution of No Objection (RONO) from the Council for any bond projects.

Staff supplied additional information as to the background of the changes and proposed an alternative to changing the articles. A Board resolution was proposed that would

require all future developers to obtain a RONO while the Governor's Emergency declaration was in effect. The resolution went on to add that no TEFRA hearings would be held until such time as the developer obtained a RONO from the City.

After much discussion by the Board, all felt that the HFC should give Mr. Funderburk time to discuss this compromise with the Council and give feedback to the HFC. A motion was made by Dan Pence to table the item to a date uncertain to allow the City time to review the proposed resolution. Karl Crawley seconded the motion which passed unanimously.

5. Consider action to approve an Inducement Resolution for a tax credit development located at 9300 Merritt Road, Rowlett, Texas 75089.

Bill Fisher with Sonoma Investments presented to the Board a 260 unit affordable development on the same land that a previous developer had tried to construct a similar development. The previous developer's option on the land expired and Sonoma executed a contract on the land and proposes to take up the previously approved regulating plan and carry it to completion. Sonoma is aware of, and willing to pay, a PILOT to the City for their portion of the ad valorem taxes.

After discussion, Karl Crawley made a motion to approve the Inducement Resolution so that work can begin with the City. Dan Pence seconded the motion and it passed unanimously.

6. Hear presentation on the TALHFA Virtual Education Event to be held November 9-10, 2020.

Staff updated the Board on TALHFA's plan to provide virtual webinars similar to what was done by NALHFA and TAAHP. The HFC, as a 1-key sponsor, will receive one free admission to the webinars. Additional admission would cost \$199 per member, or if more than three wanted to attend, the price was reduced to \$179.

After reviewing the available topics, the Board provided feedback to staff that they would work with the one free admission and would not require additional seats.

7. New/Other Business

Barbara Holst welcomed new Board member Debby Bobbitt. Debby provided a brief self introduction and background.

8. Adjourn

The meeting adjourned at 10:56 a.m.

DocuSigned by:

Barbara Holst

Barbara Holst, President

DocuSigned by:

Rick Sheffield

Rick Sheffield, Secretary

Date approved: 11/18/2020