

## Rowlett Housing Finance Corporation

### Board of Directors' Meeting Minutes: October 16, 2019, 10:00 a.m. Fulton Building, Longhorn Conference Room 4113 Main Street, Rowlett, TX 75088

#### Board Members:

*Present:* President Barbara Holst, Vice President Bruce Hargrave, Dan Pence, Riki Harper, and Rick Sheffield, Past President and Executive Director,

*Absent:* None

*Quorum present?* Yes

*Others Present:*

*By Audio Conference:* Michael Medanich: Hilltop Securities, Ryan Bowen: Chapman & Cutler, Mark Malveaux: McCall, Parkhurst & Horton LLP, Karl Crawley: HFC Board

#### 1. Call to order.

The meeting was called to order at 10:05 A.M. by President Barbara Holst.

#### 2. Consider action to approve the minutes of the September 25, 2019 meeting.

The minutes were approved by unanimous consent

#### 3. Hear presentation on September 2019 financials and 3Q19 Budget vs Actual comparison.

Staff presented the Monthly Reporting of Accounts and provided account balances and financial transactions for September 2019. In addition, an analysis of the 3Q19 budget vs actual numbers show non-forecasted income of \$6,000 for the multifamily applications from the NuRock Companies. At the end of the third quarter, the actual operating budget numbers are just 1.3% over budget. The main contributors to the overage are all items that were not forecasted at the beginning of the year as they all pertained to the office lease that was executed in April 2019 (computer/internet and liability insurance coverage).

#### 4. Consider action to approve a Memorandum of Understanding (MOU) to partner with Integrated Real Estate Group to construct a multifamily workforce project (tabled 9/25/19).

Director Pence motioned to remove the item from the table, seconded by Director Hargrave. After the motion passed unanimously, Ryan Bowen presented the highlights of the MOU and after discussion, Director Pence made a motion to accept it as written. The motion was seconded by Director Harper and passed unanimously.

#### 5. Consider action to approve a Memorandum of Understanding (MOU) with The NuRock Companies to construct a workforce and a senior-restricted multifamily project.

Ryan Bowen walked the Board through the two MOUs which differed from previous partnerships in that NuRock did not require RHFC to act as the General Contractor on either the senior or the family development. NuRock did not wish to take advantage of the sales tax exemption on hard construction costs. The Board reviewed a hard copy of the MOU for the senior deal; the family deal would be identical other than the development name. The cash flow split was also lower than previous MOUs reviewed by this Board.

After discussion of different options to address the cash flow, Director Pence motioned that the HFC accept the MOU and direct staff to negotiate a 20% increase to the HFC split of cash flow. The Board discussed and a friendly amendment to authorize staff to accept the existing cash flow split in the event that an increase could not be negotiated. Director Harper seconded the motion which passed unanimously.

The Board also directed staff to work with the NuRock Companies to arrange a site visit to a NuRock property.

6. Consider action to approve an Inducement Resolution for The Nurock Companies to construct a workforce and a senior-restricted multifamily project (tabled 9/25/19).

Director Crawley motioned to remove the item from the table, seconded by Director Pence; the motion passed unanimously.

Director Hargrave motioned to approve the Inducement Resolutions contingent upon the final approval of the MOUs. The motion was seconded by Director Harper. The Resolutions would then be available to be approved via email by unanimous consent.

7. Update on City of Rowlett process for accepting new tax credit development applications.

Staff provided an update from the October 8, 2019 City Council meeting where City staff presented information to the Council concerning multiple properties for which they had received interest from tax credit developers for construction multifamily projects. City staff will create an "application" of sorts that developers would then complete. This would provide the City with information about the project, the developer, and the means of financing. Then, a meeting with Council would be set up for the developer to come in and discuss the project with Council during a work session. The goal would be to gauge Council interest in the project.


8. New/Other Business.

Staff presented Trio mortgage numbers for 3Q19 as well as one loan in October. At the end of October, the HFC should receive just over \$2,200 for 3Q19. The one closing in October nets just under \$1,000 and there are another 8-9 loans currently in escrow.

Staff and President Holst updated the Board on the conference call held with D.J. Pendleton from the Texas Manufactured Housing Association. The HFC has a good list of contacts for manufacturers and can receive some assistance in selling MH to the City. There is a lot of work left to do on this subject. Staff will set up visits with a couple of the vendors.

9. Adjourn

The meeting adjourned at 11:10 a.m.

  
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Barbara Holst, President

  
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Rick Sheffield, Secretary

Date approved: 11/20/19